



Minutes of the UKRI Board Meeting

Date: Wednesday 15th March 2023
Location: Double Tree by Hilton, Leeds
Time: 09:45 – 16:00

| Board Members and Observers | |
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| Sir Andrew Mackenzie (Chair) | Siobhan Peters (UKRI, CFO) |
| Professor Dame Ottoline Leyser (UKRI, CEO) | Nigel Toon |
| Professor Julia Black | Ruwan Weerasekera |
| Professor Sir Ian Boyd | Lord David Willetts |
| Dr John Fingleton | Jo Shanmugalingam (BEIS) |
| Professor Sir Anthony Finkelstein | Ruth Elliot (UKRI, Deputy CFO) |
| Priya Guha | Indro Mukerjee (Executive Chair and CEO, Innovate UK) |
| Professor Nola Hewitt-Dundas | Jessica Corner (Executive Chair, Research England) |

| Attendees | |
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| Emma Lindsell (UKRI, Exec Director of Strategy, Performance and Engagement) | Tim Bianek (UKRI, COO) |
| Louise Chambers (Senior Governance Manager, UKRI Secretariat) – for items 1-3 & 7 | Carole Walker (UKRI, Head of Risk) – for item 6 |
| Rod Viggers (UKRI, Deputy Director of Risk and Assurance) – for item 6 | Paul Gemmill (UKRI, Organisational Change Delivery Director) – for item 7 |
| Katerina Galai (UKRI Operating Model Programme Director) – for item 7 | Tom Crawley (UKRI Deputy Director Programmes and Partnerships, UKRI International) – for item 8 |
| Jo Allison (UKRI Deputy Director, Strategy, Governance and Performance) – for item 8 | Rosie Cornelius (UKRI Deputy Director of Analysis and Performance) |
| Julia Dickinson (UKRI Corporate Performance Lead) – for item 8 | Rick Hamilton (UKRI Evaluation and Performance Lead) – for item 8 |
| Louise Brown (UKRI Evaluation Lead) – for item 8 | Sarah Parks (UKRI Head of Evaluation and Performance) – for item 8 |
| Caroline Batchelor (UKRI Head of Corporate Planning and Performance) – for item 8 | Alex Chaix (UKRI Deputy Director of Commercialisation) – for item 9 |
| Steven Hill (Research England, Director of Research) – for item 10 | |

| Secretariat | |
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| 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) |

1. Welcome and Introductions

- 1.1. Andrew Mackenzie welcomed members to the meeting, in particular welcoming Jessica Corner and Indro Mukerjee who are observing the Board meeting ahead of their specific items after lunch. Andrew noted that a couple of the papers were circulated to the Board late, highlighting that as the agenda is set well in advance this is unacceptable unless in exceptional circumstances.
- 1.2. Andrew thanked the Board for their participation in the light touch Board effectiveness review, noting that the report is included in the Corporate Reading Room. Andrew highlighted that the feedback is largely favourable. A formal Board Effectiveness Review will be conducted from August 2023, and will not duplicate the work undertaken as part of the light touch review.

2. a) Minutes of January 2023 UKRI Board meeting b) Action Log and c) Forward Schedule

- 2.1. The Board approved the minutes of 18th January 2023 meeting and noted the action log.

DECISION: The Board approved the minutes of the 18th January 2023 meeting.

- 2.2. The Board noted the forward schedule and offered the following comments;
 - In May, for the Economic and Social Research Landscape Review, the incoming ESRC Executive Chair (Stian Westlake) should be invited to attend as an observer. The landscape review will be led by Alison Park.
 - A discussion on longer term funding models should be considered as a potential future board item
 - Unscheduled items should either be scheduled or removed.
- 2.3. The Board noted they sometimes felt they were not aware of key things happening between meetings or coming out of the individual Councils. Ottoline and the Executive agreed to consider the best way to communicate decisions and issues from across UKRI with Board members in between meetings, noting the need to ensure we do not create unnecessary bureaucracy.

ACTION: Emma Lindsell/Isobel Stephen will have considered the best ways to communicate key decisions and issues from across UKRI with Board members in between meetings by May 2023.

3. Board Committee updates

a) Nominations and Remuneration Committee (NomCo)

- 3.1. Andrew Mackenzie (Chair of NomCo) provided an update on the Nominations and Remuneration Committee, noting that additional time had been included on the agenda for the whole Board to discuss senior appointments. Andrew noted that as we start to look at recruitment for new non-executive members to the Board, he would appreciate input from the whole Board.
- 3.2. Andrew provided a brief update of work that is underway, including the work on the gender pay gap and the pay remit discussions. Andrew noted that the senior appointments update paper includes an outline of the EPSRC succession plan for their council to allow continuity and retain corporate knowledge as their Executive Chair and Senior Independent Member are both due to step down. The Board were happy with the proposed plan from EPSRC.

