

UK Research and Innovation

Paper No 2019-B65

Approved by UKRI Board: 2 July 2019

Author: UKRI Secretariat

Minutes of the UKRI Board Meeting of 29th May 2019

| Board Attendees | |
|------------------------------------------------------------------------------------------------|-----------------------------------------------|
| Sir John Kingman (Chair) | Lord Browne (<i>from 9.30am</i>) |
| Professor Sir Mark Walport | Professor Sir Ian Diamond |
| Ian Kenyon | Fiona Driscoll |
| Professor Sir Leszek Borysiewicz | Professor Sir Harpal Kumar |
| Professor Julia Black | Professor Max Lu |
| Lord Willetts (<i>from 9am</i>) | Mustafa Suleyman |
| UKRI Attendees | |
| Rebecca Endean | Ian Campbell (<i>for item 7</i>) |
| Alex Marsh (<i>from item 6</i>) | Professor Fiona Watt (<i>for item 8</i>) |
| Professor Lynn Gladden (<i>for item 7</i>) | Professor Mark Thomson (<i>for item 10</i>) |
| BEIS Attendees | |
| Sam Lister (<i>acting Director General of Industrial Strategy, Science & Innovation</i>) | |
| Secretariat | |
| Chris Chudziak | Linsey Urquhart |
| Amy Smith | |
| Apologies | |
| Professor Alice Gast | Sir Peter Bazalgette |
| Vivienne Parry | Professor Dame Sally Davies |

Time: 08:30- 14:00

Location: 58VE, London

1. Welcome & Introductions

1.1 The Chair welcomed members to the meeting, including Sam Lister, the new acting Director General of Industrial Strategy, Science & Innovation at BEIS who was attending his first UKRI Board meeting. The Chair also thanked Rebecca Endean, Director of Strategy, for being instrumental in the creation and implementation of UKRI, as this would be her last meeting.

1.2 No conflicts of interest were declared.

2. Minutes of 27th March 2019 Board Meeting and Action Log

2.1 The minutes were approved, and members agreed those recommended for closure. Rebecca Endean highlighted that all open actions are in the process of being addressed as agenda items for future Board meetings.

3. CEO Report

3.1 Mark Walport provided an update on CEO activities, including on the recruitment of six key UKRI roles, including the appointment of the new Transformation Director, Geoff Robins, who joined in May. Updates were received on cross-cutting funds – noting that Wave 2 of the Strength in Places Fund has been launched. Members heard that the Strategic Delivery Plans were on track and good progress was being made on the UKRI brand work, which the Board would discuss in July.

4. CFO Report

4.1 Ian Kenyon provided an update on CFO related activities, including the 2018/19 budget outturn and progress with the year-end accounts, which were ready to go to ARAPC. In addition, the quarterly performance pack has been circulated as a paper for information.

5. EU Exit

5.1 Andrew Thompson updated the Board on Horizon 2020 contingency planning, including an analysis of applications and awards to UK participants in H2020. The Board discussed the effectiveness of the underwrite provided by Government and whether any more contingency work could be undertaken at this time.

5.2 Long term alternatives to Horizon Europe are progressing, incorporating features of the existing scheme with some new additions. Beyond Horizon 2020, the preferred outcome is still for the UK to have full association to Horizon Europe and the team are actively strengthening bilateral partnerships. Professor Adrian Smith has been commissioned to look into possible domestic alternatives and will be joining the next Board meeting for a discussion of progress with his review.

6. Growing business R&D investment in the UK

6.1 Alex Marsh provided an overview of recent analysis work which looked into business R&D in the UK and UKRI's policy approach to growing business R&D in the UK. The findings consider the current landscape and distribution of business R&D in the UK, the increasing role of SMEs, changing business models, and how current interventions can support business R&D across different sectors.

