Minutes of the UKRI Board Meeting

Date:	Wednesday 19th July 2023
Location:	Caxton House, London
Time:	10:10 – 17:30

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

Attendees	
Emma Lindsell (UKRI, Exec Director of Strategy, Performance and Engagement)	Tim Bianek (UKRI, COO) – for items 1-6
Chris Ball (UKIRI, Chief People Officer)	Sir David Grant – for item 6
Sue Gilchrist (UKRI Senior Strategy Advisor) – for item 6	Carole Walker (UKRI Head of Risk and Management Assurance) – for item 7
Alice Summers (UKRI Senior Risk and Assurance Business Partner) – for item 7	Christopher Smith (AHRC Executive Chair, UKRI International Champion) – for item 8
Beany McLean (Director and Head of Media & Training, Luther Pendragon) – for item 9	Mark Thomson (STFC Executive chair) – for item 10

Apologies	
Professor Julia Black	Professor Sir Ian Boyd

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

1. **Welcome and Introductions**

   1.1. Andrew Mackenzie welcomed members to the meeting and noted apologies. Andrew noted that this will be Lord David Willet's last Board meeting as he is unable to attend the meeting in September and his tenure on the Board is due end in October 2023. Andrew thanked David for his time and invaluable contributions to the Board, highlighting he joined in November 2017 prior to the formation of UKRI.

   1.2. Andrew updated the Board on his activities since the last Board meeting, which included attending a breakfast at the National Institute for Economic and Social Research (NIESR), which is an independent research organisation that benefits from UKRI funding. Andrew

highlighted he was impressed by the EPSRC Prosperity Partnership event he attended, which brought together both large and small companies.

2. **a) Minutes of 17th May 2023 UKRI Board meeting b) Action Log and d) Forward Schedule**

    2.1. The Board approved the minutes of 17th May 2023 Board meeting.

    DECISION: The Board approved the minutes of the 17th May 2023 meeting.

    2.2. The Board noted the action log and highlighted they were keen for the discussion on Commercialisation to remain on the November Board agenda. Andrew highlighted the need for continued engagement with the Board in this area, Ottoline thanked the Board members who have already engaged with Indro Mukerjee and herself, noting how invaluable their advice has been.

    2.3. The Board noted the forward schedule, reiterating their desire to include regular updates and catch ups with each of the councils. Andrew noted the long list of unscheduled items and requested the Secretariat work with the relevant leads to identify suitable dates.

ACTION: Secretariat will have worked with the Executive to move unscheduled longer term strategic discussion items into specific meetings by September 2023 meeting. Updates from Research Council Executive Chairs will be scheduled for upcoming meetings, to cover the respective Council's progress, plans, and any significant challenges.

3. **Board Committee updates and Annual Reports**

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

    3.1. The Board noted the Nominations and Remuneration Committee Annual Report.

    3.2. Andrew Mackenzie (Chair of NomCo) provided an update on the Nominations and Remuneration Committee, which was held immediately prior to the Board. Andrew noted his current priority is ensuring new appointments are made to the Board in a timely manner. He noted that following discussions with Special Advisors he felt recruitment for replacements was on track and the Board would remain quorate going forward.

    3.3. Andrew noted that the appointments process for new Executive Chairs continues to be a lengthy process, noting we have a couple of urgent appointments that need to be confirmed.

    3.4. Andrew confirmed he has invited Ruwan Weerasekera and Professor Nola Hewitt Dundas to join the Nominations and Remuneration Committee from November 2023. Ruwan and Nola noted they were happy to join and this was confirmed by NomCo. Ruwan and Nola will replace Lord Willets and Professor Julia Black who will step down following the September meeting.

    3.5. Andrew noted that NomCo formally agreed to delegate authority to appoint ordinary Council members to the CEO. Any requests that come from a Council outside of the norm would still come to NomCo for approval.

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

    3.6. The Board noted the Audit and Risk Assurance Committee Annual Report, noting that all assurances have been considered appropriate. Ruwan Weerasekera (Chair of ARAC)

provided an update on the committee, noting that the updated Terms of Reference are included in the papers for approval.

