



Minutes of the UKRI Board Meeting

Date: Wednesday 9th November 2022

Location: 58 Victoria Embankment

Time: 10:10 – 16:30

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 Ian Boyd	Siobhan Peters (UKRI, CFO)
Dr John Fingleton	Jo Shanmugalingam (BEIS) (item 3d onwards)
Professor Anthony Finkelstein	Ruth Elliot (UKRI, Deputy CFO)
Professor Nola Hewitt-Dundas	

Attendees	
Emma Lindsell (UKRI, Exec Director of Strategy, Comms, Analysis and Governance)	Chris Ball (UKRI, CPO) – item 1-5
	Melanie Welham (Executive Chair, BBSRC)
Jo Allison (UKRI Deputy Director, Strategy, Governance and Performance) – for item 6	Rosie Cornelius (UKRI Deputy Director, Analysis and Performance) – for item 6
Daniel Shah (UKRI Director of Investment Strategy and System) – for item 6 - 10	Caroline Batchelor (UKRI Head of Corporate Planning and Performance) – for item 6
Julia Dickinson (UKRI Corporate Performance Lead) – for item 6	Sarah Parks (UKRI Head of Appraisal and Evaluation) – for item 6
Louise Brown (UKRI Evaluation Lead) – for item 6	Christopher Smith (Executive Chair, AHRC) – for item 7 - 10
Mark Bradley (UKRI Head of Project Delivery Profession) – for item 7	David Rogers (UKRI Deputy Director, Investment Strategy) – for item 7
Helen Pearce (UKRI Strategy, Balance and Narrative Lead) – for item 7	Steven Hill (Research England, Director of Research) – for item 8
Karen Salt (UKRI Deputy Director for Research, Culture and Environment) – for item 8	

Secretariat	
Hannah Berriman (Board Secretariat Lead)	Tim Russell (UKRI Head of Governance & Secretariat)
Samantha Richardson (Board Secretariat)	Callum Kennedy (Senior Private Secretary to Sir Andrew Mackenzie)

Apologies	
Priya Guha	

1. Welcome and Introductions

- 1.1. Andrew Mackenzie welcomed members to the meeting, including welcoming Professor Nola Hewitt-Dundas to her first meeting of the Board.
- 1.2. Andrew noted that the light touch Board Effectiveness Review will be conducted in the new year, with Mary Calam (CT Strategic) holding interviews with all board members in January.
- 1.3. The Board noted that the meeting rooms in UKRI's new offices (Caxton House) will not be ready in January, therefore the secretariat is proposing to hold the Board and ExCo away day and the Board meeting on 17th and 18th January 2023 in Polaris House Swindon. The Board were happy with the proposal, noting that diary appointments will be updated shortly.

2. a) Minutes of 13th September 2022 UKRI Board meeting b) Action Log and c) Forward Schedule

- 2.1. The Board approved the minutes of 13th September 2022. Andrew noted that he would be visiting the Semi-conductor facilities in South Wales, CS Connected, at the end of November. Andrew highlighted the importance of this area and suggested a further discussion coming to a future Board. The Board would also welcome a discussion on the National Computer Strategy at a future meeting.

DECISION: The Board approved the minutes for 13th September 2022 Board meeting.

- 2.2. The Board noted the action log and forward schedule. Board members provided some suggestions for future agenda items, including;
 - Discussion on the Board's relationships with councils' Councils and how we manage critical stakeholders.
 - Advanced Research and Invention Agency Chair and CEO to be invited to a UKRI Board dinner.
 - Opportunity to discuss UKRI's relationship with the NHS and NIHR
 - R&D Tax Credits

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. He noted NomCo discussed the following;
 - Substantial discussion on performance related pay for the senior executive in UKRI.
 - Pay flexibility, including Innovate UK pay and grading
- 3.2. Andrew noted that a discussion on senior succession planning and appointments highlighted a large number of upcoming executive chair appointments, noting that 5 Executive Chairs will be recruited in the next year. Andrew also noted that David Willetts and Julia Black's tenure on the Board is due to come to an end, with recruitment campaigns beginning to kick off. Andrew noted that Nigel Toon will replace Julia Black as the Board's Senior Independent Member (SIM) and will lead the outreach work to identify potential new board members. Andrew confirmed he will write to the new Secretary of State highlighting the issues and key risks for senior appointments and recruitment.

ACTION: Andrew Mackenzie will have drafted a letter for Grant Shapps (SoS for BEIS) to highlight some of the key risks for senior appointments and recruitment by end of the year.

