



### Minutes of the UKRI Board Meeting

**Date:** Tuesday 13<sup>th</sup> September 2022

**Location:** Zoom

**Time:** 10:00 – 16:00

Board Members and Observers	
Sir Andrew Mackenzie (Chair)	Nigel Toon
Professor Dame Ottoline Leyser (UKRI, CEO)	Ruwan Weerasekera
Professor Julia Black	Lord David Willetts
Professor Sir Leszek Borysiewicz	Siobhan Peters (UKRI, CFO)
Professor Sir Ian Boyd	Jo Shanmugalingam (BEIS) (item 3d onwards)
Dr John Fingleton	Ruth Elliot (UKRI, Deputy CFO)
Professor Anthony Finkelstein	Professor Dame Jessica Corner (Observing – incoming Executive Chair, Research England)
Priya Guha	

Attendees	
Emma Lindsell (UKRI, Exec Director of Strategy, Comms, Analysis and Governance)	Tim Bianek (UKRI, COO)
Chris Ball (UKRI, CPO)	Carole Walker (UKRI Head of Risk) – for item 6
Jessica Dixon (UKRI Risk Business Partner) – for item 6	Christopher Smith (AHRC Executive Chair) – for item 7
Bryony Butland (UKRI Programme Director, Research Sustainability and Infrastructure) – for item 8	Steven Hill (Research England, Director of Research) – for item 9
Dr Catriona Firth (Research England, Associate Director for Research Environment) – for item 9	Indro Mukerjee (Innovate UK CEO) – for item 10
Glenn Goodall (Head of ICT Research, EPSRC) – for item 10	Patrick Middleton (UKRI Deputy Director of Communications and Engagement)

Secretariat	
Hannah Berriman (Board Secretariat Lead)	Tim Russell (UKRI Head of Governance & Secretariat)
Samantha Richardson (Board Secretariat)	Louise Chambers (Senior Governance Manager, UKRI Secretariat) – for items 1-3
Callum Kennedy (Senior Private Secretary to Sir Andrew Mackenzie)	

Apologies	
Lord John Browne	

## **1. Welcome and Introductions**

- 1.1. Andrew Mackenzie welcomed the Board members to the meeting and noted apologies. Andrew noted that due to the National Period of Mourning the Board meeting had been moved to online only and thanked the members for being accommodating.
- 1.2. Andrew welcomed Professor Dame Jessica Corner to the Board meeting as an observer, Jessica will be joining Research England as their Executive Chair from 1<sup>st</sup> October 2022.
- 1.3. Andrew noted this would be Professor Sir Leszek Borysiewicz's last meeting as a Board member as he steps down on 30<sup>th</sup> October. Andrew and the Board thanked Borys for his work on the Board and hoped he would continue links with UKRI. Andrew noted it was also Lord Browne's last Board meeting, as he steps down on 5<sup>th</sup> October, but noted his apologies. The Board noted their thanks for the work Lord Browne has done on with the Board since his appointment in October 2017.
- 1.4. Andrew updated the Board on recent non-executive member recruitment, noting that Professor Nola Hewitt Dundas will join the Board shortly once she has completed the necessary security clearance.

## **2. a) Minutes of 13<sup>th</sup> July 2022 b) Action Log and c) Forward Schedule**

- 2.1. The Board approved the minutes of 13<sup>th</sup> July 2022 meeting.

**DECISION:** The Board approved the minutes for 13<sup>th</sup> July 2022 Board meeting.

- 2.2. The Board noted the action log and forward schedule. Board members provided some suggestions for future agenda items, including;
  - Arts and Humanities Deep Dive
  - More in depth discussion on the UK Committee on Research Integrity
  - Meet the new CEO and Chair of the Advanced Research and Invention Agency (possibly over a Board dinner)

## **3. Board Committee updates**

### **a) Nominations and Remuneration Committee (NomCo)**

- 3.1. Andrew Mackenzie provided an update of the Nominations and Remuneration Committee (NomCo) which was held prior to the Board meeting. His update included;
  - A summary of senior leadership recruitment and succession plans
  - An update on Executive Chair appointments, noting that we are currently recruiting for five Executive Chairs, with all campaigns being in various stages
  - Noting the performance-related pay award for staff had been discussed, with an aim to simplify the reporting process.
- 3.2. Andrew noted NomCo had received an update on the UKRI pensions landscape, highlighting it is a complicated space with several different pension schemes in use.
- 3.3. Andrew noted that the Board Effectiveness Review has been delayed until summer 2023 to align with the Operating Model work. Ahead of the formal effectiveness review, a more informal review will be conducted internally. Board members will be interviewed, providing anonymous feedback, with a report coming to the Board in March 2023.