6.2 The Board had a wide-ranging discussion on the findings and discussed how UKRI could improve its approach to incentivising business investment in R&D, inviting a further discussion in July:

- UKRI should consider this from the perspective of what businesses would want to be able to do to catalyse HEIs to work with them
- UKRI should consider how fast we should be looking to push public expenditure growth versus private expenditure growth in aiming for the Government's 2.4% ambition
- Horizon scanning should consider what are the big things we need to do now to prepare for the long term, and whether our plans align with those – eg. is our thinking big enough around energy, data and AI
- UKRI should consider how it strengthens its engagement with business in delivering the 2.4% ambition, and the actions business would want to commit to
- The paper should highlight and draw upon the UK's competitive advantages to attract multinational corporations to invest and new emerging businesses
- Innovate UK needed to be front and centre in UKRI's efforts to incentivise business R&D and its distinctness from the other research councils used to advantage
- In developing policy recommendations, geographical implications would need to be considered – devolved administrations, in particular, would have different features to bear in mind

ACTION B2019.22: Alex Marsh to return to the Board for a discussion of the policy proposals that UKRI executive would recommend off the back of this analysis.

7. ISCF Update

7.1 The Board were updated on progress of the Industrial Strategy Challenge Fund for Q1 19/20. Members noted that:

- The geographic spread of ISCF is not as focused on the 'golden triangle' as other UKRI spend.
- It was considered that ISCF is in a good position regarding challenge directors but staffing on ISCF remained a priority through transformation.
- There was some discussion of the healthy ageing, transforming food production, and low-cost nuclear challenges. There is a need to consider, especially with regards to transforming food production, not just how current methods could be improved but what the methods of the future are.
- It was recognised that there would be a decision point for each challenge as to how successful they had been and whether they needed to be scaled up or not – noting that while there are many potential technologies, there are fewer tried and tested scale-up mechanisms.

Action B2019.23: Executive to bring to the next Board an assessment on the likelihood of each challenge in Waves 1 and 2 being contenders for further ISCF funding as well as a decision date for determining this for each challenge.

8. Talent Strategy

8.1 Fiona Watt provided an overview of the development of UKRI's Talent strategy, including a framework, potential focus areas, interdependencies and a proposed timeline. The Board discussed the approach and focus areas.

8.2 Members were generally supportive of the approach and commended the strategy, with the following comments:

- There is a need to work closely with other stakeholders such as DfE and OfS on routes into academic careers, including technical roles – the strategy should consider where there are shortages, whether UKRI should play a funding role in this space.
- FLFs would be our flagship talent intervention – we need to get the offer right in terms of organisational leadership training (in business or academia) as well as research leadership
- EDI needed to be fully considered in developing the strategy, and in particular, how to prevent leakage of women and BAME from the talent pipeline
- The strategy could consider technical specialist roles where there are shortages and if UKRI could fund more in this space.

9. Risk Report

10.1 Ian Kenyon provided an overview of the updated risk register. The Board reviewed the corporate risks in Annex 1 and commented:

- The next discussion of risk should include a detailed discussion of who is accountable for each of the risks on the risk register, and to confirm that they are best placed to appropriately manage those risks and ensure nothing falls through the gaps
- It would be useful to summarise more clearly the way the risks link to the five separate headings introduced in the paper
- It would be useful to talk through one risk in detail as an example.

Action B2019.24: Secretariat to table next risk discussion as a detailed discussion of accountability.

10. ESS Deep Dive

10.1 Mark Thomson updated the Board on progress with the European Spallation Source project, and discussions with the host countries and other contributors about funding requirements and next steps.

11. Item for discussion by exception

11.1 The Board endorsed the following papers:

- 2.4% Roadmap
- Infrastructure Roadmap: Update on first edition and emerging findings
- Research Integrity: Approach to public body model
- Coherence of funding for priority themes across Councils.

12. Update from ARAPC

12.1 Fiona Driscoll updated the Board on recent ARAPC activity including that good progress had been made on the Audits and the NAO were content to pass a limited judgment, as

expected. The team were commended on this as a good outcome for UKRI's first year of operation.

12.2 The investigation into the state aid issue had highlighted areas to improve at Innovate UK and ARAPC would follow how these were implemented.

13. Board Forward Look

13.1 Members endorsed the forward look of agenda items.

14. AOB

14.1 The next Board meeting will be an away day held at Kew Gardens: on the 2nd July the Board will be joined by the Executive Committee, and 3rd July will be a Board-only meeting. The Board are then due to visit CERN on 4th July and EPFL on 5th July.

Date of Next Meeting: 2nd and 3rd July 2019