



Should not be viewed by CEO due to Conflict of interest

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Minutes of the Council meeting held at One Kemble Street on 8 May 2018

Present:

Council	Head Office staff
Professor Fiona Watt (Executive Chair)	Ms Sam Bartholomew
Dr John Brown	Dr Rob Buckle
Dr Roger Highfield	Mr Hugh Dunlop
Professor John Iredale	Dr Declan Mulkeen
Mr Richard Murley	Mrs Helen Page
Dr Mene Pangalos	Dr Frances Rawle
Professor Jill Pell	Ms Susan Simon
Professor Sir Munir Pirmohamed	Ms Linda Holliday (item 8 only)
Professor Eleanor Riley	Dr Louisa Rahemtulla (item 8 only)
Dr Graham Spittle	
Professor Irene Tracey	
Dr Pauline Williams	
Professor Charlotte Watts	
Dr Louise Wood	
Observer	
Dr Katy Ingleby	

1. Welcome and introductions

Professor Watt welcomed everyone to the first meeting of the new MRC Council under UK Research and Innovation (UKRI) and invited attendees to make round-the-table introductions.

Professor Watt noted she was pleased to have a good mix of continuing and new members to support her and ensure that Council was as effective as possible under UKRI.

2. Register of declared interests

Professor Watt requested that members inform the secretariat of any updates to their declarations of interest.

3. Executive Chair's overview

Professor Watt presented slides which provided an overview of the MRC within the context of UKRI. She outlined some of the potential challenges the MRC faced and the issues she would need help from Council to address. She explained that while the creation of UKRI brought many opportunities, it had also generated some uncertainty with regards to staff roles, particularly in functions that would change under UKRI such as HR and finance. Professor Watt also highlighted that the need to conduct core MRC business while responding to new initiatives placed additional demands on staff; this was

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an issue experienced across all the councils. Another consideration was whether the MRC had the right balance between core investments and response mode funding. Finally, thought needed to be given as to how best to communicate with different constituents. The MRC needed to ensure it was at the top of its game with regards to communications and getting good stories out there – this would benefit UKRI as a whole.

Professor Watt concluded by outlining her immediate priorities as Executive Chair. She aimed to:

- ensure that success rates were fair across schemes
- improve opportunities for clinician scientists and experimental medicine research
- intervene to help researchers at different pinch points in their careers
- encourage diversity and support scientists with different background to ensure potential talent was not wasted.

Professor Charlotte Watts pointed to the importance of partnerships and noted that a Chief Scientific Adviser would be allocated to each of the new Councils to ensure better alignment. UKRI and the Councils would have a role to play in supporting government departments as they delivered and it would be useful to have discussions as to how that could be achieved.

Council turned to communications and members reported that there appeared to be a lack of awareness within the research community regarding the creation of UKRI. Dr Buckle explained that the MRC had undertaken a series of strategic visits to universities at which he had explained what UKRI was and provided reassurance that MRC business would continue as usual; any change would evolve over a two-to-three-year period.

Members noted that it was essential to keep the government interested in research and innovation to ensure future funding and discussed opportunities for the MRC to communicate good stories such as the national launch of UKRI on 14 May and the 70th birthday of the NHS in July.

Mr Dunlop noted that there was currently some uncertainty as to how communications would be handled under UKRI; it was expected that there would be central and council specific teams. Until there was more clarity, the MRC communications team would take their lead from Professor Watt and focus on getting MRC stories out there.

There was some discussion regarding the need to re-build confidence in response-mode funding and that this was not just an MRC issue. Members suggested UKRI could help with sharing best practice across all the Councils. Members also discussed what the optimum success rate would be and noted that at 22% the MRC's success rate was not far off the suggested optimum of 25%.

4. Council Terms of Reference and meeting arrangements for 2018/19

Dr Rawle introduced this item and informed members that they were being asked to consider the draft UKRI-MRC Council Terms of Reference to either ratify the document or suggest amendments to the document for consultation with UK Research and Innovation. Members were also being asked to agree the Council meeting plans for 2018/19 and to discuss potential objectives for 2018/19.