DECISION: The UKRI Board approved the updated Terms of Reference for the Audit and Risk Assurance Committee.

3.7. Ruwan highlighted that ARAC is undergoing an Executive Accountability exercise which should give a good picture of how the organisation currently stands.

3.8. Ruwan highlighted that the committee are satisfied that good progress is being made on the management of principal risks, noting that the introduction of flight paths is supported by ARAC as a mechanism of bringing risks to within appetite.

3.9. Ruwan noted he has met with auditors of Innovate UK Loans Limited noting the importance of governance and oversight. Ruwan also noted he has met with the Chair of the DSIT audit committee and would continue to develop that relationship.

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

3.10. The Board noted the Board Investment Committee Annual Report. Priya Guha (Chair of BIC) provided an update on the committee, noting that the Terms of Reference have been reviewed and updated to reflect the remit of the committee and how it supports and guides the portfolio of major investments, rather than just looking at specific business cases. The Board were happy to approve the updated terms of reference.

DECISION: The UKRI Board approved the updated Terms of Reference for the Board Investment Committee.

3.11. Priya noted that the committee met on 11th July and discussed UKRI's strategic investment context and the need for prioritisation. Priya noted the committee also held a discussion with Claire Devereux (Acting Programme Director, UKRI Infrastructure) on the strategic investment portfolio. The Committee were also joined by Professor Peter Liss, Interim Executive Chair for NERC to discuss the Floods and Droughts Research Infrastructure business case. Priya noted that future discussions will include how to stimulate further co-investment.

3.12. Andrew thanked Priya for her hard work in bringing the committee together, noting it has developed a strong sense of purpose.

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

3.13. The Board noted the Organisation Change Committee Annual Report.

3.14. Nigel Toon (Chair of OCC) provided an update on the committee, noting that the main focus of discussions has been around cost reduction. Nigel highlighted that at the June meeting of OCC some concerns regarding support from outside contractors had been flagged, this continues to be monitored by Tim Bianek.

4. **CEO Priorities**

4.1. Ottoline introduced the CEO update highlighting that the Progress and Performance report will come back to Board for discussion in September. Ottoline provided an update on questions raised during the last performance discussion.

4.2. Ottoline noted that UKRI's presence at London Tech Week (LTW) had been successful, highlighting she was able to support ministers, in particular by hosting a ministerial round table on Artificial Intelligence (AI). To support DSIT LTW comms activity, Ottoline highlighted that UKRI were able to provide a pack of AI case studies.

4.3. Ottoline noted she attended the annual Global Research Council conference in the Hague. Ottoline noted that UKRI is very well respected internationally and she was able to share best practice.

4.4. Ottoline highlighted that the draft corporate plan had been completed and was with ministers for final sign off. Ottoline noted that the plan forms part of a suite of documents that have been developed to set out how the UKRI Strategy will be implemented, and to track progress toward the delivery of its objectives.

4.5. Ottoline flagged that there remain issues with staff morale, in particular noting that the pay award for 2022 has still not been approved. Ottoline thanked the Board for their quick response which allowed the non-consolidated cost of living payment to be made to staff quickly, but highlighted that while helpful it is not a replacement for a proper consolidated pay rise.

4.6. Ottoline highlighted that the staff survey strongly reflects staff concerns over pay, and in addition demonstrates stress resulting from the ongoing change programmes, and particularly increased workload resulting from reducing staff numbers ahead of implementation of changes to new less labour-intensive ways of working. Ottoline highlighted the need for strong collective leadership to support staff though these difficult times.

4.7. Ottoline raised concerns that the recent Bullying and Harassment survey showed higher cases of bullying and harassment that we would have hoped. The Board suggested potentially inviting staff representatives to a future meeting to discuss staff issues.

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. Siobhan noted that reprioritisation work is ongoing with DSIT following the advice UKRI provided on 27th April to the DSIT Director General for Science, Innovation and Growth, with a few outstanding issues still to resolve.

