



Minutes of the Council business meeting, held via Zoom videoconference, on 5 October 2021

Attendees		
MRC Council	Management Board	MRC Head Office
Fiona Watt	Rob Buckle	Rachel Benny
Richard Murley	Patrick Chinnery	Ivan Pavlov
Kim Graham	Hugh Dunlop	
Roger Highfield	Jonathan Pearce	
John Iredale	Glenn Wells	Guests
Precious Lunga		Rebecca Barlow (items 9 and 12)
Jill Pell		Sarah Collinge (Item 5)
Munir Pirmohamed	Apologies	Toni-Jo Henderson (Item 14)
Graham Spittle	Susan Simon	Sarah Goler-Solecki (Item 11)
Andy Richards		Nathan Richardson (Items 6, 7 and 8)
Eleanor Riley	UKRI Observer	Dan Shah (Item 12)
Irene Tracey	Pauline Mullin	Carole Walker (Item 14)
Charlotte Watts		Heike Weber (Items 9 and 12)
Pauline Williams		Kevin Woodrow (Item 4)
Louise Wood		

1. Welcome and Apologies

The Council business meeting was held via Zoom videoconference. The Chair, Mr Richard Murley welcomed everyone to the meeting.

Apologies were received from Susan Simon and Louise Wood.

Kim Graham joined during item 6, left during item 7 and re-joined at item 10. Jonathan Pearce joined during item 5, Irene Tracey joined at item 6, Louise Wood left at the end of item 6.

2. Register of declared interests

Mr Murley asked members to send any updated declarations to the secretariat.

3. Minutes of the joint Strategy Board and Council meeting held on 13 July 2021

The minutes of the joint Strategy Board and Council meeting held on 13 July 2021 were approved as an accurate record of the meeting.

3a. Minutes the Council business meeting held on 14 July 2021

The minutes of the Council business meeting held on 14 July 2021 were approved as an accurate record of the meeting.

3b. Matters Arising: Quarterly Operations Update

Council noted the Matters Arising paper with the quarterly operations dashboard, which contained a top-level view of finance, information on risk, HR and business critical activities.

4. Finance report

Mr Kevin Woodrow, the MRC Finance Director, presented the finance report covering financial year 2021/22 budget allocations, an update on extramural commitment budget, in year initiatives, year-to-date results, information on operating expenses (OpEx) and provisional allocations for 2022/23. The year-to-date results showed that overall MRC spend was £8 million (2.8 per cent) lower than expected, relating to core Research and Development (R&D) expenditure. No major or urgent issues were highlighted, and Council was pleased to learn that Management Board was content with the financial position at this stage in the financial year.

Mr Woodrow highlighted that the Department for Business, Energy and Industrial Strategy (BEIS) and Her Majesty's Treasury continued to focus on the value of UKRI's OpEx and MRC was asked to plan on a flat OpEx budget for the next financial year. While the OpEx budget, which includes staff and travel and subsistence (T&C) costs, had a stable outlook for the current year, going forward the travel costs would be expected to rise. As there is a trade-off between the T&C expenditure and staff costs, this would put more pressure on staff sustainability, further constraining already overstretched in some areas MRC resources. Since the formation of the UKRI, MRC's headcount dropped and had not gone back to the pre-UKRI numbers.

Council noted the update and suggested that travel might need to be kept to minimum, which would also help to reduce the carbon footprint of the MRC. Council was informed that board and panel chairs had agreed to plan for just one in three funding meeting in person.

5. Science commitment budget

Council was presented with preliminary information on science commitment budget planning for 2022/23. This budget is distributed through regular and repeating response-mode funding delivered by MRC boards and panels and through Strategy Board funding. The analysis of possibilities for balancing investment across different funding streams assumed a commitment budget of £320m, which was based on the conservative scenario of the 'flat cash' without inflation budget for the MRC in 2022/23. The like-for-like comparator for the current financial year was £332m.

The proposal suggested £320m to be allocated in the same way as last year, with small reductions being equally spread across funding streams. Two issues were highlighted for Council to consider:

- 1) Strategy Board allocation consists of the contribution to MRC institute funding and a flexible budget that supports strategic priority research funding. It was noted that as the institute demand varies, when the budget is tight there is a risk of the strategic flexibility being lost due to the lack of available funds. Council was asked to support ring-fencing some of the Strategy Board allocation to protect its flexible funding.
- 2) Following the reduction in Official Development Assistance (ODA) funding, the MRC had found solutions to re-start part of its global health portfolio using core budget. However, this meant that funding of global health research would be provided at expense of other areas. Council was asked to support this approach, which would be budgeted at a level that would allow the MRC to maintain its essential long-standing partnerships.

