



### Minutes of the UKRI Board Meeting

**Date:** Wednesday 17<sup>th</sup> May 2023  
**Location:** Caxton House, London  
**Time:** 10:10 – 16:30

Board Members and Observers	
Sir Andrew Mackenzie (Chair)	Professor Nola Hewitt-Dundas
Professor Dame Ottoline Leyser (UKRI, CEO)	Siobhan Peters (UKRI, CFO)
Professor Julia Black	Nigel Toon
Professor Sir Ian Boyd	Ruwan Weerasekera
Dr John Fingleton	Lord David Willetts
Professor Sir Anthony Finkelstein	Alexandra Jones (DSIT)
Priya Guha	

Attendees	
Isobel Stephen (UKRI, Exec Director of Strategy, Performance and Engagement)	Tim Bianek (UKRI, COO) – for items 1-9
Jo Allison (UKRI Deputy Director, Strategy, Governance and Performance) – for item 6	Rosie Cornelius (UKRI Deputy Director of Analysis and Performance) - for item 6
Julia Dickinson (UKRI Corporate Performance Lead) – for item 6	Tripti Rana Magar (UKRI Planning and Performance Specialist) – for item 6
Caroline Batchelor (UKRI Head of Corporate Planning and Performance) – for item 6 & 7	Daniel Shah (UKRI Director of Investment Strategy and System Insight)
Thomas Brown (UKRI Financial Controller) – for item 7	Rod Viggers (UKRI Deputy Director Risk and Assurance) – for item 7
Carole Walker (UKRI, Head of Risk) – for item 8	Jessica Dixon (UKRI Risk and Assurance. Business Partner) – for item 8
Alice Summers (UKRI Senior Risk Business Partner) – for item 8	Alison Park (ESRC Interim Executive Chair) – for item 10
Stian Westlake (incoming ESRC Executive Chair)	

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)

## 1. Welcome and Introductions

- 1.1. Andrew Mackenzie welcomed members to the meeting. Andrew noted that he has a very strong preference that going forward everyone comes to the meeting in person, acknowledging that there will be times when a member is unable to attend but there is no intention to move to hybrid meetings.
- 1.2. Andrew formally thanked Jo Shanmugalingam, who has been attending the UKRI Board as the representative of the Secretary of State since 2019, but is moving to the Department for Transport. The Board congratulated her on her appointment as Second Permanent Secretary. Andrew welcomed Alexandra Jones to the Board, who has been appointed as Director General of Science, Innovation and Growth at the Department of Science, Innovation and Technology (DSIT) and will be attending the Board going forward.
- 1.3. Andrew updated the Board on his activities since the last Board meeting, including meeting with Viscount Camrose, who as the Lords Minister in DSIT has taken on the responsibility for senior appointments in the department. Andrew notes Viscount Camrose appreciated the importance of timeliness in getting the best people for roles and in reassuring our communities.

## 2. a) Minutes of 15<sup>th</sup> March 2023 UKRI Board meeting b) Minute from Re-Prioritisation meeting – 26<sup>th</sup> April 2023 and c) Action Log and d) Forward Schedule

- 2.1. The Board approved the minutes of 15<sup>th</sup> March 2023. The Board requested an amendment to the reprioritisation meeting minute to highlight that the resultant letter was vastly improved because of the meeting.

**ACTION:** The Secretariat will have amended the minutes of the reprioritisation board discussion to include that the resultant letter was vastly better as a result of the meeting by end of May 2023.

**DECISION:** The Board approved the minutes of the 15<sup>th</sup> March 2023 meeting and the minute of the Reprioritisation meeting on 26<sup>th</sup> April, subject to the above amendment.

- 2.2. The Board noted the action log and requested Action B2023.04 regarding discussions on the commercialisation work package to remain open until the commercialisation plan has come back to Board for further discussion. Siobhan provided an update on action B2023.02 regarding a brief for government on the business case process, noting that the team have continued to work with DSIT behind the scenes on the approvals process, and have supported Lord Willetts on his outreach work in this area. The Board agreed to close the action.

