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**Should not be viewed by Executive Chair
Due to Conflict of interest**

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Minutes of the Council meeting held at the De Vere, Wotton House on 19 October 2018

Present:

Council	Head Office staff
Professor Fiona Watt (Executive Chair)	Dr Rob Buckle
Dr John Brown	Mr Hugh Dunlop
Dr Roger Highfield	Dr Declan Mulkeen
Professor John Iredale	Mrs Helen Page
Mr Richard Murley	Dr Frances Rawle
Professor Jill Pell	Ms Susan Simon
Professor Eleanor Riley	Dr Katy Ingleby
Professor Irene Tracey	
Dr Pauline Williams	Dr Heike Weber (items 1-5)
Dr Louise Wood	Dr Sophie Norman (items 1-5)
Apologies	
Dr Mene Pangalos	Guest
Professor Sir Munir Pirmohamed	Ian Kenyon, UKRI
Dr Graham Spittle	
Professor Charlotte Watts	

1. Welcome and introductions

Professor Watt welcomed everyone to the meeting and introduced Mr Ian Kenyon, Chief Finance Officer, UKRI who was joining the meeting.

Apologies had been received from Dr Mene Pangalos, Professor Sir Munir Pirmohamed, Dr Graham Spittle and Professor Charlotte Watts.

2. Register of declared interests

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

3. Minutes of the Council meeting held on 10 July 2018

The minutes were approved as an accurate record. Subsequently a minor presentational amendment requested by UKRI had been approved by Professor Watt.

4. Finance report

Mr Dunlop provided an update on the latest 2018/19 forecast and informed Council that the full year forecast was anticipated to be on budget. With regard to the year-to-date results to August 2018, programme resource expenditure was £4.0m (1.9 per cent) higher than budget; administration expenditure was £1.3m (18.1 per cent) lower than budget and capital expenditure was £2.1m (10.1 per cent) lower than budget.

One of the main movements from the budget was due to the considerable impact of the loss of charitable status since the formation of UKRI, resulting in approximately £7m additional running costs for business rates and VAT.

Members expressed their concern at the potential impact to both the MRC and UKRI if a resolution was not agreed. Members queried whether there might, however, be an upside to the tax status position, for example in easing some problems encountered in collaborating with industry when buildings had received a VAT exemption and Mr Dunlop confirmed that the MRC would seek to maximise every advantage if the tax status remained unresolved in the future.

Professor Watt highlighted the issue of open access charges and asked whether there was more the MRC might do. Dr Rawle informed members that a UKRI open access review was about to get underway which will look at the implementation of the Open Access (OA) policy and the system for payment of Article Processing Charges across the research councils and that Wellcome were also due to report on their recent review which will help to shape the future approach in the UK.

Members raised the fact that some universities had reported they had already used their OA block grant allocations for the year and suggested that these charges might be met by using existing grant funding with assurance being given to universities that, if the money was taken out of grants, it would be considered an acceptable cost for audit purposes (which was not currently the case).

Dr Rawle told members that this she would ensure the suggestion that people were able to use any surplus grant money was fed in to the UKRI team responsible for the OA review.

5. **Comprehensive Spending Review update**

Declan Mulkeen introduced this item, which provided the preliminary input to the 2019 Spending Review expected to take place next spring for funding from April 2020. Dr Mulkeen reported that the focus had been on ensuring the UK becomes a more research-intensive economy and one that can meet the long-term commitment to reach a total R&D investment of 2.4% of GDP by 2027.

Dr Mulkeen clarified that the modelled scenarios were based on standard models for planning purposes, which ranged from budget cuts to additional funding over a five-year time frame. Dr Mulkeen advised members that there had been a lot of commonality across the research council spending review submissions and that all submissions were now being considered at UKRI level. The submissions have emphasised the financial pressures of the increasing costs associated with interdisciplinary research and the requirement for additional funding to create impactful teams, invest in people and provide the necessary infrastructure to deliver a range of funding streams. Dr Mulkeen invited comments on the paper.

Professor Watt stressed that we had been required to produce the Spending Review document before the Strategic Delivery Plan was finalised. Professor Watt emphasised the potential positive impact of all research councils highlighting similar issues, particularly regarding the requirement for more investment in response mode discovery science. She drew members' attention to the commitment ready strategic infrastructure projects and asked how the MRC might improve the mechanisms to capture what the priorities were for the community, for example through wider consultation or a web-based mechanism.

Members commended the inclusion of a current list of 'commitment-ready' projects along with larger strategic ideas. Members raised the issue of the requirement for matched funding from HEIs for capital investment bids and Dr Mulkeen acknowledged this was a concern. Members suggested that the priority should be to make the case to fund science through UKRI by demonstrating the value add, in particular supporting the life sciences industrial strategy, followed by discussion on how the funds might be allocated.

