

# UK Research and Innovation

**Paper 2018 - 68**

Approved by UKRI Board: September 2018

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## Minute of the UKRI Board Meeting of 3<sup>rd</sup> July 2018

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<b>Attendees</b>	
<b>Board members</b>	
Sir John Kingman (Chair)	Professor Sir Ian Diamond
Professor Sir Mark Walport (via videoconference)	Fiona Driscoll
Ian Kenyon	Alice Gast
Sir Peter Bazalgette	Sir Harpal Kumar
Professor Sir Leszek Borysiewicz ( <i>items 1-13</i> )	Professor Max Lu ( <i>items 1-11</i> )
Professor Julia Black ( <i>items 1-13</i> )	Vivienne Parry
Lord Browne ( <i>from item 2</i> )	Lord Willetts
Professor Dame Sally Davies	
<b>Executive Committee attendees</b>	
Ian Campbell ( <i>items 1-7 and 11</i> )	Professor Melanie Welham ( <i>items 1-7</i> )
Professor Phil Nelson ( <i>items 1-7</i> )	Professor Duncan Wingham ( <i>items 1-7</i> )
Professor Jennifer Rubin ( <i>items 1-7</i> )	Rebecca Endean ( <i>items 1-18</i> )
David Sweeney ( <i>items 1-7</i> )	Anne Dixon ( <i>items 1-7</i> )
Professor Mark Thomson ( <i>items 1-7</i> )	John Arnott ( <i>items 1-7</i> )
Professor Fiona Watt ( <i>items 1-7</i> )	
<b>Attendees from the Department for Business, Energy &amp; Industrial Strategy (BEIS)</b>	
Gareth Davies	Sharon Ellis ( <i>via telecon for items 6 &amp; 7</i> )
<b>UKRI and Secretariat attendees</b>	
Alex Marsh	Chris Chudziak
Linsey Urquhart	Nawaz Shaikh
<b>Apologies</b>	
Mustafa Suleyman	Andrew Thompson

## **Joint UKRI Board and Executive Committee Meeting**

**Time:** 08:30- 12:00

**Location:** St Cecilia's Hall, Edinburgh

### **1. Welcome and Introductions**

- 1.1 The UKRI Chair, Sir John Kingman, welcomed attendees and the Executive Chairs to this joint UKRI Board and Executive Committee meeting.
- 1.2 Before moving on to the next item, the Chair invited Duncan Wingham to provide an update on the European Commission's open access declaration. Members were supportive of the direction of travel, with the UK position to be confirmed by the UK science Minister. If the plan for open access was agreed, an equitable funding model would need to be developed and UKRI was considered best placed to create this.

**ACTION (B.11):** UKRI to consider how Official Development Assistance (ODA)-funded research supports open access worldwide.

### **2. Transformation Update**

- 2.1 Ian Kenyon provided an update on establishing central operating teams for the central UKRI functions, specifically considering HR and Finance.
- 2.2 The Board were content with progress to date, and welcomed the plan to appoint a Transformation Director. Members recognised the importance of developing a Target Operating Model for UKRI to set the standard and expectations for the new organisation. It would be important to differentiate between process and outcomes. The dichotomy between operating as a single entity whilst retaining the individuality of its parts was acknowledged but also considered to be achievable with the right balance of autonomy and central leadership.
- 2.3 There was some discussion around feedback that had been received from a recent staff event. Members discussed the challenges faced in leading through ambiguity and the need to keep UKRI colleagues at all levels engaged with the transformation process. It was agreed that communicating the progress that had already been made was important for morale. Reward mechanisms needed to be used to recognise the achievements of staff who have excelled throughout this transformation period.
- 2.4 Members also flagged that it would be critical to retain the confidence of the research community, and that there was a need for further discussion of how to deliver cross-council functions.

### **3. Commercialisation**

- 3.1 David Sweeney, Ian Campbell and Duncan Wingham provided an update on work to date on reviewing how UKRI can drive better commercial outcomes from publicly funded research, seeking members' views on areas which should be explored before returning to the board with proposals.
- 3.2 The following were noted in discussion:
  - Key to success would be to have a clear vision of how UKRI as an organisation could create opportunities as a single entity. UKRI was considered to be in a unique position

of being able to facilitate the linkages necessary between industry and academia, and to identify the sectors which could leverage these. Radical options should be considered.

- There was a need to determine what success would look like. In industry, academia and government, the measures of success can be different.
- While one outcome might be fewer funding streams, it was agreed that there was a need to think flexibly and that a one size fits all pathway may not be viable due to the diverse landscape.
- The mobility of researchers between academia and industry was considered essential to building a technology transfer skill base and there needed to be greater and complementary incentives and flexible models to encourage this.
- It needed to be recognised that success in commercialisation was not just about money but also about leadership, management, mentoring and talent. The role of business schools should be explored.
- Of existing and historic schemes, Innovation vouchers and Catalyst funds were viewed particularly positively.
- There were also issues around Intellectual Property which should be considered such as patent durations and the issue of unused patents.
- There would need to be good engagement with HM Government, particularly with respect to the regional agenda.

