



Minutes of the MRC-UKRI Council business meeting, held at the 58 Victoria Embankment on 4 May 2022

Attendees		
MRC Council	Management Board	MRC Head Office / observers
John Iredale	Rob Buckle	Christina Mulligan
Richard Murley (Chair)	Patrick Chinnery	Ivan Pavlov
Eleanor Riley	Hugh Dunlop	Rebecca Aarons (Item 5)
Kim Graham	Claire Newland	Rebecca Barlow (Item 5)
Munir Pirmohamed	Jonathan Pearce	Linda Holliday (as a UKRI observer)
Jill Pell		
Graham Spittle	Guests	
Charlotte Watts (left 10.30)	Gavin Mapstone (Item 4)	
Louise Wood	Ian Viney (Item 6)	
Pauline Williams	Carole Walker (Item 7)	
Roger Highfield (left 11.00)	Toni-Jo Henderson (Item 7)	
Precious Lunga	Heike Weber (Item 5)	
Andy Richards		

1. Welcome and Apologies

The Council business meeting on 4 May 2022 was held at MRC head office at 58 VE with some members joining via Zoom. The meeting was chaired by the Senior Independent Member, Mr Richard Murley.

Apologies were received from Irene Tracey.

2. Register of declared interests

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

3. Minutes of the Council business meeting held on 2 March 2022

The minutes of the Council business meeting held on 2 March 2022 were approved as an accurate record of the meeting.

4. Finance report

Mr Gavin Mapstone, the MRC interim Finance Director, presented the finance report covering an update on 2021/22 allocations, the provisional year-end outturn for 2021/22, and information on allocations for future years (until 2024/25). Mr Mapstone reminded Council of the difference between commitments (an obligation to pay) and expenditure (the cost of meeting obligations). He stated that to deliver against its financial objectives, MRC must make commitments at a rate that would incur expenditure appropriate to meet each year's budget. This can be challenging as the timing of expenditure is not wholly within the MRC's control as delivery primarily takes place within external research organisations.

He presented Council with the current MRC's financial position noting that the impact of pressures of rising energy prices was still to be evaluated. Council was informed that of the £837 million allocated budget for the current financial year, to date ca. £805m was required to meet expenditure arising from existing grant commitments. Commitments presented for approval by Council in March 2022 were set at a level to enable MRC to deliver to budget in 2022/23 and against raising allocations over the spending review period.

Talking about financial risks, Mr Mapstone highlighted the increasing rate of inflation, which could place pressure on sustainability of the current funding system; potential volatility within the grant portfolio due to Covid-related interruptions and changes in demand; a risk of the reduced technology transfer income when patents expire or if they could not be enforced primarily stemming from the legislative differences between the UK and US systems; as well as the unknown impacts of the UK's exit from EU funding schemes on MRC staffing and community.

Council was pleased to note the MRC's success in accessing cross-council UKRI funding and opportunities to build on this over the new spending review period.

Discussing the implications of these factors for the MRC funding over the coming years, Council questioned whether the risk associated with the EU funding schemes should be given more consideration. Members were informed that it appears on the UKRI risk register but that councils might be affected in different ways and that the office will look into this in more details.

Members were concerned that the relative increase in the MRC budget might be reduced in the real terms due to high inflation. Council raised the importance of being transparent with the research community and research organisations in communicating these issues, allowing them to understand the constraints within which MRC operates and to manage expectations.

5. MRC Strategic Delivery Plan and process for allocations from the strategic budget

Dr Heike Weber, MRC's Associate Director Strategy and Planning, thanked Council members for the comprehensive discussion of the MRC Strategic Delivery Plan (SDP) at the previous meeting and for their written feedback received after that. She presented a revised draft that had an upfront vision and objectives section with strengthened MRC's ambitions. The SDP now also contained case studies and callout boxes (associated with relevant priorities) to provide exemplars of outputs and impacts, and to feature ongoing and planned activities in key strategic areas, such as levelling up and industry partnerships. Members were informed that alongside developing the SDP, head office was working on creating an outcomes framework that would enable the MRC to measure the progress of its implementation. Council agreed that the new version of the SDP had a better articulated vision and welcomed plans of creating an outcomes framework.