Whilst the draft Terms of Reference were agreed without any amendments, members suggested some changes to the responsibilities of all Council members within paper 4:

- Makes a serious commitment to attend all Council meetings and participate effectively in Council business and any other relevant MRC activities providing robust scrutiny and challenge;
- Acts as an ambassador/advocate for *MRC and* UKRI;
- Actively engages with the public, patient groups and the research community

The Council meeting plans for 2018/19 were agreed and members approved the suggestion that a future Council meeting might be held at the MRC Laboratory of Molecular Biology (LMB) in Cambridge. Members welcomed the opportunities for engagement with Strategy Board in the coming year and discussed the respective roles of Strategy Board and Council under UKRI. Dr Mulkeen explained that Strategy Board membership consisted of the chairs of the four research boards, chairs of the four overview groups, a director of an MRC institute or unit, and an extramural representative. Professor Watt highlighted the importance of having Strategy Board as a forum for engaging with the

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group of people who saw funding requests coming in, however it was also important to have higher-level strategic discussions and decision-making at Council.

Members agreed that Council should focus in-depth on specific topics at each meeting and suggested Council objectives for 2018/19 could cover:

- Diversity
- Strategy formation including engagement with other Councils
- Careers (broad based, not just clinical careers)
- Intellectual Property (including with regard to working with industry)
- Communications (including reputational issues/brand and engaging with the public)

A paper on the Council objectives for 2018/19 would be prepared for the July Council meeting.

5. Delegation and decision-making arrangements

Dr Rawle introduced this paper which set out the various standing boards and committees within the MRC, the distribution of advisory and decision-making responsibilities between them and Council itself, and what changes were required due to changes in governance arrangements with the transition to UKRI. She highlighted that there was a single Audit, Risk, Assurance and Performance Committee (ARAPC) for the whole of UKRI, which reported to the UKRI Board. The former Audit, Risk and Assurance Committee of the MRC legacy Council would continue in existence to oversee the completion and sign-off for the MRC 2017/18 annual report and accounts, but after that there would be no separate audit committee for the MRC. The MRC had retained responsibility for its institutes and other large investments, and managing risk and providing assurance in relation to major investments like these remained a role for Management Board and Council.

Dr Rawle confirmed that the new Council could establish subcommittees if it wished. Council agreed that there was still a need for an Ethics, Regulation and Public Involvement Committee (ERPIC) noting that no progress had yet been made on reviewing the need for ethical advice and how it should be obtained across the whole of UKRI, and, the MRC required its own source of advice on ethical issues that may not be relevant to the other Councils. Baroness Onora O'Neill had agreed to continue chairing ERPIC while she remained a member of the MRC legacy Council but a new chair would be required after the June meeting. Council noted that the membership of the committee consisted of experts in the field of ethics, public involvement and law. Dr Rawle requested that any Council members interested in joining or chairing the committee let her know.

Dr Rawle explained that previously, there had been separate subcommittees dealing with Remuneration and Nominations respectively. The Nominations Committee had been formally disbanded as its remit primarily related to Council appointments, which were now the responsibility of the UKRI Board. The Remuneration Committee had been responsible for advising on the MRC pay remit, staff benefits and senior staff pay, which for MRC office staff was now the responsibility of UKRI. However, MRC retained devolved responsibility for terms and conditions for institute staff and the new Council Terms of Reference included (section v) "Advise the Executive Chair on the appointment of Institute Directors and senior management staff and on terms and conditions of academic, specialist and research staff in the MRC's institutes". It was not yet clear exactly what was required, but there could be an advantage to having a small nominations and remuneration subcommittee to advise the Executive Chair on these issues as and when required.

Council agreed that that the overall distribution of committee responsibilities should be reviewed again later in the year as the new working arrangements within UKRI developed, with a view to deciding then whether subcommittees were required to deal with nominations and/or remuneration and other staff issues.

Council stressed the importance of clarifying where responsibility for MRC-specific risk and assurance lay. Council also agreed that they would like to review the MRC risk register on a regular basis. Additionally, members suggested that there could be merit in setting up subcommittees to consider the areas in which Council were setting objectives in greater detail.