**ACTION (B.12): Secretariat** to table a board discussion with Ian Campbell on Innovate UK.

#### **4. Industrial Strategy Challenge Fund (ISCF): Quarterly Update**

- 4.1 Ian Campbell and Melanie Welham provided their quarterly update on the ISCF. Members heard that Wave 1 challenges are progressing well, with particular highlights being the opening of the Faraday Institution and the procurement of the build for the UK Battery Industrialisation Centre. All challenges for Wave 2 were expected to be underway by end-July 2018, except for Healthy Ageing, which was anticipated for October 2018.
- 4.2 Members discussed the ISCF Portfolio Dashboard, which detailed progress on specific challenges – most were progressing at pace. Comments were provided on how to evolve the dashboard further.

**ACTION (B.13): UKRI** to consider the potential for public engagement in ISCF challenges.

#### **5. ISCF Wave 3 Shortlist**

- 5.1 Ian Campbell and Melanie Welham then put forward the proposed ISCF Wave 3 Shortlist. There had been an excellent response to the competition with over 250 Expressions of Interest (EOIs) received via an open process. The shortlist had been put together by the ISCF steering board, on the advice of four Executive Chair-led grand challenge review panels.

**DECISION:** Members were happy to endorse the ISCF Wave 3 shortlist, which would now be put to Ministers for agreement.

**ACTION (B.14): Executive Chairs** to work with successful ISCF Wave 3 EOIs, to refine proposals and ensure the best industrial partners are in place.

## **6. EU-Exit**

- 6.1 Members were presented with two papers: one outlining the contingency plan should the UK withdraw from the current framework programme, Horizon 2020; and another outlining options for the next framework programme, Horizon Europe.
- 6.2 All were in agreement with the contingency plan put forward and noted that the ambiguity with the withdrawal agreement meant that the target timelines were already approaching. Noting the Government position is to seek the option to associate to Horizon Europe, issues around associate member status of 'Horizon Europe' were discussed, ahead of a more detailed discussion in September.
- 6.3 It was recognised that, currently, the UK receives more from EU programmes on research than it contributes. It was agreed that discussions on this matter with HM Treasury (HMT) and BEIS should continue.

**DECISION:** The Board were happy to agree the proposed governance structures for the EU exit underwrite work, endorsing the prioritisation of resources requested to deliver this.

## **7. International Research and Innovation Strategy**

- 7.1 Members considered a draft of BEIS's International Research and Innovation Strategy, and were happy to support the nine commitments outlined in the strategy document. Members were content to endorse the document with the following provisos:
- BEIS should consider how they reference research ethics with regard to international collaboration.
  - The strategy should 'promote' rather than 'prioritise' R&D investment.
  - The strategy should recognise the importance of researcher mobility across the research landscape.
  - There needed to be a reference to EU funding programmes.
- 7.3 The Chair brought the joint Board and Executive Committee meeting to a close.

## **UKRI Board Meeting**

**Time:** 12:30- 15:00

## **8. Minutes of Previous Meeting and Action Log**

- 8.1 Members approved the minutes of the previous UKRI Board meeting of 15 May 2018, noting the update on actions which had been provided. Members heard that in relation to UKRI attaining charitable status, the preference was for UKRI not to become a charity, but to seek to solve the issue with HMT. In the meantime, Research Councils that had to cover VAT costs would be reimbursed via central UKRI funds.

## **9. CEO Report**

- 9.1 The CEO presented an update on progress since the last meeting and plans going forward, highlighting:

- The post for the new Innovate UK Executive Chair would be advertised without stipulating a salary. Interviews for a new Communications Director would take place this week, with the CEO meeting the strongest candidates.
- The new Health and Safety reporting system was in place, whereby individual councils report to UKRI Executive Committee and Audit, Risk, Assurance and Performance Committee (ARAPC), who would then bring key issues to the Board as they arise, and present a formal full year report.
- Ministers had approved six out of 10 Catapults, which were now awaiting treasury approval. The future of the remainder were being considered with Ministers.
- UKRI are developing workshops on each of the themes of the Industrial Strategy to engage with stakeholders and build the evidence base to better inform policy and support delivery of the 2.4% GDP spending target.
- A recent visit to Paris by the CEO was fruitful, with high-level science and innovation stakeholders making clear their interest in forming bilateral partnerships with UKRI.

## 10. CFO Report

- 10.1 The CFO presented an update on progress made across corporate services since the last meeting:
- The move to the new premises in London is targeted for end-August 2018.
  - Financial reports have been prepared for month two. These show no issues, other than the previously discussed VAT issue, and an accrual by MRC which was reversed as part of the year-end audit which creates a pressure in 2018/19.
  - Proposals for accessing the BEIS 'Invest to Save' fund would be developed to support the transformation programme.