- 3.3. Andrew updated Board on the senior appointments process, highlighting where there have been substantial delays. Andrew confirmed he had spoken to Minister Freeman about the delays and was hopeful we could move forward with the campaigns at a quicker pace. Jo Shanmugalingam noted she had spoken to the Secretary of State for DSIT who confirmed that she is focused on progressing appointments and will ensure her Special Advisors and Ministers see appointments as a priority.

b) Audit Risk and Assurance Committee (ARAC)

- 3.4. Ruwan Weerasekera (Chair of ARAC) noted there had not been an ARAC meeting since the last Board.
- 3.5. Ruwan highlighted that it is good practice for Board members to have an awareness of the whistleblowing process. Ruwan noted the process is working well and continues to be reviewed.
- 3.6. Ruwan noted ARAC will hold further discussion following the work the Board and Executive Committee undertook at the Risk Workshop in January.
- 3.7. Andrew noted that he would like more representation from the Board on ARAC as non-executive members, highlighting the importance of establishing a connection between the committee and the Board.

c) Board Investment Committee (BIC)

- 3.8. Priya Guha (Chair of BIC) provided an update on the committee, noting that she is continuing to seek clarity on the role and function of the committee, in line with broader operating model work.
- 3.9. Priya noted that a BIC meeting was held in January to discuss three business cases, which were broadly supported by the committee. Daniel Shah, UKRI Director of Investment Strategy and System Insight, also joined the meeting in January to discuss how UKRI is looking ahead to spring fiscal events.
- 3.10. Priya highlighted that there will be times when the committee will recommend that a thematic area should come to Board for further discussion, for example digital research infrastructure which is on the forward schedule.
- 3.11. The Board noted that we had an opportunity to inform ministers of some of the issues faced with the business case approvals process, highlighting how additional freedoms would allow us to add value. Siobhan noted that her team is working closely with DSIT on what is the best way to move forward with these discussions. The Board recommended we produce a short brief for ministers on the business case process and how we can add value.

ACTION: Siobhan Peters will have prepared a one-page brief on the business case process for His Majesty's Government on how best to add value to the process ahead of the May 2023 meeting.

4. CEO Priorities

- 4.1. Ottoline introduced the CEO update highlighting that the creation of the Department for Science, Innovation and Technology (DSIT) was incredibly positive. She noted this created a critical window of opportunity to build a good relationship with the Secretary of State with a

remit across government. Ottoline noted the need to build high trust relationships to support the government agenda, noting that UKRI has expertise in every element of the Science and Technology Framework 10 point plan.

- 4.2. Ottoline noted her concerns about being asked to deliver new programmes within the existing budget. Ottoline highlighted the need to work closely with government to deliver goals without compromising other government priorities.
- 4.3. Ottoline highlighted work on the five UKRI Strategic Themes. The themes map on to the National Science and Technology Council (NSTC) priorities. Each theme is developing a portfolio of activities that build on existing investments across UKRI and capture opportunities to forge international collaborations and collaborations across government.
- 4.4. Ottoline highlighted ongoing HMG negotiations aimed at securing association to Horizon Europe at an appropriate cost. Work continues on alternatives should association prove impossible.
- 4.5. The Board noted that the UKRI Equality, Diversity and Inclusion Strategy will be published shortly, with each Council developing an action plan.
- 4.6. Ottoline also noted that Jessica Corner continues to lead on the Place agenda, including identifying ways in which we can increase our regional footprint and investment outside the greater South East.
- 4.7. The Board highlighted the importance of communication, in particular ensuring the UKRI brand is recognisable and understood. The Board encouraged UKRI to use this opportunity to promote its name, both within government and more widely.

5. CFO Update

- 5.1. Ruth Elliot introduced the item, including highlighting the Finance Update paper which provides an update of UKRI's financial position at Period 10.
- 5.2. Ruth noted that HR continues to progress activity to deliver on its top three priorities. These cover organisational change, strategic workforce planning and developing an employee value proposition. Ruth highlighted that the first UKRI workforce equality, diversity and inclusion (EDI) plan was published in January, which set out how we are working towards a more inclusive culture at UKRI.
- 5.3. The Board noted that the procurement process for a Leadership Through Change programme is due to begin in March. The programme will offer cohort-based learning with UKRI's Executive Leadership Cadre throughout 2023/24.
- 5.4. Ruth explained that as we are still awaiting the outcome of the Pay Remit, the pay award will not be implemented before the next financial year. The impact of the delay has been analysed and shared with the trade unions.
- 5.5. Ruth highlighted that the expanded UKRI Security Strategy has been approved by People, Finance and Operations Committee and is due to be discussed by Executive Committee in March 2023. The aim is for the strategy to be published by the end of April.