Professor Riley queried whether a capital fund across UKRI was in place. Mr Kenyon reported that these were inherited on the creation of UKRI with capital well committed to 2021. The infrastructure roadmap would look beyond this and there were opportunities under SPF to look at how research councils might collaborate in the future.

Professor Watt emphasised the importance of promoting a collaborative, non-adversarial approach when working with the other research councils.

6. **Research integrity annual report and research reproducibility**

Dr Rawle introduced this item which provided an update on the ways in which the MRC was promoting research integrity and reproducibility as well as presenting the annual report on investigations of allegations of research misconduct within the MRC from 2017-18, as required by the Research Integrity Concordat. Dr Rawle clarified that a policy change in April 2017 had resulted in the requirement for universities to include allegations of research misconduct at the point when they embark on a preliminary investigation rather than at the beginning of a formal investigation as previously. This had led to an increase in the number

OFFICIAL SENSITIVE

of instances reported to the MRC and an increase in the number of research organisations asking the MRC for advice.

Members expressed some concern regarding the reasons behind the allegations, particularly with regard to early career researchers and highlighted the importance of actively promoting good conduct and the importance of addressing incentives within the whole culture. Members queried whether we might start to capture information on bullying and harassment in future and requested that future reports might also include insights gained from the cases reported.

Dr Rawle indicated that the requirement for the public statement was to report on research misconduct although UKRI were reviewing their policy on bullying and harassment so there was a possibility similar reports on this topic might be required in the future. Dr Rawle clarified that the employer was legally responsible (rather than the funder) although in institutes MRC was both employer and funder.

Members explained that there were variable mechanisms and varying degrees of success in universities with regard to whistle-blowing so any effort to standardise and train universities would be welcomed. Professor Watt suggested a portal to access training materials might be useful and agreed that access to training would be useful in raising awareness.

Members approved the MRC and RCUK annual statements for publication.

7. Q&A with Ian Kenyon

Mr Ian Kenyon responded to questions from members which mainly focussed on the transformation project for UKRI and the role of the MRC Council within UKRI.

Professor Watt advised that the recent questionnaire from Quartz which had been circulated to members was an opportunity to have some input into the transformation project. Members commented that the survey was fairly brief and solely provided an opportunity to comment on the MRC rather than UKRI.

Mr Kenyon reported that the survey results were currently being analysed and explained that Quartz had been engaged to assist with the transformation of UKRI and advise on the future organisational model.

Members queried why the decision to recruit the consultants was being taken now rather than prior to the formation of UKRI. Mr Kenyon explained that the formation of UKRI took place prior to the additional funding being awarded and the resultant creation of a multitude of cross-cutting funds had caused UKRI to re-assess whether the skills and capability were in place to support these. Mr Kenyon acknowledged that it was unlikely that Quartz would be able to address and solve all the issues although they would be able to highlight some of the principal changes which might be required.

Professor Watt asked Mr Kenyon if he might provide further clarity on the function of the council under UKRI following a discussion which had been held with Rebecca Endean the previous evening.

Mr Kenyon advised that the Council has a role to play in supporting the Executive Chair in the delivery of MRC's strategy, including decisions on how the money will be spent. Mr Kenyon added that the institutes were the responsibility of the MRC and that responsibility

OFFICIAL SENSITIVE

for issues such as risk and health and safety were delegated to the Executive Chairs with the role of Council being to support and challenge the Executive Chairs to run an effective organisation. Mr Kenyon added that, as he was responsible for appraising the UKRI Board and the audit committee about risk, health and safety, and it was no longer necessary for the MRC to have an audit committee as the MRC would no longer produce separate financial accounts.

Members expressed their opinion that the role of Council under UKRI was less defined, more modest and with less autonomy. Whilst members were happy to offer their insights on the relationship with UKRI, which was a new element to their role, they would appreciate increased candour in acknowledging the changes in the role due to the fact they were no longer a board of non-executive directors. Members also expressed some concern that, with the loss of the MRC audit committee, CARAC, there would be a decrease in the level of scrutiny and highlighted that the centralisation of some functions, particularly communications, had led to loss of staff morale.

Members also asked for clarity on the roles and responsibilities of Strategy Board compared to those of Council. Historically, decisions on strategy were delegated from Council on the formation of Strategy Board; the changes to the role of Council raised the issue of whether the MRC requires both a Council and a Strategy Board. Professor Riley commented that the difference between Council and Strategy Board had become apparent at the meeting on 18 October with Strategy Board being closer to the detail and Council taking a higher-level view. Members suggested that there should be an increase in devolved decision making from UKRI in the future to ensure a significant role for Council.