## 11. Innovate UK's Open Programme

- 11.1 Ian Campbell joined the board to present the Executive Committee's recommendation to commit additional funding to Innovate UK's open programme and run a series of open grant funding competitions over the next 3 years.
- 11.2 The Board were happy to endorse the recommendation, but asked that the executive work with Sir Harpal Kumar, as Innovation Champion, to consider how the programme be branded and marketed to business, and how in delivering the programme, the recommendations of the Dowling review would be implemented.

**DECISION:** The Board were happy to endorse the recommendation to commit additional funding to Innovate UK's open programme, subject to the executive working with Sir Harpal Kumar on how the programme is delivered.

## 12. Strategic Priorities Fund (SPF): Wave 1 Allocations

- 12.1 Rebecca Endean presented the SPF panel's recommended allocation for Wave 1. Members were requested to approve the 15 recommended proposals and delegate responsibility of approving the final refined profiles to the UKRI CEO. It was noted that the coordination of the panels for shortlisting the proposals had been exemplary.
- 12.2 Members endorsed the proposals, noting challenges around financial headroom that needed to be addressed, as well as the need for ongoing engagement with the Wellcome Trust around the European Bioinformatics Institute proposal. Noting that

similar research proposals could be identified through ISCF or SPF, the board asked the executive to bring forward papers setting out how portfolio management would identify synergies or overlaps, and on cross-council delivery of joint programmes.

**DECISION:** The Board endorsed the SPF panel's recommendations for Wave 1 allocations.

**DECISION:** The Board agreed to delegate responsibility to the Chief Executive to approve final profiles for SPF Wave 1 allocations.

**ACTION (B.15):** UKRI to bring forward papers on portfolio management, and on cross-council delivery of joint programmes.

### **13. Fund for International Collaboration (FIC)**

13.1 Rebecca Endean presented the FIC board's round 1 proposals. Members were requested to approve the 17 recommended proposals and delegate responsibility for resolving outstanding issues to Andrew Thompson and Alex Marsh.

**DECISION:** The Board endorsed the FIC board's recommendations for round one proposals.

### **14. Feedback from ARAPC**

14.1 Fiona Driscoll provided an update from the 19<sup>th</sup> June ARAPC meeting. Progress had been made on closing the individual Research Council accounts with the National Audit Office, with clean reports expected on time. The Research Council pension scheme was also ready to be signed off for transfer to UKRI. ARAPC discussed progress on implementing GDPR, and a new internal Audit Head had been appointed.

### **15. Corporate Risk Register**

15.1 Ian Kenyon presented the board with their first review of the UKRI corporate risk register.

15.2 The following views were provided:

- There was a need to manage the risk of how UKRI is viewed by thought leaders, particularly on whether the creation of UKRI was seen as successful. The Communication risk (Reputational damage) required continual vigilance, and could not be Green.
- There was a Red risk for UKRI to manage in balancing pace of change with quality of delivery. The transformation process itself was a risk, both in relation to the transformation of systems but also regarding the new cross-cutting funds that UKRI would be delivering on top of existing functions.
- There were two staff risks: transforming culture; and recruiting the right external leaders, eg as ISCF directors. The latter should be rated Red at present.

**ACTION (B.16):** The next update on the UKRI risk register to set out the interrelation with Council risk registers.

**ACTION (B.17):** The Board to consider proposals on engagement between the Board and Council members.

## **16. UKRI Board Code of Practice**

16.1 Rebecca Endean presented a draft Board Code of Practice, which members would be asked to sign up to as part of their appointment letters. Members were happy to endorse the draft code of practice, and asked the executive to consider how board members were briefed on how to deal with *ad hoc* media enquires.

**DECISION:** Members endorsed the draft board code of practice.

**ACTION (B.18): UKRI Communications** to consider how best to brief board members on how to deal with *ad hoc* media enquiries.

## **17. Board Forward Look**

17.1 Rebecca Endean presented a forward look of proposed items for discussion at future UKRI Board meetings. It was noted that the BEIS Secretary of State would be invited to a coming Board dinner (most likely in the autumn); that the secretariat was looking to arrange a meeting with the Chair and Chief Executive of Office for Students; and that the Board had under Item 6 asked to return to EU-Exit in September for a discussion of options on association with Horizon Europe.

## **18. AOB**

18.1 The Chair provided members with an oral update on the 28<sup>th</sup> June meeting of the Nominations and Remuneration Committee. There were issues about aligning disparities in pay across the previously separate councils – the Committee were clear that more significant changes should wait until next year. It would be important to consider the possible implications on the gender pay gap of doing so.

18.2 There was a discussion of the Board's appetite for visits. The Board were in favour of them, contingent on sufficient notice being given. A suggested visit to CERN and Lausanne would be arranged as the next away day in early 2019.

18.3 Board members were encouraged to promote the UKRI brand and an upcoming UKRI office opening in India would be such an opportunity for a Board member to go in place of the CEO.

18.4 The Chair brought to members' attention the recent letter he had received from the BEIS permanent Secretary, setting out the Department's priorities for UKRI in 2018/19.

18.5 The Chair brought the meeting to a close.

**Date of next meeting: 19<sup>th</sup> September 2018 in London**