### e) UKRI Board Strategic agenda forward look

- 2.3. Daniel Shah introduced the item which set out options for future Board items to enable the Board to support UKRI to anticipate future developments and increase the visibility to the Board of current UKRI strategic planning and influence work.
- 2.4. The Board highlighted the following potential topics as items for the strategic forward schedule;
  - Longer term trends in the whole research and innovation system, including our relationship with DSIT and their relationship with wider government
  - Preparations from the next spending review

- New ways of working

2.5. The Board were also keen to ensure we include more topics that focus on the frontier of science and innovation, while acknowledging there are topics they must discuss to ensure UKRI is able to continue functioning effectively. The Board suggested Daniel develop a list of possible longer-term strategic issues that can be considered at future meetings, which can be prioritised on the forward schedule.

**ACTION:** Daniel Shah will have created a list of possible longer-term strategic issues to consider, order and prioritise in the future forward schedule.

2.6. The Board expressed a desire to hear from the Executive Chairs to highlight key activities in their relevant councils, including their involvement in cross cutting and strategic themes. The Board noted that while recent landscape reviews with Executive Chairs had been very interesting, they could perhaps have gone further with more information about how we increase research and development, and drive up multidisciplinary.

2.7. Ottoline noted the need to prioritise forward agendas carefully to gain maximum benefit for UKRI. Ottoline and team will consider further. The Board noted they would be happy to work in subgroups to help consider potential items if needed.

### **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, which was held immediately prior to the Board. Andrew noted the majority of the meeting was dedicated to senior appointments, highlighting that overall progress is positive. Andrew noted that the EPSRC Executive Chair campaign has now closed, and that interviews for the NERC Executive Chair appointment were imminent.

3.2. Andrew noted that NomCo ratified council member appointments, reiterating the need for Councils to ensure appropriate forward planning is in place.

3.3. Andrew noted the remainder of the meeting was focussed on discussing the Non-Executive Director recruitment for new Board members. The Board noted the official closing date for the campaign is 11<sup>th</sup> June, but Chris Ball and team will be seeking an extension. Andrew noted his intention to involve the whole Board in the recruitment process, not just NomCo.

#### **b) Audit and Risk Assurance Committee (ARAC)**

3.4. Ruwan Weerasekera (Chair of ARAC) provided an update on the Audit and Risk Assurance Committee, noting that ARAC had met twice since the last Board, including holding an in person meeting at Rutherford Appleton Laboratory (RAL) on the Harwell Campus.

3.5. Ruwan noted that recruitment for new non-executive independent members is ongoing, but reassured the Board that ARAC remains quorate.

3.6. Ruwan highlighted that ARAC had initiated a programme of work around reviewing the funding assurance programme.

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

- 3.7. Priya Guha (Chair of BIC) provided an update on the committee, noting that the Terms of Reference will come to Board for approval in July 2023.
- 3.8. Priya noted that the committee met in April, with Daniel Shah joining to discuss an overview of the UKRI investment portfolio. Priya also noted that Mark Thomson (Executive Chair, STFC) joined the meeting in April to discuss how UKRI prioritises and invests in research and innovation infrastructure.
- 3.9. Ottoline and Andrew thanked Priya for the ongoing work in developing the committee, from reviewing business cases to looking at the whole portfolio strategically.

#### **d) Organisation Change Committee (OCC)**

- 3.10. Andrew noted that the expectation is that the Organisation Change Committee will cease to exist following implementation of the Grant review recommendations.
- 3.11. Nigel Toon (Chair of OCC) noted there had been a number of developments since the Board meeting in March 2023. Ottoline highlighted that the SHARP programme, which is critical for UKRI to operate has hit a block with data migration meaning that the current timeline is not achievable. Ottoline confirmed a new go live date of April 2024, highlighting the importance of the programme being completed robustly.
- 3.12. Tim Bianek noted that the revised delivery plan for SHARP now meant that the transition to the new Oracle capability will happen at the same time for UKRI's existing Oracle estate and existing Workday estate (IUK). This will occur together in April 2024 enabling all parts of UKRI to start the new financial year on the new Oracle solution. Tim noted that extensive user testing has been protected under the revised plan and will be carried out prior to go live.
- 3.13. The Board noted that these delays will have an impact on some efficiency savings, but acknowledged that the initial business case for the SHARP programme focussed on need rather than efficiencies only. Tim highlighted that there is no direct technical dependency between the SHARP programme and the Simpler and Better Funding programme, so the new funding service should not be delayed as a result of the delay to SHARP delivery.
- 3.14. Nigel provided an update on the OCC meeting held in April 2023, noting that there were issues highlighted around license term extensions but the committee were content they were being worked through appropriately. Nigel acknowledged we were moving into a very busy period, with lots of transitions happening at once. The Board noted the importance of being transparent and sharing openly across the organisation.