- 5.6. Ruth provided an update on Trusted Research and Innovation (TRI), noting that the Centre for the Projection of National Infrastructure (CPNI) has been rebranded as the National Protective Security Authority, and now forms part of MI5. Ruth noted that we are continuing to progress implementing new policies and processes to manage the risks presented by hostile state actors. This includes the recently launched TRI training. Ruth also noted that the Association of Research Managers and Administrators (ARMA) have recently published guidance on managing complex collaborations.
- 5.7. Siobhan Peters thanked Ruth for her work as Deputy Chief Finance Officer, noting that this is her last meeting of the Board before she leaves UKRI. The Board noted that there are no plans to replace the Deputy CFO role, but there is work to strengthen roles across the Corporate Hub to ensure we have the right people in the right positions. Siobhan noted that she will return to leading on the CFO update going forward.

6. Risk Workshop Follow Up

- 6.1. Following the Board and Executive Committee (ExCo) Risk Workshop on 17th January 2023, Ruth provided an update to the Board on the workshop outcomes. Ruth noted that going forward, ExCo will focus on one of the Board level risks at each of their meetings, with further deep dives being considered by Audit and Risk Assurance Committee. These will be added to the forward schedule.

ACTION: Secretariat will have updated the Forward Schedule to reflect the risk discussions by May 2023.

- 6.2. Siobhan noted that now we have a set of stable risks, we are in a position to begin reviewing each risk, noting many are currently outside of risk appetite. Siobhan explained the risk team is in the process of developing action plans to mitigate the risks.
- 6.3. The Board were pleased with the improvements that had been made and approved the top risks for the Board Risk Register and the new approach to risk reporting for Board and Executive Committee.

DECISION: The UKRI Board approved the top risks for the UKRI Board Risk Register and the new approach to risk reporting for Board and Executive Committee.

7. UKRI Organisational Change Portfolio (OCP)

- 7.1. Tim Bianek introduced the item, highlighting the progress of UKRI's organisational change portfolio, including the five major programmes underway to deliver the response to the Grant Review recommendations on effectiveness and efficiency.

- 7.2. The five major programmes are;

- Operating Model – harmonisation, simplification and changes to ways of working, responsibilities and organisational structure to improve effectiveness and efficiency;
- Simpler Better Funding (SBF) – replacement of UKRI's grants system to deliver a better user experience and a significant simplification and improvement of process;

- Services for HR, Accounting, Reporting and Procurement (SHARP) – establishment of a single cloud-based ERP system for all of UKRI that will deliver much greater organisational insight and control;
- Technology – investment in new technical capability that will support the Organisational Change Portfolio’s objectives, harmonising infrastructure across all groups, enabling data as a UKRI strategic asset and delivering improvements to legacy estate and cyber security; and
- People and Culture Change – improvements to UKRI’s HR policies and process, and work to embed organisational support for our UKRI Strategy.

7.3. Tim noted that these five programmes are all interdependent and are collectively delivering UKRI’s response to major parts of the Grant Review as well as making significant contributions to delivering our Operating Expenditure (OpEx) FTE and Business As Usual OpEx targets for the spending review period.

7.4. Tim noted that UKRI’s major technology programmes are experiencing some delivery challenges, but that they are not out of the ordinary for large investment programmes of this nature. Tim emphasised the importance of ensuring that user testing is not compressed in order to meet delivery deadlines when delays occur.

7.5. Tim highlighted that the OpEx headcount target and the financial target set by DSIT are inconsistent, noting that we will deliver against the headcount target but will have a significant gap in achieving the financial target. Tim presented some options for further discussions with DSIT, including agreeing a robust definition of OpEx that incentivised efficiency and effectiveness. Ruth Elliot noted that the team are now meeting weekly with DSIT to continue discussions.

7.6. The Board encouraged Tim and the team to explore all options prior to going back to DSIT to ask for a change in the financial OpEx target, continuing to work with the Organisational Change Committee and the Chief Finance Officer. The Board noted the importance of clearly articulating the implications of having to make any additional headcount reductions.

7.7. Ottoline highlighted the need to move beyond considering UKRI as consisting of the councils and the corporate hub. A key principle of the new operating model is that all staff contribute to UKRI-wide functions.

8. UKRI’s Framework for Performance Quarterly report and Balanced Scorecard

8.1. Andrew Mackenzie introduced the item, noting that the Progress and Performance report will be reviewed by the Board quarterly, with the Balanced Scorecard coming to the Board for review annually each January.

8.2. The Board noted that the Progress and Performance report is quite dense, acknowledging that the supplementary information supporting the recommendations from the Grant Review will not be included forever. While the Board appreciated the concise nature of the report, they requested that the graphs that demonstrate the key input and output measures were larger to help with accessibility and readability.