5.2. Siobhan highlighted that UKRI have appointed an interim Chief Data Officer, with Tim Bianek acting as interim Chief Information Officer while recruitment is ongoing.

5.3. Siobhan confirmed that the SHARP programme met its first milestone since the replan was communicated and Systems Integration Testing is due to commence, which will ensure that all component parts of the new solution are tested to confirm they work in a coordinated way.

5.4. Siobhan noted that there is work underway to ensure smooth transfers of leadership responsibilities between Executive Chairs, given the number of handovers taking place, hopefully over the next six months. This includes briefings on a variety of governance matters, including our responsibilities for Trusted Research and Innovation (TRI). A further update on TRI will be provided at the September Board meeting.

ACTION: At the September 2023 meeting, an update on progress of the Trusted Research and Innovation Programme will have been included in the CFO update.

6. **Grant Review Implementation Update**

   6.1. Andrew Mackenzie welcomed Sir David Grant to the Board. Ottoline and Andrew reiterated their thanks to Sir David for his insight and challenge whilst undertaking his Independent Review of UKRI, noting that the review and resulting recommendations have been useful to how they and colleagues have continued to lead the organisation through significant change.

   6.2. Sir David remarked that the organisation has made extraordinary changes in the 18 months since he first started the review process. Twelve months on from publication of the report, Sir David noted he is delighted with the progress made against delivering the recommendations and is pleased that internal reporting considers each individual recommendation in turn. Sir David highlighted that there remain some challenging programmes yet to deliver, for example the replacement of the Oracle system supporting HR, Finance and Procurement; delivering the Simpler Better Funding programme to support grant funding and delivering new IT infrastructure for UKRI's data. The Board noted this is a significant programme of work to complete when the organisation is also under pressure to reduce costs, and we should not underestimate the importance and collective value for UKRI and DSIT in getting these foundations right.

   6.3. Sir David noted that UKRI has the unique opportunity to be a curator and expert user of data from across the research and innovation system. The Board acknowledged the vast untapped asset of data that UKRI holds and encouraged the organisation to consider how data is captured going forward. The Board reiterated the need to consider building process not just around current data practices, but considering what might be needed in the future.

   6.4. Andrew highlighted the importance of showing that UKRI is an integrated organisation with demonstrable convening power across the system. Ottoline highlighted the strong data base already held by UKRI, noting that a big challenge is ensuring that data is useful for the organisation, DSIT and the wider community.

7. **Management of Principal Risks**

   7.1. Siobhan Peters introduced the item, providing an update on the management of principal risks in UKRI. Siobhan updated the Board on the two risk deep dives that had been recently discussed with Executive Committee;
      - Major gap or failure in our control environment
      - Trusted Research and Innovation

   7.2. Siobhan updated the Board on the development of the risk flight paths, which outline the anticipated trajectory of the residual risk score over time, based on the impact of actions to mitigate the risk and bring the risk within appetite and towards target. The Board were very supportive of the introduction of flight paths, Ruwan Weerasekera (Chair of ARAC) noted that ARAC were keen for the flight paths to remain as they present the analysis the team has undertaken.

   7.3. The Board highlighted the importance of being transparent about the impact of risks and acknowledging the interactions between individual risks, for example acknowledging that staff capacity issues are creating additional challenges in other areas.

7.4. The Board commented on the financial sustainability of the system, and UKRI's role supporting financial sustainability through the way UKRI funds. Ensuring the incentives UKRI introduces align with financial sustainability rather than just being seen as a funder. The Board encouraged ensuring UKRI is linked closely to the DSIT Research Security Team to identify whether there is more we could be doing on financial sustainability.

ACTION: Siobhan Peters/Isobel Stephen/Emma Lindsell will have worked with Alex Jones and the DSIT Research Security Team to ensure that we are sharing concerns and aligning where possible in terms of issues that are linked to financial sustainability of the system.