Members were content with the proposed approach but asked whether further discussion on the balance between the response mode funding and MRC investments in institutes, units and centres would provide more context for deliberations on how the budget is split across the entire MRC portfolio. It was explained that setting the budget for 2022/23 was

constrained by the existing commitments and there was minimal scope for liberating sufficient headroom to support substantial changes in the proposed allocations in the near term.

Members were interested if there was a clear position regarding global health research within the UKRI. Council was informed that MRC was engaging with stakeholders to influence political thinking and to demonstrate the value of global health research for the developed countries as well as low- and middle-income countries, as exemplified, for instance, by the benefits of progressing malaria research.

6. Balancing relative levels of investment across intramural and extramural funding at times of budgetary stress

Seeking Council's input on the use of different mechanisms to manage potential financial pressure in the future, the MRC's Chief Science Officer Dr Robin Buckle presented hypothetical financial scenarios illustrating options available. Members were given an overview of two distinct parts of the MRC portfolio: short/medium-term investments through response-mode grants and into major, long-term investments spanning national infrastructures, for example UK Biobank, and MRC institutes and units. It was clarified that MRC centres were funded through relatively modest grant awards via the response-mode route. Dr Buckle stressed that both types of investment were distributed in the form of competitive funding, using a similar set of parameters and assessment criteria, and both provided means to support different stages of scientific careers and skill sets. The balance between the two types of investment was approximately 45 per cent for major investments and 55 per cent for the response mode, which had remained unchanged over a number of years. While the relative levels of funding were stable, there were considerable variations at the level of individual investments. For example, six MRC units had been closed in the past eight years. These closures provided savings in the commitment budget, which were offset by new investment in two recently established partnership institutes. Furthermore, institute and unit funding sometimes required mid-cycle injections of funds to cater for the specific urgent needs in the field or in response to commercial activities, and on occasion needed to cover shortfalls due to funding partners being unable to fulfil their agreed joint commitments. All these created a lot of variation within the overall stable level of investment.

The MRC's portfolio of its long-term investment consisted of five institutes and twenty three units, all of which had asynchronous quinquennial cycles. This means that if MRC were to implement a change, it would be difficult to equitably affect the entire portfolio, as at any particular time only a limited number of units would be at the same stage of their quinquennial cycle.

There was a natural turnover of the intramural investment that manifested itself in approximately one unit being closed every 18 months. The main reason for these closures was a dip in the quality of science rather than strategic considerations (recently only the MRC Mammalian Genetics Unit was closed on the strategic grounds). It was noted that a unit closure was a slow process that involved accounting for various legal obligations, existing employment contracts and other factors, with only a small proportion of funds freed during the first year of the closure. There was also an expectation that the leading-edge science within the unit would be picked up via MRC grant funding.

Council agreed that the MRC needs to protect its strategic approach to the existing commitments but at the same time should be able to respond to budgetary pressures, such as unfavourable spending review outcomes and restrictions imposed by the government or UKRI. Dr Buckle explained that in response to a negative fiscal event, new headroom in the commitment budget could be created using a combination of the following tools: i) reducing new awards to institutes/units (albeit the subgroup undergoing renewal), ii) implementing manageable cuts to existing long-term commitments, and iii) stopping or reducing existing grants in flight. While these tools could be targeted across the entire investment portfolio,

major interventions to existing science would be needed to generate significant headroom for new awards in the event of budget restriction.

For the short/medium-term investments, it was noted that trimming or rescinding existing grants, while possible, would be extremely difficult to justify. Many awards would need to be affected in order to generate a sizable headroom in the budget. The MRC portfolio consisted of grants with review score of 10, 9 and 8 (proposals that score 7 rarely got funded), with over half in the 8 category. Consequently, it would be difficult to target the cuts to a specific part of the MRC portfolio. Any funding reprofile must be applied in an objective, transparent and fair way and the defined action would depend on a number of factors, including mitigating the risk of long-term damage to specific science areas, career stages and skill sets, minimising the negative impact upon strategic partnerships, protecting fairness in implementation, as well as managing administrative challenges.