8.3. The Board raised some questions regarding the data collected, including how the place data is calculated. Jessica Corner confirmed that the data is based on where a Principal Investigator is based as does not yet take into consideration if a grant is split over institutions as this is not currently possible. The Board noted that the data collection is moving in the right direction, but that it would continue to evolve.

- 8.4. The team confirmed that the Organisational Change programme and the introduction of new back-end systems will mean that in time much of the data will be collected automatically, but that the final report will remain manual.
- 8.5. The Board agreed that following a Board discussion on the Progress and Performance Report, they would welcome a note to cover any issues or answer any questions raised being circulated between Board meetings. They agreed it would not need to formally come back to Board for approval.
- 8.6. The Board raised the following concerns:
- Consideration over whether minority ethnic is the appropriate term to be used, noting there are significant differences in subgroups
 - Highlighting that the innovation section appears very Innovate UK centric, the Board requested that the report clearly shows that it is comprised of data from across UKRI, where that data is available.
- 8.7. Ottoline and Andrew thanked the team for their continuing hard work and noted the significant progress that has been made.
- 8.8. Ruth Elliot highlighted the risks that have moved out of appetite. The Board requested that the risk slides in the Progress and Performance Report were developed to demonstrate how risks have moved.

9. UKRI Research Commercialisation

- 9.1. Indro Mukerjee introduced the item, noting that since the last Board discussion on Research Commercialisation in September 2022 and the Board-level workshop in November 2022 there has been a significant increase in communications with external stakeholders. Indro also noted that strong links were present across the whole of UKRI, including the development of a central Commercialisation group.
- 9.2. Indro presented the draft UKRI Research Commercialisation Vision and Ambition document to the Board as a directional piece, noting that its purpose was to be a brochure for existing activity within UKRI, with the aim to get the conversation on research commercialisation started across the community. It is not intended to identify in detail the areas we need to address or change to improve commercialisation. Indro explained that the Commercialisation plan is in development to guide internal delivery of changes. The Board highlighted the need to ensure UKRI clearly articulate the aim of the Vision and Ambition document, to manage expectations across the community. The Board noted that the document will have a bigger impact if it is clearly a UKRI document, not just Innovate UK.
- 9.3. Jessica Corner noted the importance of highlighting what UKRI has to offer for individuals or individual companies, Jessica highlighted that Research England's role is to put funding into the system to support universities, some of which do not have the expertise needed, and to help develop data and insights into best practice.
- 9.4. Jessica confirmed that an independent review into the UK spin-out landscape has been announced by the Chancellor and the Department of Science, Innovation and Technology Secretary of State. The review will be led by Professor Irene Tracey and Dr Andrew Williamson. UKRI will work to support the review and use the outcomes to identify next steps

9.5. The Board were keen to support Indro in development of the communication documents as a signposting tool, and were keen to progress the full Research Commercialisation work package and plan.

ACTION: Indro will have met with Priya Guha, Nola Hewitt-Dundas, Nigel Toon, Anthony Finkelstein and Jessica Corner to progress the UKRI Commercialisation signposting document and help develop the full work package and plan.

10. Future Research Assessment Programme update

10.1. Jessica Corner introduced the item, providing an update on the progress of the Future Research Assessment Programme (FRAP), following a previous discussion at the Board in September 2022. Jessica highlighted that the programme is overseen by the FRAP Board, which is comprised of representatives from Research England and the Higher Education funding bodies of Scotland, Wales and Northern Ireland. The FRAP initial decisions report is due to be published in mid-June 2023.

10.2. Jessica highlighted some of the considerations of the FRAP Board, including a focus on driving change to reflect the diversity of research excellence. This includes identifying how to recognise and reward team science, rather than just the individual and widening the scope of who is eligible to contribute to the Research Excellence Framework (REF).

10.3. The Board noted that while some of the proposed changes may seem small, they actually are quite radical and communication with the community will need to be managed carefully. Steven Hill, Director of Research at Research England noted that there continue to be conversations ongoing across the university sector.

10.4. The Board were keen that Research England and the FRAP Board consider mitigating the competitiveness that the REF can sometimes cause, for example by rewarding and recognising collaborations with other institutions.

10.5. Jessica noted that a document highlighting the rationale for the changes would be published, signifying the direction of travel for the REF. Andrew Mackenzie reminded the Board that while they are able to input into discussions, the final decision sits with the FRAP Board.

11. AOB

- 11.1. The Board noted the following;
- UKRI Finance Update
 - Update on Public and Senior Succession and Appointments
 - Board Committee meetings minutes;
 - Audit, Risk, Assurance and Performance Committee (31st October 2022)
 - Executive Committee (13th December 2022 & 14th February 2023)

12. Non-Executive Session