Members proposed that the SDP should reference how MRC's plans align with implementing the Sustainable Development Goals agenda. The discussion of case studies suggested to re-word the malaria vaccine case study and, where possible, introduce health benefits. To more efficiently get the information across to the target audiences of the SDP, Council suggested to

dedicate callout boxes to no more than the top five messages that the Delivery Plan aims to communicate.

Council discussed that being focused on the delivery over the next few years, the SDP should reflect that the recent successes, such as the quick development of the Covid vaccine by AstraZeneca, would not have been possible without the decades of investment in the sector, including funding of 'blue sky' research. The ongoing support of biomedical research enables the development of transformative solutions to emerging challenges.

Council encouraged members to continue providing their feedback on the SDP directly to the MRC strategy team and delegated the authority for approval of the final version of the plan to the MRC Executive Chair and Council Chair.

Council then was presented with the proposed process for allocations from the strategic budget to provide support for cross-cutting strategic investments. This would allow Strategy Board to make substantive investments aligned with the ambitions outlined in the SDP. The process would also allow to make commitments swiftly where necessary balancing them against initiatives that take longer time to develop before they can be launched. Thus, the Strategy Board's budget would be used for a mix of large and smaller scale investments, which would be made through a six-monthly rolling Strategy Board programme that would consider funding opportunities with commitment delivery timeframe of 12-18 months from the timepoint of the meeting.

Council welcomed this approach, noting that the government's Life Sciences Vision had a number of aspirations and that this would provide the MRC with a tool to align the delivery of its own objectives, within the council's remit, with those aspirations, demonstrating commitment to government's agenda, for example in such areas as functional genomics and cancer immunology. Members discussed that it would likely require investment from the private sector and ways to attract industry should be considered.

Council noted the importance of being able to actively manage investments by reshaping initiatives if necessary, as they are being delivered. Members agreed that establishing a clear process of allocating the strategic budget would allow MRC to address the strategic needs and arising opportunities in a systematic way, better shaping overall portfolio when making decisions about individual investments.

Council endorsed the proposal and noted that horizon scanning for emerging technologies and areas of future opportunities should feed into investment decisions.

Concluding the discussion of this item, members stressed the importance of being able to communicate effectively to various audiences, including government departments and ministers, how MRC strategic investments (for example, UK Biobank) enable capabilities to address challenges of everyday life helping to develop treatments of individual diseases.

6. Award rates at MRC

Dr Ian Viney, MRC's Director of Strategic Evaluation and Impact, presented a paper, which provided an overview of the award rates at the MRC, including a brief comparison of the MRC award rate and average size of awards with data from other research funders, and an analysis of the proportion of applications considered by the research boards that were scored as of fundable quality.

Dr Viney noted that not all fundable applications get awarded. Due to budgetary pressures, few proposals that scored 7 could be supported, whereas most that scored 8, and all those that scored 9 or 10 were supported.

Dr Viney discussed the implications of low award rates and potential measures that could help to improve it. These include approaches to actively manage demand, closing schemes with low award rates, setting award rate targets and adjusting design/eligibility aspects of funding calls, and boosting call budgets (with the caveat that this would need to be done at the expense of other schemes). Not only was the MRC's award rate broadly comparable to other biomedical research funders (including Wellcome), but the latest data (for 2021/22) showed that it had improved significantly. In addition, the increased funding available to the Boards and Panels for the coming financial year should further help in this direction.

Council welcomed the update and noted that this conversation was timely, considering the recent publication of the interim findings of the independent review of research bureaucracy led by Professor Adam Tickell, the ongoing UKRI programme aimed to develop a simpler and better funding system, changes toward more consistency between UKRI councils' approaches, and initiation of the new UKRI review of peer review processes.