Council agreed that renegeing on existing commitments, both institutional and on grants, should only be used as the last resort, as it would undermine confidence in the funding system. Members noted, however, that the MRC needs to be agile in response to funding needs, particularly as there was a likely prospect of a 'flat cash' funding over the coming years.

Council appreciated that longer-term funding enabled the research community to perform highly innovative, risky research but commented that the relatively high proportion of the MRC investment into institutes/units created a bias of supporting researchers that were already known to the MRC, against those who might be new.

Overall, members favoured smaller core unit investment encouraging units to leverage additional funding through other routes. Dr Buckle noted that the new MRC UK Strategic Centres (UKSC) model (to be discussed in the next item) aimed to achieve that goal through supporting challenge-led investments on the time-limited basis. It was further noted that MRC might need to shoulder additional core commitments due to some partners withdrawal from the existing joint investments due to pandemic-related financial pressures.

Members asked if there were other potential sources of savings, for example through reducing the winding down period of the unit closures. Council was reminded that it had endorsed the unit closure policy at its meeting in May, accepting that the timeline was dictated by both legal and scientific considerations. For the latter, the continuation of costs associated with unit closures were almost exclusively due to maximising the impact of the science already undertaken (for example by archiving materials, securing access to community-level resources, etc.) and supporting outstanding science while the researchers in the closed units were transitioning to the MRC's response-mode portfolio. In terms of research management costs, Council was informed that there was an ongoing optimisation of the quinquennial review (QQR) process, and those changes would be catalysed through adoption of the new UKSC model. However, MRC admin costs were already significantly less than those of other funders making it difficult to reduce them further without the negative operational impact.

Council noted the proposed approaches and agreed that more detailed options would need to be discussed once the outcome of the Spending Review is announced to understand how these approaches might work in practice.

7. Update on Unit Taskforce

Professor Patrick Chinnery presented the paper and asked Council to advise if there were outstanding items that the taskforce should consider and to advise on the role of the taskforce in overseeing the transition from the existing model to the new one.

Members started the discussion asking to clarify the major changes to the review process under the new model. Professor Chinnery explained that currently each scientific programme

within an institute/unit is reviewed individually as part of the overall assessment exercise. This makes the process resource intensive and lengthy, with QQRs lasting about 18 months from the point of initiation. Under the new proposal, the review would be based on a single peer-reviewed document which would provide an overview of the recent achievements and a forward look. This would bring the emphasis of the review on the overarching scientific challenge and ensure that the investment is fully integrated around it. Council was supportive of this approach, which they thought should be implemented at pace alongside roll-out of the new model. Members agreed that together with a rolling landscape review of the new opportunities for sustained investment across the entire MRC remit it would enable MRC to be more proactive in shaping its challenge-led portfolio and might open opportunities to partner with other UKRI councils to support some challenges.

The simplified and more focused review process - carried out once under the new seven-plus-seven model - would not exceed 12 months in duration and would be easier to administer. Members welcomed the more efficient, less frequent and shorter review process, noting the burden and the costs of the current QQRs as they require significant time commitment from the institute/unit staff and the office. Council was informed that MRC was working to make the process as efficient as possible, though the administrative savings on their own would be relatively modest.

Council stressed that the new focus of the assessment process on the overall package of science was key. In the proposed model - funded at 80 per cent of the full economic cost awarded to the university or other eligible host institution - the responsibility of the implementation of science would be passed to the Director. The latter would be able to use the award to recruit researchers critical for the delivery of the integrated science programme with an agreed set of objectives and according to the proposed vision. Members were concerned that too much focus on empowering the Director might not fully recognise the cross-institutional collaborations required to address many scientific challenges or sufficiently stimulate the diversity of expertise and people involved in the team. Council noted that it was important to consider how to make the Directors accountable under the new model. Members recommended that the Director's role as the programme leader was balanced against ensuring the team science and a strong equality, diversity and inclusion (EDI) culture.

Members raised a question whether the duration of the proposed term of the new model (seven-plus-seven years) was optimal for challenge-led investments and whether 10-year single-term awards would be suitable, avoiding the need for having mid-term reviews. Professor Chinnery responded that the proposed model was designed to provide a flexible balance between the long-term investment and the ability to tackle big problems that could not be addressed through the response-mode funding. It was also noted that the format of the new investment was already announced to the research community. Members suggested the taskforce to hold further consultations with the community to discuss some of the issues raised above.