3.3. Andrew noted that there will be an update on councils Councils at January's NomCo meeting, highlighting that there is currently a suboptimal retirement process. Andrew noted he is in favour of fewer extensions going forward.

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 the committee has formally changed its name to the Audit, Risk and Assurance Committee (ARAC), which will come into effect from Jan 2023 and updated Terms of Reference will be shared at the January meeting. This change reflects the increased focus by Board on performance.

3.5. Ruwan noted that since the last board meeting, ARAPC have discussed the following;

- The process for signing off the Annual Report and Accounts
- Outstanding actions with the National Audit Office (NAO), confirming that actions are appropriate, and that the committee has a good working relationship with NAO
- Highlighted a review of IT governance, noting we had some work to do to be in line with Government standards
- The whistleblowing policy refresh and complaints procedure.
- Review of cyber and physical safety

3.6. Ruwan noted that the committee discussed a deep dive on workforce planning, led by Chris Ball. The committee were supportive of the plan outlined.

3.7. Ruwan confirmed that a full annual report for 2021/22 will come to Board in January 2023. Moving forward, the ARAC annual reports will come to Board in line with the Annual Report and Accounts timeline.

c) Board Investment Committee (BIC)

3.8. Ian Boyd provided an update on the Board Investment Committee (BIC) on behalf of Priya Guha (Chair of BIC). Ian noted that BIC had reviewed two business cases since the last Board meeting,

- Research Infrastructure for Conservation and Heritage Sciences (RICHeS)
- Artificial Intelligence Research and Innovation Programme

3.9. Ian noted that BIC also considered the European Spallation Source (ESS) investment, highlighting the substantial continuous requirement for investment.

3.10. Ian noted that BIC was established to ensure that the Board would have sight of large business cases, without them having to come to a formal Board meeting. BIC will also have the opportunity to understand and review the pipeline and portfolio of business cases.

d) Organisational Change Committee (OCC)

3.11. Nigel Toon, chair of the Organisation Change Committee (OCC) updated the Board on progress since the last Board meeting in November. Nigel noted that there continue to be concerns about the capacity of core talent, with a lot of pressure being put on people across the organisation. Nigel highlighted that there has been some excellent work ongoing regarding financial modelling.

- 3.12. The Board noted that the University of Edinburgh had recently gone live with a new Oracle and ERP system and had experienced some significant issues. The Board encouraged learning lessons from their experience and noted the importance of ensuring communications to staff are clear and concise.

4. CEO Report to Board

- 4.1. Andrew proposed that going forward the CEO and CFO reports would be verbal updates. The Board were happy with the proposal, noting that some short paperwork from the CFO to fulfil fiduciary responsibility may be needed.
- 4.2. Ottoline introduced the CEO report, highlighting that it is an opportunity for her to flag any highlights and current concerns. Ottoline highlighted that the team has spent a lot of time on preparations for the new Government, looking to build the best possible relationships across the Government. Ottoline noted that research and innovation continues to be high on the Government's agenda, with the National Science and Technology Council being moved back to No 10.
- 4.3. Ottoline highlighted that engagement with the UKRI Strategy continues to be positive. There is considerable interest in new initiatives, such as the strategic themes. The Board noted that the Public Engagement Strategy is due to be launched shortly, which will highlight support for communities, enabling community-led engagement with research and innovation.
- 4.4. Ottoline noted there is an ongoing review of peer review, which aims to ensure the peer review systems are fit for purpose for identifying and funding the best possible portfolio of proposals.

5. CFO Report to Board

- 5.1. Ruth Elliot introduced the report, which covers the period from 19th August to 21st October 2022. Ruth noted that there is a lot of ongoing work looking at the implications of inflation, noting that there has been an increase made to student stipends.
- 5.2. **<withheld from publication>**. The Board noted the ongoing work in Cyber Security.
- 5.3. Ruth noted that after reflecting on the feedback from the September Board meeting and holding further discussions across UKRI and with the Health and Safety Management Committee (HSMC) she is proposing to reduce the Health and Safety risk appetite from the original recommendation of 'Cautious' to 'Minimalist'. The Board were happy with the proposal.

DECISION: Board approved the reduction of the Health and Safety risk appetite to 'Minimalist – We will accept only low risk' from 'Cautious – we will consider moderate risk'.