6. Finance report and overview of financial planning under UKRI

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Mr Dunlop presented slides which provided an overview of how MRC finances worked and highlighted some of the key financial operating risks and issues facing the MRC within UKRI. These included systemic risks such as the decline of core baseline funding versus ring-fenced allocations; operational issues such as the re-organisation of corporate services and delegated authority and the freedoms within it; and the uncertainty around whether UKRI could have charitable status for tax purposes as the MRC had had - there was a risk that any tax impact arising from the change in status not adequately compensated for by a budget increase could lead to an overspend.

Additionally, Mr Dunlop updated Council on the budgetary impact of the sale of Mill Hill. The sale price of £70m was being paid over several years with the first two tranches planned to fund the £30m earmarked for the Crick for reserve funding and the remainder for MRC capital priorities. However, BEIS had now informed the MRC that the receipts would be recorded as a financial transaction against a ring-fenced budget which was very restricted and there was a risk that the MRC would not be able to benefit as intended from the sale proceeds of Mill Hill and would not be able to resource the proposed funding for the Crick. The MRC was in discussions with BEIS to find a solution.

Council discussed the issues raised and noted that the MRC's core funding percentage was similar to that of the other councils; Sir Mark Walport was aware of the issue surrounding the decline in core budget. There was some discussion regarding opportunities to increase the MRC's income from royalties.

Council also noted with regards to the tax status of UKRI that there was the possibility of changing legislation through the Finance Act. Members agreed that the issue needed to be resolved urgently as it impacted on joint MRC/Industry initiatives and also affected other councils such as BBSRC. If a building was zero-rated for VAT only a certain amount of business use was permitted within it. Professor Watt suggested Mr Dunlop should work on language for a possible Finance Act amendment. Members also suggested engaging with Sir David Cooksey and Sir John Kingman on the matter.

7. The new funding landscape under UKRI

Dr Mulkeen presented an overview of the funding landscape under UKRI and the funding initiatives which had emerged in recent years including the Global Challenges Research Fund (Spending Review 2015); the Industrial Strategy Challenge Fund (ISCF) (Autumn Statement 2016); the Strategic Priorities Fund (SPF) and the Infrastructure Roadmap (both UKRI 2018).

Council noted that the MRC needed several big cross-cutting themes across the strategic delivery plan, Strategic Priorities Fund, Infrastructure Roadmap and ISCF. These were likely to include informatics, large-scale population studies and mental health/platform investment. There was some discussion regarding how to engage researchers and Dr Mulkeen explained that there was a plan to engage with communities around the development of the MRC's strategic delivery plan. Council noted that there was a section on the MRC website for fellows to make suggestions and Dr Mulkeen agreed to look into the feasibility of rolling this out more widely if it worked well.

Professor Charlotte Watts highlighted that in developing bids for the Strategic Priorities Fund it would be beneficial for the MRC to think more broadly than just the Department of Health. She suggested considering themes that were cross-cutting across government departments, met departmental needs and built on the strengths of the MRC community. Professor Watt suggested that it would be helpful to have an up-to-date statement of need for each department to help improve engagement.

Members discussed the impact the various initiatives were having on researchers. It was noted that while the additional funding was welcome, it was creating a lot of additional work and researchers were being side-tracked from submitting response mode applications whilst trying to meet the tight deadlines for the initiatives.

Council turned to the proposed programme of Innovation Scholarships which was still in development. The scheme would provide more flexible opportunities for postgraduate research training and research skills development, tailored to meet different needs in different industry sectors. Members highlighted the need to ensure the scheme was as flexible as possible to encourage talent to circulate through academia and industry easily. Members suggested that AI and data analytics were the skills most needed as well as clinical pharmacology and experimental medicine. It was also suggested that consideration should be given to making the scheme available for first and second post-doc

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researchers as well as PhD students. Finally, members noted that the intention was for the scholarships to be funded through centres as university/industry partnerships and advised that care should be taken to ensure that this requirement was not too constraining. A case could be made for funding proposals based on merit and not tied to specific locations.

8. Executive Chair's update

Professor Watt introduced this item. She informed Council that the updates provided within the paper were for information and any questions were welcome.