Members requested the taskforce to develop several scenarios of the transition from the old model to the new one to understand the affordability of different timelines given the current turnover of the MRC unit QQRs.

It was agreed that an update from the taskforce would be presented to the Council at the next meeting in December.

8. London Institute of Medical Sciences (LMS) taskforce update

Professor John Iredale, chair of the MRC LMS Taskforce, updated Council on the development and implementation of a new ambitious clinical science strategy for the LMS following the Taskforce's final meeting in September. Council noted that the full report was

still in preparation but welcomed the update and the good partnership working and cohesion between the LMS and Imperial College London in developing the future strategy.

It was noted that, ultimately, the scientific plans for the LMS would be driven by the interests and ambitions of the new institute director.

Council was presented with the proposed person specification for the forthcoming director recruitment and agreed that it should be sufficiently broad to attract the strongest candidates from both clinical and non-clinical scientists. Members suggested that a set of key performance indicators for the new director, including leveraging thematic approach and strengthening links between basic discovery science and translational opportunities, might also serve as a useful framework for MRC unit directors.

Council endorsed the recommendation for the office to start discussions on the recruitment of the next LMS director with Imperial College London in advance of Council's consideration of the full report in December.

9. Outputs from the Strategy Away Day

MRC's Director of Strategy and Planning, Dr Glenn Wells, presented Council with the Outputs from the Strategy Away Day organised by the Strategy and Planning team. The workshop held over two afternoons aimed to develop and agree a common approach to strategy development and coordination within MRC, harnessing ideas generated across the office and through engagement with stakeholders and the research community.

The workshop brought together about 50 MRC staff, including Management Board members, Heads of Theme and Programme Managers. The participants agreed that there should be both bottom-up and top-down approaches to developing ideas at all stages, and that ideas should be sourced from the structured as well as from informal interactions with the research community and strategic stakeholders. The key was having a simple, inclusive, transparent and agile process of working across the office to bring in and develop these ideas. The suggestions from this workshop were already being used to develop the new MRC Strategic Delivery Plan. Strategy Board had also started to implement some of the suggestions by adapting its meetings to allow more focused discussions on fewer larger items of strategic importance.

Council noted the outputs of the Away Day and endorsed the new approach to the strategy development process.

10. MRC Culture Project

Professor Fiona Watt, MRC Executive Chair, presented Council with an update on the MRC Culture project and the context in which the project was being undertaken, noting that it was focused on the MRC Head Office staff and aimed to address issues raised by the MRC employees over the past year, including anxieties regarding working arrangements during the pandemic, long-term dissatisfaction with the pay and career progression, being overstretched and working long hours. These issues were amplified by financial constraints on operating expenses and restrictions on the MRC office headcount.

The MRC had been undertaking work with an organisational design/development company Wicked People. This work had progressed from the 'diagnostic' to 'action' phase. A number of initiatives were initiated, including a new mentoring scheme, creation of an EDI forum, a very active disability matters network, bystander training and courses for managing diverse teams. Part of this action phase was a so-called 'rewiring' project – organizational design work that aimed to better understand, map and optimise functions scattered across MRC directorates to reduce siloed working and avoid duplication. The exercise would also identify

processes that take a toll on staff's time. It is anticipated that the project would allow to reduce the burden on the MRC staff, provide them with new opportunities and enable better career prospects through helping employees in their individual decision making.

Council was pleased to see the richness of ongoing activities and bringing the specialist knowledge along with the team value into the cross-office interactions. Members appreciated that it had been hard working from home and it put a lot of extra pressure on staff.

Members noted the relatively high staff turnover and suggested that better understanding motivations behind it, for example through exit interviews, might help with organisational planning and finding ways to preserve the important skill sets.

Council stressed the importance of maintaining an honest and transparent approach in communications with employees. Members recognised that managing expectations was a challenge, given that there might not be more money or new posts available in the near future. Such messages could be difficult to deliver and unsettling to receive, but it is worth remembering that while ongoing changes and uncertainties continued to affect all segments of our society, public institutions remained well protected. Reminding people that they are responsible for their own careers and contextualising these messages in a timely manner could have empowering effect on staff.