#### **4. CEO Priorities**

- 4.1. Ottoline introduced the CEO update highlighting the extraordinary work that is ongoing, including an increasing number of collaborative and pan UKRI work programmes, demonstrating the power of UKRI as 9 councils working as one. Ottoline noted that engagement across communities is improving, highlighting that we are seeing deeper engagement than in previous years, with the community excited about what UKRI are trying to do.

- 4.2. Ottoline highlighted how everyone within UKRI has a local role, with local expertise, but also a wider pan UKRI role. The Board noted this is an exciting and critical time in the organisation.
- 4.3. Ottoline noted the move to focus on talent as a whole UKRI endeavour, allowing us to span the sectors. The Board agreed that as an organisation UKRI can broker an increase in the diversity of career paths available.
- 4.4. Ottoline expressed concerns over the turnover of staff in Executive Committee (ExCo), noting there will be several interim Executive Chairs in post as we move into the summer. Ottoline noted it was critical to ensure ExCo continued to function at a high level.
- 4.5. Ottoline noted that the 2022/23 pay remit has not yet been approved, which is causing a lot of stress among staff. This is exacerbated by the reducing staff numbers ahead of the implementation of the new operating mode. Siobhan noted that HR teams are continuing to work with cabinet office to secure a pay remit as soon as possible. **<withheld from publication>** The Board requested further information on how different staff groups are affected by the delay to the pay remit approvals.

**ACTION:** Chris Ball will have circulated a short note to the Board on how different staff groups are affected by the delay to the pay remit approvals by June 2023.

## 5. CFO Update

- 5.1. Siobhan Peters introduced the item, including highlighting the Finance Update paper which provides an update of UKRI's financial position, noting that the year end outturn for FY22/23 shows that UKRI met the requirement to land within 1% of the Budget and 0.5% of the Period 6 forecast. Siobhan explained that there was planned overcommitment in the budget for FY23/24, to maximise our programme spend in-year, and that workforce planning was currently being finalised, in line with the tight control we are exercising over our Operating Expenditure.
- 5.2. Siobhan noted that the Leadership Through Change programme continues to evolve, with additional layers of middle managers and emerging leaders being added to the cohorts going forward.
- 5.3. The Board noted that there are ongoing efforts to modernise Funding Assurance, with UKRI continuing to focus on reducing bureaucracy across the sector, in line with the Tickell Review. Improvements to date include enhanced joint working with other funders and increased joint assurance assignments across different UKRI funding streams, with further developments planned for this year.
- 5.4. Siobhan highlighted there had been a change of structure in the senior executives in UKRI, noting that line management of the Chief People Officer, Chief Operating Officer and (newly created and still vacant role of) Chief Information Officer will be moved from the CEO to the Chief Finance Officer. Siobhan noted that there are no plans to replace the deputy Chief Finance Officer, which was a temporary arrangement, but noted we have an experienced Finance Director in place.

## 6. UKRI's Framework for Performance: Quarter 4 Progress and Performance Report

- 6.1. Andrew Mackenzie thanked the team for the hard work that had gone in to developing the Progress and Performance report, noting that he felt it was now in a very good place and

that future discussions should focus on the content of the report, not the design. Isobel Stephen noted that the team had acted on previous feedback to make the report more readable.