**ACTION:** By March 2023 (ahead of the formal Board Effectiveness Review) a series of anonymised interviews with Board members to discuss how the Board is running will have been conducted

**b) Audit, Risk, Assurance and Performance Committee (ARAPC)**

3.4. Ruwan Weerasekera (Chair of ARAPC) provided an update on the Audit, Risk, Assurance and Performance Committee (ARAPC). Ruwan noted that ARAPC met in July, discussing progress against audit recommendations. Ruwan also noted the committee received a debrief from National Audit Office (NAO), noting the need for them to be more prepared ahead of next year's audit and reporting exercise.

**c) Board Investment Committee (BIC)**

3.5. Priya Guha (Chair of BIC) noted that BIC is meeting on Friday 16th September so would provide an update at the next Board meeting in November.

**d) Organisational Change Committee (OCC)**

3.6. Nigel Toon, chair of the Organisation Change Committee (OCC) updated the Board on progress since the last Board meeting in July. Nigel noted there is a disconnect between the Operating Expenditure headcount targets and financial targets from BEIS, noting that more modelling is required to clearly understand what restructuring would look like.

3.7. Nigel noted that good progress has been made on a communications plan regarding the proposed change programmes. The Board agreed the importance of ensuring senior leaders drive the behavioural changes needed.

**4. CEO Report to Board**

4.1. Ottoline introduced the CEO report, highlighting that it is an opportunity for her to flag any highlights and current concerns. Ottoline noted that many of the key issues are included on the main agenda.

4.2. Andrew Mackenzie noted that the communications on the Grant and Tickell reviews have been received well, the Board extended their thanks to the UKRI Comms team. Ottoline noted that we have built momentum through the communications and it is critical we maintain that through the transitional periods and continue to support our communities.

4.3. The Board highlighted some key areas in the People Survey results, including requesting a more detailed breakdown separating out the councils, centres, units and institutes. The Board noted the importance of identifying ways of making all individuals feel part of the wider UKRI.

**ACTION:** By end of September, Chris Ball will have shared the People Survey Results, broken down by councils, Centres, Units and Institutes with the Board members.

4.4. Ottoline noted that she had received a draft version of the Landscape Review. Jo Shanmugalingam noted that UKRI continue to be very engaged with Sir Paul Nurse and the wider review team.

**5. CFO Report to Board**

- 5.1. Ruth Elliot introduced the report, which covers the period from 28th June to 19th August 2022. Ruth noted that the cost of living crisis is being considered internally, highlighting that we will continue to follow Civil Service Guidelines on pay but are looking to pull together information for staff on wider benefits and access to discounts.
- 5.2. Ruth explained there is a lot of work ongoing with the UKRI Senior Security Advisor, noting a deep dive on security is due at ARAPC in October.
- 5.3. Chris Ball commented on staff reduction, noting that we continue to monitor the situation and identify any critical areas that are being impacted.

## **6. Risk Appetite Review and Risk Management Report**

- 6.1. Andrew Mackenzie thanked Ruth Elliot and team for the significant progress made regarding risk management. Ruth noted the risk appetite and risk registers had previously been reviewed by;
  - Executive Committee,
  - Audit, Risk, Assurance and Performance Committee,
  - Strategy Committee; and
  - People, Finance and Operations Committee.
- 6.2. The Board raised questions about the approach to risk appetite for Health and Safety and requested additional information be brought to the November 2022 meeting. The Board also expressed an interest in a further session with the risk team to help understand how risk appetite and target is mapped on to the UKRI heat maps.

**ACTION:** At the November 2022 Board meeting, Ruth Elliot will have provided an update (including any conclusions) on the Health and Safety risk appetite approach.

**ACTION:** In October, the Risk team will have offered a teach in session for Board members on how risk appetite and risk target is mapped on to the UKRI heatmaps.

- 6.3. The Board noted that many of the risks on the register are not independent of each other and that they would encourage developing an understanding of what the aggregate risk is across the organisation and identifying the correlation between related risks.

**ACTION:** By March 2023, the risk team will have developed an approach to demonstrating clearly how risks are dependent on one another, showing an understanding of what the aggregate risk is across the organisation.