Discussing the funding process, the benefits it offers to the applicants, and the effort needed to prepare an application, members asked if the current work/benefit balance could be improved to avoid the time loss in preparing applications for funding. For example, by requesting certain information, such as some administrative details, to a post-sift (post-triage) or even post-award stage. Dr Viney noted that this was being considered in the development of the new UKRI funding system, though some research showed that cutting back on detail containing in the application might not necessarily result in a reduction in the preparation time. The office also commented that reducing the level of requested details might impact on the ability of the funder to properly assess submitted proposals and cause additional bureaucratic iterations. It was further noted that when the idea of reducing administrative information was discussed with research organisations, the general view was that they would still require applications submitted for funding to have worked up details of the full costs of the work for internal financial planning purposes. Thus, while there might be some ways to optimise what information is required and at what point this is requested, the application process was broadly accepted by the sector.

Council discussed whether using milestones in grants, as routinely utilised in the MRC's Development Pathway Funding Scheme, and accepting that some research would not deliver and would have to be terminated early, could be a way to improve the success rate. It was noted that the lack of certainty for the staff employment on such projects would be the major barrier to scaling up this approach.

Council highlighted the need to consider levelling up when thinking about award rates. Members asked if there were any trends or variations in the success rates, either at the triage or funding stage, across regions. It was explained that the MRC publishes high-level figures on regional spend. At a detailed level there are differences between the award rate of those organisations that submit the most applications and those that submit fewer applications to the MRC, although this gap has narrowed in recent years. It was also noted that universities respond in diverse ways to individual funding opportunities, citing the example of the success that organisations outside of the greater south east had in securing translational research funding.

Members noted that while for universities getting research funding was part of their business model, for individual researchers the process of securing grants bore substantial personal component and could not only considerably impact on their careers but also on wellbeing. Council suggested that the MRC should more actively engage with universities to ensure research organisations provide sufficient support to their researchers, in particular early career scientists, when they apply for MRC funding. The work that the evaluation team had pursued to look at the career progression of MRC supported early career researchers was relevant to this.

Council advised head office, when planning MRC university strategic visits (at which award rates were discussed), to strongly encourage universities to arrange town hall meetings as part of the visit agenda to enable a direct dialogue between MRC and university researchers.

It was agreed that it would not be advisable to undertake a radical overhaul of the existing funding process and that the MRC should instead focus on levelling up, providing clear feedback to applicants on unsuccessful proposals, and working more closely with research organisations to ensure early career researchers are properly supported.

7. Bi-annual MRC risk review

Ms Carole Walker, UKRI's Head of Risk Management, presented Council a Bi-annual MRC risk review paper, which included an update on the MRC risks and changes to the current MRC risk scores, and an overview of the UKRI top corporate risks. Council was informed that the new Risk and Assurance Management System (R&A System) went live in March 2022. Members noted that over the next few months the office would identify, review, and record risks related to councils' SDPs and record them on the new R&A system. The councils' SDP risks would be reported to the UKRI Board in July. This would result in new MRC SDP risks being formed, and those would be presented to Council at its meeting on 5 October.

Members noted that the risk related to staff retention should include such controls as organisational culture and good management practices in addition to financial incentives.

Discussing current top risks, members raised concerns related to the high inflation rate, cyber security and uncertainties surrounding the timeline of the UK's association to Horizon Europe, and noted that those risks required higher visibility. Council was informed that the EU association-related risk was recorded on the UKRI corporate risk register and is one of the ongoing concerns. It was confirmed that the UKRI holds overall responsibility for managing this risk; the central team maintains contact with the Department for Business, Energy & Industrial Strategy and was looking at possible scenarios and mitigation strategies. The risk continued to be regularly discussed at the UKRI's Executive Committee and Audit, Risk, Assurance and Performance Committee meetings.