11. MRC Board and Panel Membership Ethnicity Targets

Dr Sarah Collinge, MRC Head of Funding Operations, and Dr Robin Buckle, MRC Chief Science Officer, presented Council with the proposed plan to introduce MRC board and panel membership ethnicity targets. Members were asked to note options considered by Management Board and, if appropriate, to endorse the preferred option to base the target on recent grant application data plus 2 per cent, making it 24 per cent across all MRC boards and panels. This would follow the existing format for setting the gender target.

Council noted that the existing gender target was not reflective of the population as a whole and questioned whether the rationale of benchmarking ethnicity targets against recent application data, rather than against the population-based metric, would be sufficiently stretching and would allow the MRC to address existing implicit biases. Council was informed that the proposed ethnicity target well exceeded the population-based value and therefore was appropriately ambitious. Dr Buckle also explained that while the MRC's aspiration is to have equal gender representation on its boards and panels, it would have been difficult to achieve from the state of the community at the time. Hence the stretching target set two percentage points higher than the applicant pool – the approach, which had allowed MRC to improve the gender balance year on year, would ultimately reach equal representation and based on Council feedback attention would be given to accelerating this progress.

Members were keen to extend the definition of diversity to reflect socioeconomic and other factors. Council expressed the view that the MRC board and panel membership composition should be such that it would encourage proposals from applicants from diverse backgrounds.

Dr Buckle mentioned that MRC had plans to identify and mentor early career researchers building up a cadre of people that could become board and panel members in the future, which would be a more sustainable solution than stretching the existing pool of experts.

Overall, members were supportive of the introduction of the ethnicity target, which was seen as an important measure to allow the MRC to increase the diversity of its standing boards and panels.

12-13. Spending Review submission update and UKRI central strategy for stakeholder engagement

UKRI's Director of Investment Strategy and System Insight, Daniel Shah, updated Council on the Spending Review submission. The UKRI's submission to BEIS was underpinned by the Government's priorities, including strong and innovative public services, levelling up across the country, tackling climate change, advancing global position of the UK as a science superpower, and delivering the Plan for Growth. A multi-year settlement was expected for this Spending Review. As submitted, the BEIS bid would provide an increased annual budget for the UKRI over the spending review period, with growth across the piece, but overall less than UKRI would want to achieve. There were also additional programmes within the bid, which UKRI would likely have a role in delivering, including ODA funding and the new Innovation Missions Fund. Mr Shah noted that additional details were provided to BEIS on different profiles and scenarios. Those would be used at the allocation stage. The UKRI team was actively engaging with stakeholders creating an environment where research and innovation sector and its allies were making a coherent case for public investment in research and development through UKRI. Conversations with councils would be held in October to discuss the bid and strategy to engage with universities, businesses and other stakeholders. The UKRI team was keen to pick up intelligence from the targeted engagement activities of each council, programme and theme to identify the influencers that remained to be convinced.

Members sought to clarify whether UKRI was working with other government departments and agencies to achieve complementarity of objectives and to demonstrate how it could achieve broader impact across different sectors. Mr Shah mentioned that one of the routes to deliver on other government objectives more broadly would be through the Innovation Missions Fund. This raised Council's concern over the faster growth of the innovation component in research and innovation, and whether that meant that the primary route for delivery would be via Innovate UK. Members also noted that the UKRI submission did not mention health of British people. Mr Shah explained that health-related benefits would be realised through different funding lines within the submission and that this would be unpacked at the later stages.

Council noted the update, which members found helpful.

14. Biannual risk review

UKRI's Head of Risk Management and Counter Fraud, Ms Carole Walker, presented Council with the biannual risk review containing UKRI's and MRC's top-level risks. She outlined the hierarchy of risks and how the Central Risk Management team worked with individual councils.

Council was interested how the distinction between the UKRI and MRC risks were made and what the process was for setting the risk appetite within UKRI. Members were informed that the magnitude of a given risk, where the main control for it lies and how many areas it affects would determine if it should be considered as a UKRI corporate one. Ms Walker explained that there was a quarterly review of risks by the UKRI Executive Committee and by the UKRI Audit, Risk, Assurance and Performance Committee to identify if any changes were required.

15. Any other business

No other business was raised.

16. Council private business

Following the meeting members held a private business meeting.

Items for Information

Council noted the following papers for information:

17. Updates from the Executive

18. Research integrity and reproducibility update and Annual report on allegations of research misconduct 2020/21