- 6.4. Subject to the comments made, the Board approved the changes to the UKRI Risk Appetite Statement and agreed the approach to risk engagement.

**DECISION:** The Board approved the changes to the UKRI Risk Appetite Statement

**DECISION:** The Board agreed the approach to risk engagement with the Board.

- 6.5. Siobhan Peters noted that the Principal Risk Register (PRR) will be used to drive the future board agendas, noting that items already on the agenda already reflect the PRR (eg. Horizon Europe update)

## **7. Update on Association to Horizon Europe or Alternatives**

- 7.1. Ottoline introduced the item, noting that it is critical we learn from our previous experiences (eg. NPIF) where rigid ring fences for budgets and complex governance arrangements are not the most effective or efficient way of managing funds. Ottoline noted that we had successfully evidenced that during the last Spending Review resulting in fewer and more flexible ring fences, and it is important to maintain that direction of travel.
- 7.2. Christopher Smith, International Champion for UKRI, provided the Board with an update on association to Horizon Europe or the possible alternatives, highlighting the continuing uncertainty over the UK's relationship to Horizon Europe. The Board noted the extensive work that continues across the organisation to develop transitional and longer term alternatives should association prove impossible
- 7.3. Christopher noted that the Horizon Europe Guarantee is in effect and has been a success, with over 937 grants received and verified. Christopher also explained that the transition package was in a good place, with no gaps identified during a recent gap analysis.
- 7.4. Christopher highlighted that as we move towards finalising the business cases for Plan B we need to be sure we understand how each of the four business cases fit together, ensuring we do not lose sight of the collective programme. Christopher noted that UKRI will deliver 85% of Plan B, reiterating the importance of working closely with BEIS throughout the process.
- 7.5. Ottoline noted that right now is a pivotal time for research and innovation in the UK, noting we have a long term, strong reputation. UKRI have a key opportunity to build a high connectivity, innovation-led economy. Effective Horizon Europe alternatives, if needed, are essential to maintain the UK's reputation for R&I and realised this opportunity.
- 7.6. The Board thanked Christopher and team for the extensive work that has gone into preparing for association and planning for alternatives if association is not possible.

## **8. Financial Sustainability of Research: Analysis of Key Risks**

- 8.1. Bryony Butland introduced the item, updating the Board on the analysis of the financial sustainability of research within HEIs. Andrew Mackenzie noted that the overall financial stability of the organisations we fund is critical to our future plans.
- 8.2. The Board thanked Bryony and team for the work that had gone into the analysis, acknowledging the importance of the work and the importance of the issue to the community and Government. The Board provided comments, including requesting the team progress plans to make the analysis more widely available to the sector. Bryony noted the plan is to share the analysis widely and communicate the implications, noting that nothing sensitive or attributable to an individual organisation will be included.
- 8.3. Bryony confirmed that the team continue to work closely with Sir Paul Nurse on the Review of the Research, Development and Innovation Organisational Landscape and highlighted that the team are working closely with BEIS and the Department for Education.
- 8.4. Ottoline noted that a frequent argument is that Higher Education Institutions (HEIs) need more money to address sustainability issues. However, this is not sufficient to address the problem unless incentives are aligned to support sustainability. The Board agreed that the current system is not working because the incentives are not right and we need to identify constructive solutions. Ottoline noted that changes are needed within HEIs as well as within the funding landscape.

## 9. Future Research Assessment Programme

- 9.1. Ottoline introduced the item, updating the Board on the progress of the Future Research Assessment Programme (FRAP) and the key issues it hopes to address.
- 9.2. Steven Hill (Director of Research, Research England) noted that the Research Excellence Framework (REF) is owned jointly by Research England and our sister organisations in the devolved administrations. Steven explained how the programme of work is particularly wide ranging, with significant consultation and evidence gathering having been carried out.
- 9.3. The Board provided comments on the Research Excellence Framework, including welcoming opportunities to simplify the process and using existing data where possible. The Board noted that a significant culture change across the research and innovation community will be needed to optimise what can be achieved through the REF.
- 9.4. Jessica Corner, incoming Executive Chair at Research England highlighted that the FRAP is a huge opportunity, noting that the REF has incentivised and driven a lot of the system as we see now. Jessica noted this is our opportunity to influence what we would like to see going forward.
- 9.5. Steven noted that the FRAP will take into consideration the Board's comments and views during the next stage of work. The Board would welcome a further update on progress in March 2023 when the initial decisions on the next research assessment will have been finalised and agreed with Research England's Council.