- 6.2. Alex Jones confirmed that Minister Freeman wants a 2 pager on performance to help support the performance discussions with Department for Science, Innovation and Technology (DSIT), which provides contextual information about what the numbers and data actually mean (eg. what is going well / where have we identified potential issues). Alex noted that the teams in UKRI and DSIT are working well together to develop this. Andrew Mackenzie noted that the 2 pager should be shared with the Board for information, but that the Board continue to use the Progress and Performance Report for their discussions. While a formal rhythm of performance discussions with the minister has not been confirmed, Andrew noted that any more frequently than quarterly was not feasible as the data and information would not be useful if collected more frequently.
- 6.3. The Board agreed that the report is much more digestible, but noted they felt it was missing a customer or stakeholder perspective. Isobel noted that a stakeholder survey will shortly be circulated to external stakeholders, highlighting that this data will be used to update the Board in future discussions around the quarterly report.
- 6.4. The Board noted that the report appeared to demonstrate that co-investment on new grants is declining and requested further information on this trend.

**ACTION:** The Performance team will have clarified why co-investments on new grants appear to have fallen on the Progress and Performance Update by end of June 2023.

- 6.5. The Board requested that it is made very clear when Innovate UK data is included, and when it is not, noting that it is included wherever possible.

## 7. UKRI Annual Report and Accounts

- 7.1. Siobhan Peters introduced the item, noting that the Board were asked to review and comment on the first draft of the Annual Report and Accounts 2023 (ARA). The Board noted that the Nominations and Remuneration Committee had already discussed the Remuneration Report.
- 7.2. Ruwan Weerasekera provided a brief update on the progress of the ARAs through the Audit and Risk Assurance Committee (ARAC), including the most recent ARA call on 10<sup>th</sup> May 2023. Ruwan noted that specific comments have been fed into the team offline, while thematic and more significant items have been discussed at the ARAC meetings. Ruwan assured the Board that ARAC continues to be very involved with the development of the ARA and that all comments have been considered and incorporated where appropriate.
- 7.3. The Board noted that the ARA has benefited from having the UKRI Strategy and Corporate Plan in place, with the team highlighting that the performance section will be much shorter than previous years.
- 7.4. Andrew Mackenzie requested that if members have any further comments, they should be sent to the Board Secretariat by email as soon as possible.

## 8. Risk Management Update

- 8.1. Siobhan Peters introduced the item, providing an update on risk activities since the last Board risk discussion in March 2023. Siobhan noted that the risk previously called 'license to operate' has been renamed following discussion with ExCo to more accurately reflect its content, and is now called 'Major gap/failure in internal control environment'.
- 8.2. Siobhan noted that it is important we continue to adapt to new ways of working, noting that on fraud we are working across the spectrum using preventative controls. Siobhan highlighted that the risk team continue to work closely with the Audit and Risk Assurance Committee.
- 8.3. Regarding risk appetite, Siobhan noted work is continuing to ensure controls are aligned with Government standards. Siobhan highlighted that the team are transferring learning from the Health and Safety Management Committee and will produce a hazard maps across UKRI, against which areas will define their risk and control environments.
- 8.4. Siobhan highlighted that following the Risk Workshop in January, there are two further risks under development (Effectiveness of UKRI systems and IT infrastructure, and Achieving the intended impact of UKRI), which are due to be discussed in detail with ExCo in May and June.
- 8.5. The Board thanked the team for the ongoing work managing UKRI's risk.

## 9. Councils' Terms of Reference

- 9.1. Andrew Mackenzie updated the Board on the Conference with Council Senior Independent Members (SIM) and Executive Chairs, which was held on 16<sup>th</sup> May 2023. Andrew noted that the SIMs and Executive Chairs discussed the proposed Councils' Terms of Reference and were generally happy. One concern that was raised was around responsibility for chairing the Council meetings. Andrew noted that the Terms of Reference currently state that the expectation is that the Executive Chair is the Council meeting chair, however acknowledged that many Councils are often chaired by the SIM. The Board agreed that as the Council is not a decision making body, the Executive Chair could delegate responsibility for chairing the Council to the SIM if they felt it was appropriate.

**ACTION:** Siobhan Peters will have amended the wording in the UKRI councils' Councils Terms of Reference to clearly state the responsibility of Chairing the Council sits with the Exec Chair, but that they are able to delegate to the Senior Independent Member if appropriate.