Dr Highfield raised the issue of ethics under UKRI and suggested that this should not be centralised. Dr Rawle advised that she has been asked to form a working group to look at ethics across UKRI to decide on the best way forward.

Professor Watt added that she had found the advice of Council very useful.

8. MRC Corporate Risk Register

Dr Rawle introduced this item and explained that Council had previously agreed to look at the risk registers on a quarterly basis. Members were asked to comment on both the MRC and UKRI corporate risk registers and highlight any concerns. Dr Rawle informed members that Carole Walker had been appointed to the role of Head of Risk and Fraud, UKRI and would provide a full update to Council in December. Dr Rawle advised that it was anticipated that risk within the MRC would be supported in future by a business partner model.

Members expressed concern regarding the risk concerning infiltration by animal activists. Members formally requested for this to be revisited.

Members requested an update on Crossrail 2 construction and its potential impact on the Francis Crick Institute and Ms Simon advised that funding approval for Crossrail 2 was not yet secured but was expected within the next few months. The route had moved slightly northwards (towards the Crick) with a new model to be issued within the next 3-4 weeks which will be discussed at the next meeting.

Members queried the fact that some risks on the registers appeared to be downgraded without any explicit information included within the notes to provide the evidence of why the risk was likely to decrease.

Dr Rawle agreed to consider this and ask risk owners to include additional detail in future.

9. Updates from the Executive

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

Ms Simon explained that recent issues at the Prion Unit had led to Category 3 facilities becoming unusable. An investigation had found significant faults with the quality of the work and a programme to rectify the issues was underway. Additionally, there was an issue with the independence of the two CL3 laboratories which were currently serviced from the same Air Handling Unit. It was currently unclear whether this had been agreed at the outset and what might be done to achieve full independence.

Dr Leong provided an update on ISCF Wave 3 and advised members that 252 Expressions of Interest were received. This was an open competition with shortlisting carried out by ISCF and UKRI chairs. There were four shortlisted areas of interest to the MRC relating to healthcare and the MRC co-led with Innovate UK on two of these areas. The Wave 3 call was a two-stage process; the current first stage resulted in five Eols in each area being shortlisted to work together to frame a draft challenge. Challenge proposals were currently being scrutinised by Treasury and it was anticipated that the outcome would be announced as part of the Chancellor's Autumn Statement followed by a competitive process for researchers and innovators to apply for funding under these challenges. The MRC intended to pursue the two challenges it led on regardless of the outcome as they aligned with our strategic priorities.

Members acknowledged that it was too early to judge whether ISCF might be successful however they welcomed the positive message about intent despite some concerns regarding the process. Dr Leong added that the process and timeline had been challenging.

Dr Buckle provided an update on UK DRI and informed members that a successful first conference had been held recently which included researchers from the six sites. Recruitment was ongoing with no difficulties due to Brexit noted at the moment. A competition had been launched to create a care research and technology centre (single sited or networked) with an announcement due at the end of year.

Members asked whether the charities had been successful in securing money and Dr Buckle advised that there had been low level funding commitments and that they had also secured sponsorship of the London Marathon.

Members queried the decision to partner with South Korea and Dr Buckle advised that there was an opportunity to use a UKRI cross cutting fund and that the collaboration was modest.

Dr Buckle informed members that HDRUK had now finalised the institute agreements with five of the six sites with Cambridge due to follow shortly. HDR UK had also been awarded funding through the UKRI Industrial Strategy Challenge Fund of £38M to establish between three and five Digital Innovation Hubs (DIH) and had sought agreement to set up a subsidiary company to manage this programme.

10. Draft agenda for the next meeting

Council noted the draft agenda for the December meeting which would include a session with Sir Mark Walport at the joint Council/Strategy Board meeting. The meeting would take place at the Francis Crick Institute.

Members asked whether there might be a follow up discussion on training and careers and were advised that this would come back to Council next March.

Dr Highfield suggested that there might be an item on communications at the next meeting. Professor Watt advised that the new Head of Communications for UKRI, Katrina Nevin-Ridley, was now in post and suggested that she be invited to Council alongside Ms Pauline Mullin. It was agreed to investigate the feasibility of Ms Nevin-Ridley attending the next meeting. (Note: subsequently decided that December would be too soon after taking up her appointment).

11. Any other business and close

Professor Watt asked members to comment on the Infrastructure Roadmap during the consultation and ensure that it was disseminated within their various communities.