Members expressed their concerns regarding the risk of disruptions to the Crick from the construction and operation of Cross Rail 2 (CR2) and noted that it had been on the MRC's risk register for quite some time. Ms Simon reassured members that the risk had now reduced quite significantly as the MRC worked with the British Library and CR2 to find a solution.

Members also noted the plans to reduce the costs of the London Institute of Medical Sciences' new facility via value engineering exercises and suggested that this could reduce quality. Ms Simon reassured members that the exercise had been carefully thought through and areas had been identified where bits could be taken out without losing functionality.

9. UKRI strategy and the process for the development of the MRC's new Strategic Delivery Plan

Dr Mulkeen presented an overview of the plans for a UKRI strategy and the key steps for the development of a new MRC Strategic Delivery Plan. The UKRI strategy document would be published shortly and UKRI would have a three-fold mission to:

- Push the frontiers of human knowledge and understanding
- Deliver economic impact and social prosperity
- Create social and cultural impact by supporting society to become enriched, healthier, more resilient and sustainable

The councils' strategic delivery plans would be expected to address these areas and how they would align to the overarching UKRI strategy. The planned activities for developing the MRC's strategic plan included community engagement and horizon scanning. The main horizon scanning activity would take place during summer 2018 and would utilise both existing MRC groups and fora and engage additional expert input. The groups and communities to be engaged in the development of a new strategy could be grouped together in several different cohorts, they would include both UK and international stakeholders, particularly ensuring appropriate global health input.

MRC Council would be responsible for approving the final draft of the MRC's strategic delivery plan for submission to the UKRI Board. Council and Strategy Board would be consulted and updated regularly during the development of the strategy. Joint sessions would be held several times during the year, initially to discuss in more depth the implications of the UKRI strategy, and, as the year progressed, to shape the emerging priorities and to discuss issues around agility and responsiveness to deliver these priorities. There would be a joint Council-Strategy Board residential meeting held in October and, at this meeting, an outline of the strategy would be reviewed and members able to further advise on drafts. Approval of a final draft by Council would be expected in early January 2019, and by the UKRI Board in February 2019 with publication of all the councils' delivery plans in April 2019.

Members discussed engagement with the other Councils and noted that the MRC had a good feel for the direction the other Councils were going as they had all presented at Strategy Board in the past year; further formal meetings would take place over the summer.

Members suggested considering not just the strategic direction in terms of what the MRC was doing but also the how. Consideration should be given to how the MRC was responding to the modern way of working where virtual working would become more of the norm and how that could be accommodated.

10. Annual update on Freedom of Information (FOI) requests and arrangements for FOI under UKRI

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Dr Rawle introduced this item and updated Council on recent activity relating to the Freedom of Information Act (FOIA)/Environmental Information Regulations (EIR) and plans for supporting the area under the new UK Research and Innovation (UKRI) processes. She explained that on 1 April 2018, UK Research and Innovation had replaced the research councils and Innovate UK in the Freedom of Information Act. As a single legal entity, UK Research and Innovation was responsible for the responses to all requests submitted across the organisation. She highlighted that in the past the MRC had received, on average, one FOI request per week. During April, 26 FOIA requests had been submitted to UK Research and Innovation; three specifically relating to the MRC, seven relating to all Councils and the remaining 16 relating to other councils.

Council agreed that although UKRI now had formal responsibility for FOI, they would like to be kept updated on FOI requests relating to the MRC on an annual basis and via the risk register to ensure that the MRC's exemplary record on FOI was being maintained.

11. Induction planning for new Council members

Professor Watt introduced this item and asked continuing members how useful they had found their induction to the MRC Council. Professors Iredale and Tracey both felt that the induction sessions they had received had been good and it was agreed that similar sessions would be arranged for the new members on the same day as the next Council meeting in July. Professor Watt also suggested that Rebecca Endean be invited to provide an overview of UKRI to both new and continuing members on the same day.

New members commented that the first meeting of Council had also proved to be a useful induction to the MRC due to the range of background papers provided.

12. Any other business and close

No other business was raised.