In relation to the cyber security, Council was informed that UKRI's resources in this area have been considerably increased in the last year: the UKRI had allocated a dedicated budget to support its IT infrastructure and employed security personnel. Members noted that in addition to protecting vulnerabilities, consideration should be given to ensuring the resilience of the existing systems to avoid repeating the situation when issues with the BBSRC extranet caused some disruption to councils' business.

Council was asked to consider how information on risks is currently being presented and to feedback to the office what specific information members would value the most in the risk update papers they receive. Members agreed that they would wish to see both UKRI and MRC risk registers and to build their discussions around the implications for the MRC. Members suggested to have more clarity on how UKRI risks could be controlled in the MRC context and were pleased to learn that the new R&A system should make it easier to gather and present such information. It was noted that having risks drawn around the SDP outputs would help focus future discussions.

8. Council annual self-assessment and objectives

Dr Claire Newland, MRC's Director of Policy, Ethics and Governance, presented Council with the **outcome of the annual Council's self-assessment**, which had been carried out in the form of questionnaire followed by individual conversations between the MRC Executive Chair, Professor John Iredale, and Council members. Council was pleased to learn that overall, its members were satisfied with the way Council performed its business during 2021/22.

Professor John Iredale mentioned that many members welcomed the opportunity to input more on a range of issues on an *ad hoc* basis. This would maximise the use of skills and expertise of Council members through more frequent interactions with head office outside Council meetings, providing early input into items before they get submitted for Council deliberations.

Council noted proposed actions, which included the Executive team working on ways to increase diversity and ensure Council gets broader and more diverse views to inform their discussions by bringing in views of the MRC EDI Forum, and through creating a diverse leadership cadre with representation on various internal MRC bodies.

Members then considered and agreed the proposed Council's objectives for the year 2022/23 as presented in the paper.

9. Environmental sustainability and major project reporting dashboards

Dr Susan Simon, MRC's Director for Capital and Estates, presented Council two new dashboards: one related to the MRC major projects, and one for the environmental sustainability programme. The dashboards were suggested to be included as part of the regular operations update paper received by Council at each meeting.

It was proposed that in order to make the progress of the MRC major infrastructure projects more assessable the dashboard would contain information on the status of the ongoing projects compared to the original business case and would include their financial profiles and updated completion forecasts. The environmental sustainability programme's dashboard presented to Council contained information showing progress against benchmarked carbon emission, along with comparative figures of the change in water consumption, energy use and waste production in 2021/22 and 2017/18.

Council agreed that the dashboards would be a helpful addition to the documents pack received by members. Council suggested to include information on the objectives and the list of the planned tasks in the environmental sustainability dashboard, which would provide the useful context and make it easier to monitor the progress of the programme's implementation.

10. Equality, diversity and inclusion (EDI) considerations in decision making

Council asked the office to consider how to manage reputational risks associated with EDI. Members mentioned that the equality impact assessment is an evidence-based approach designed to help organisations ensure that their policies and practices are fair and do not disadvantage any protected groups, and that it could be considered to formally assess the implementation of major changes.

Council noted the paper submitted for information with an update on the EDI action plan from the MRC Laboratory of Molecular Biology. Members were invited to contact the office and provide their feedback on the paper to be passed to the Institute's Director.

11. Next meeting agenda items

Council noted the proposed agenda for the next meeting in July.

12. Any Other Business

Ms Linda Holliday, UKRI's Deputy Director for Global Mobility and Inclusion, updated Council on the timelines of the UKRI budget allocations following the outcome of the spending review. She noted that a set of documents will be circulated with information how allocations were made to ensure councils are well supported in communicating the outcomes to their stakeholders.

Ms Holliday also mentioned that the outcome of an independent review of UKRI, led by Sir David Grant was expected to be published in early Summer 2022.

Council thanked Ms Holliday for the updates.

13. Council private business

Following the meeting members held a private business meeting.

Items for Information

Council noted the following papers for information:

14. EDI action plan update from the MRC Laboratory of Molecular Biology

15. Updates from the Executive

16. Quarterly operations updates