## 10. Insight Gathering

### a) UKRI Commercialisation

### b) Supporting the UK Government to transform the economy and society through research and innovation

- 10.1. Ottoline Leyser introduced the item, providing her reflections on how UKRI is supporting the UK government's policy aims. Ottoline noted that she attends the National Science and Technology Council (NSTC), which has been chaired by the Prime Minister, alongside National Technology Advisor, Sir Patrick Valance. **<withheld from publication>**
- 10.2. Ottoline welcomed Indro Mukerjee to the discussion who has taken on the Senior Responsible Officer role for UKRI Commercialisation. Indro noted that his plan is to develop a SMART plan for commercialisation by the end of the calendar year, which will reflect the ways of working and conclusions from the Supporting Business workstream of the UKRI Operating Model work. Indro noted that work is ongoing to fully understand all commercialisation work happening across UKRI.

**ACTION:** Indro Mukerjee will have developed his SMART plan for commercialisation by the end of 2022 and presented it to the Board in January 2023.

- 10.3. The Board thanked Indro for his overview and were supportive of the general direction of travel, noting how impressed they were with the number of fundees who were able to work through the system very well. Indro commented that in important areas where we do not have direct responsibility, such as regulation, we should nonetheless drive thought leadership, which the Board were supportive of.

- 10.4. The Board noted that Intellectual Property is also an important area to consider. Indro noted there is huge variation with how Intellectual Property is managed across the sector. The Board requested a further discussion on management of Intellectual Property by HEIs and Institutes at a future Board meeting

### **c) Semiconductor Research and Innovation Opportunities Steps**

- 10.5. Andrew Mackenzie introduced the item, noting that that this was an excellent example of where we can provide focussed strategic advantage in a particular area. The Board thanked the team for the interesting paper, noting in particular how we compare to other countries. The Board encouraged the team to focus on strategically relevant activities that enable global leverage. The Board noted that the UK is world leading in some niche areas.
- 10.6. The Board encouraged the team to consider the importance of supply chain resilience, noting that the last few years have shown how we can be significantly affected by the global supply chain.
- 10.7. Glenn Goodall, Head of ICT Research at EPSRC, noted that the Department for Culture, Media and Sport (DCMS) is developing a UK Semiconductor Strategy that EPSRC and Innovate UK will feed in to and develop a plan for semi-conductor research across UKRI.
- 10.8. Ruwan Weerasekera declared an interest, noting he has an interest with ARM|SoftBank Group, a leader in semiconductor technology development. Nigel Toon has previously declared an interest as Chairman and Chief Executive Officer of Graphcore Ltd.

## **11. Preparations for New Government**

- 11.1. Ottoline Leyser introduced the item highlighting the importance of effective early engagement with Government and new ministers in embedding the case for R&D investment and UKRI's role in its delivery, so that we can realise the potential of research and innovation to deliver economic and public good. Ottoline noted this was a pivotal moment for UKRI, noting that high profile opportunities exist as we move to the new Government. Jo Shanmugalingam noted that the focus for the new Government will be growth.
- 11.2. The Board noted that Jacob Rees-Mogg had been appointed as the Secretary for State for Business, Energy and Industrial Strategy, and noted it is unlikely that a Science Minister will be announced until after the National Period of Mourning ends.
- 11.3. The Board agreed the importance of ensuring communications to New Government are carefully co-ordinated, demonstrating that UKRI acts as one organisation.

## **12. AOB**

- 12.1. Andrew noted he will shortly be writing to the Board about raising their awareness of their conflicts of interest, to ensure they are declared and appropriately managed.

**ACTION:** By the end of September, the Secretariat will have circulated a note on conflicts of interest to the Board.

12.2. The Board approved the UKRI Modern Slavery Annual Statement 2021, noting the statement largely updates on progress since the prior year.

**DECISION:** The UKRI Board approved the UKRI Modern Slavery Annual Statement 2021.

12.3. The Board noted the following;

- UKRI Annual People Survey results and action planning 2022
- Senior Appointments Update
- Summaries of Council Meetings (June 2022 – August 2022)
- Board Committee meetings minutes;
  - Executive Committee (28<sup>th</sup> June 2022)
  - Audit, Risk, Assurance and Performance Committee (8<sup>th</sup> June 2022)

### 13. Non-Executive Session