- 5.4. The Board noted that the Executive Committee meet monthly to discuss the Operating Model, and that staff have been allocated to each of the 10 workstreams. Tim Bianek noted that a meeting with senior leaders from across the organisation to discuss the Operating Model was being held in Swindon on 15th November 2022.

6. UKRI's Framework for Performance

- 6.1. Isobel Stephen introduced the item, updating the Board on the UKRI's updated Framework for Performance, including highlighting the 4 key products that layer throughout the year to provide a holistic overview of performance. The Board thanked the team for the work that has gone in to developing the Framework for Performance, noting the importance of being able to demonstrate value of ongoing investment.
- 6.2. Isobel noted that work was ongoing to develop an efficient balanced scorecard, noting that first iterations were overly ambitious. The Board noted a revised Balance Scorecard is being developed and will come back to the Board prior to going live in March 2023.
- 6.3. The Board were encouraged by progress made and were keen to ensure the products went live at the end of March. Andrew noted the Framework for Performance should be trialled for a year, and then reviewed.

7. Update on Association to Horizon Europe (HEu) or Alternatives

- 7.1. Christopher Smith, International Champion for UKRI, provided the Board with an update on association to Horizon Europe or the possible alternatives. The Board noted the extensive work that continues across the organisation to develop transitional and longer term alternatives should association prove impossible. Christopher noted that the Horizon Europe Guarantee is in effect, with over £500 million paid out. The Board noted that the ERC mono-beneficiary schemes are almost fully processed, highlighting there were some lower figures across business schemes due to some audit issues, but Innovate UK continue to work on this.
- 7.2. Christopher updated the Board on the workstreams, noting progress is good. The Board noted that Strategy Committee is engaged on development of alternatives and how they would work in practice. The Board noted that UKRI is an active partner in the development of alternatives and continues to advise and work with BEIS around key decision points.
- 7.3. Christopher reiterated the strong relationship the HEu alternatives team has with BEIS and highlighted the need for consistent and clear communications with the community. The Board agreed that the communications need to be simple, proactive and focussed, endorsing the proposal for a "user-journey" approach. Christopher noted the importance of signposting people to information already in the public domain.

8. Supporting System Change through the UKRI People, Culture and Talent Portfolio

- 8.1. Melanie Welham introduced the item, updating the Board on UKRI's approach to supporting system change across the research and innovation sector through its People, Culture and Talent portfolio. The Board thanked Melanie and team for the extensive work that is ongoing, acknowledging the complexity of the proposed changes.
- 8.2. The Board encouraged the team to ensure the priorities were ambitious, noting that 'enough people with the right skills and opportunities' does not sound aspirational. The Board acknowledged that 'enough people' was actually a significant increase from where we are at the moment. The Board highlighted the importance of diversity in encouraging innovation and addressing the skills gap.
- 8.3. Melanie updated the Board on progress on increasing student stipends, noting the ongoing work of modelling different scenarios and potential impacts. The Board agreed on the importance of making the offer for students attractive.

8.4. The Board noted that this was an area where UKRI could show leadership across the whole of the UK research and innovation sector.

9. Arts and Humanities Landscape Review

- 9.1. Christopher Smith introduced the item, providing a landscape review of the arts and humanities. Christopher noted that arts and humanities as a set of disciplines has changed dramatically over the last 20 years, but funding and perceptions have perhaps lagged behind. Christopher highlighted that 50% of FTEs returned under the Research Excellence Framework (REF) exercise came under AHRC or ESRC remit, noting that arts and humanities disciplines are so diverse you cannot talk about one singular arts and humanities community. Christopher noted the importance of protecting and promoting the place of arts and humanities in all its diversity from school through undergraduate up to PhD level and beyond.
- 9.2. Christopher highlighted some of the key successes within AHRC, including the Creative industries Clusters which has exceeded its co-investment target by 600%, 50% of which comes from business. The Board noted the ongoing work with other government departments, which includes the Defence Science and Technology Laboratory (DSTL) on security and Department for Digital, Culture, Media and Sport (DCMS) on creative industries.
- 9.3. The Board thanked Christopher for the ongoing work in arts and humanities, highlighting their desire to act as an advocate for the sector.

10. AOB

10.1. The Board noted the following;

- Senior Appointments Update
- Summaries of Council Meetings (September 2022 – November 2022)
- Board Committee meetings minutes;
 - Executive Committee (26th July 2022, 27th September 2022)
 - Audit, Risk, Assurance and Performance Committee (25th July 2022)
 - Organisation Change Committee (10th October 2022)

11. Non-Executive Session