- 9.2. The Board requested that the wording around frequency of Council meetings be amended slightly to ensure Councils are meeting at least four times a year.

**ACTION:** Siobhan Peters and team will have amended the wording in the UKRI councils' Councils Terms of Reference to clearly state that the Council would be expected to meet at least 4 times a year.

- 9.3. The Board noted the need to clearly articulate expectations around joint working, ensuring it is explicit. Siobhan noted that the Ways of Working document, which has been developed alongside the Terms of Reference clearly highlights the expectations. Siobhan highlighted that this is a living document that will evolve.
- 9.4. Siobhan noted that, as outlined in the Terms of Reference, Council members have a responsibility to raise any issues with the Executive Chair, CEO or UKRI Chair. Andrew

highlighted that he will be meeting with Council SIMs at least once a year, giving them an opportunity to raise any issues.

- 9.5. The Board approved the updated Councils' Terms of Reference with the above amendments and noted the supporting letter provided to Executive Chairs and Council SIMs, and the FAQs provided to Councils to support transition to the refreshed ToRs.

**DECISION:** UKRI Board approved the updated Council Terms of Reference.

- 9.6. The Board noted that the updated Terms of Reference reflect a significant change for Council members, particularly those who have been in post for a long time. The Board encouraged change to be managed carefully to support them through the culture shift. Siobhan noted that this will be supported by a comprehensive induction programme.

## **10. Economic and Social Science Research Landscape Review**

- 10.1. Alison Park, interim Executive Chair for the Economic and Social Research Council (ESRC) introduced the item, presenting a landscape review to Board for discussion on the economic and social sciences. The Board welcomed both Alison and Stian Westlake (incoming Executive Chair for ESRC) to the meeting and thanked them for the comprehensive paper.
- 10.2. David Willetts declared an interest, as President of the Resolution Foundation which recently successfully applied, via ESRC, for Independent Research Organisation (IRO) status, and is thus now eligible to apply for UKRI funding. Julia Black also declared an interest as a member of Aspect (A SHAPE platform for Entrepreneurship, Commercialisation and Transformation).
- 10.3. Alison flagged that one area of considerable importance to ESRC, but not covered in the paper, relates to ESRC's focus on stimulating and supporting engagement between social science and government, highlighting policy influence as an important route achieving impact. The Board agreed that having the ability to provide an integrated approach to policy across all councils is a fundamental lever to making the country more innovative.
- 10.4. The paper noted the importance of data skills, in order to ensure maximum take up of major new data investments and opportunities. Alison highlighted a previous large strategic programme, Q-Step, which ESRC co-funded with the Nuffield Foundation. This has now ended but has provided important learning about how best to maximise support.
- 10.5. Stian Westlake noted that ESRC is deeply focused on impact and noted it was great to hear a similar commitment from the Board. Stian highlighted the need to broker relationship and explore partnerships in the intersections between the Social Science disciplines, as well as working collaboratively across wider disciplines.
- 10.6. Alison highlighted ESRC's productive working relationship with Innovate UK, acknowledging that commercialisation in social sciences does not always look the same as that in traditional STEM disciplines.
- 10.7. Stian highlighted the relevance of social sciences to the breadth of UKRI's portfolio, and the value of including it earlier in discussions, working collaboratively with other disciplines.



## 11. Infrastructure Advisory Committee Prioritisation Update

11.1. Siobhan introduced the item noting that the Board are being asked to ratify the recommendations previously approved by the Executive Committee and the Infrastructure Advisory Committee. The Board were happy to endorse the recommendations in the paper.

**DECISION:** The UKRI Board ratified the recommendations made by the Executive Committee and Infrastructure Advisory Committee on investments in new infrastructures for the Infrastructure Fund portfolio.

11.2. The Board welcomed further consideration to how the Board Investment Committee may interface with the Infrastructure Advisory Committee going forward.

## 12. AOB

12.1. 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 (12<sup>th</sup> January 2023)
  - Executive Committee (28<sup>th</sup> March 2023)
  - Organisation Change Committee (15<sup>th</sup> December 2022)

## 13. Non-Executive Session