7.5. The Board thanked the risk team for the ongoing work in co-ordinating the management of UKRI's principal risks.

8. Horizon Europe Preparedness

8.1. Christopher Smith, UKRI International Champion, introduced the item providing an update on the extensive work that continues across UKRI to ensure readiness for either the UK's association to Horizon Europe, or the launch of the Pioneer programme of alternatives. Christopher highlighted that the continued uncertainty presents challenges for the sector. The Board noted the risks from the continued delays in Horizon Europe Association.

8.2. The Board raised concerns regarding the reaction of the community if the UK does not associate. Christopher noted that while association is the preference, with the Pioneer programme we do have a strong package for the community, which is generally recognised across the sector.

8.3. Alex Jones thanked Christopher and UKRI for supporting them as negotiations are ongoing, acknowledging the competing risks that are being managed concurrently.

8.4. Ottoline highlighted that UKRI has a strong communications strategy in place for all eventualities, with an aim of reducing uncertainty across the sector. Ottoline noted that all communications plans have been cleared with DSIT, but until we have a final decision on association there is little more we can do.

8.5. Andrew and the Board thanked Christopher for his time and the large amount of work that is ongoing and congratulated him and his team on managing the risks effectively.

9. UKRI's Influence with Key Decision Makers in Government

1.1. Ottoline introduced the item, opening up a discussion about maximising confidence in UKRI and developing our partnership with Government, particularly with the creation of the new Department and as contexts change. Ottoline highlighted that UKRI is critical for the future success of the UK and noted the value of the Board's support.

1.2. The Board encouraged the team to continue to invest in the relationship with the new Department of Science, Innovation and Technology, clarifying the interface and our respective roles. The Board noted the need to define more tightly the outcomes we hope to achieve through influencing key decision makers, and clarify how these would be measured. Andrew Mackenzie noted that a key outcome should be ensuring UKRI is recognised as a powerful and trusted organisation, noting that it is often not well understood in Government as to what UKRI actually does.

1.3. The Board highlighted the need for a baseline on how we are perceived across government and other stakeholders, noting that a stakeholder survey linked to the quarterly progress and performance report had been previously discussed. The Board would welcome analysis of stakeholder perceptions of UKRI.

1.4. The Board noted that third party endorsements of UKRI and our key messages would be helpful and encouraged the team to hone the list of key influencers with whom we engage. The Board noted that deploying our relationships with venture capitalists and tech unicorns could be particularly effective.

1.5. The Board would welcome an update at the September Board meeting.

ACTION: By the September Board, Emma/Isobel and team will have updated the objectives to strengthen UKRI influence to be smarter and more outcome orientated. They will also have provided an update to the Board on implementation of the plan, particularly on influencers and stakeholder baseline perceptions.

10. UKRI Digital Research Infrastructure

10.1. Mark Thomson, STFC Executive Chair, introduced the item highlighting progress on delivery of the UKRI's Digital Research Infrastructure (DRI) strategy. Mark noted that plans for DRI had been ongoing since the beginning of UKRI in 2018 and that there continues to be deep engagement across the community.

10.2. Mark noted that in the last spending review UKRI was unable to prioritise both the major infrastructure programme and the digital research infrastructure programme, and that the major infrastructure programmes took precedent, with the UKRI Digital Infrastructure programme being significantly scaled back. The Board noted the pressure UKRI is under to deliver against DRI plans, particularly following the publication of the Future of Compute Review and establishment of the AI Taskforce, and how this does not align with the resource available.

10.3. Ottoline reiterated the significant interest from Government in this area, highlighting the announcement of £900m for Exascale computing and the AI Research Resource, but with no additional funds currently available.

10.4. The Board noted the potentially huge opportunities for SME growth if they had access to large scale computing, highlighting the need to understand and consider the needs of SMEs going forward.

10.5. Priya Guha, Chair of BIC, noted that the UKRI Digital Research Infrastructure plans, including Exascale have been discussed at the Board Investment Committee.

10.6. Andrew Mackenzie encouraged Mark to consider ways in which the UKRI Board can use their expertise and influence to help in this space, acknowledging that while Ottoline and Mark should continue to lead, there was a potential opportunity for the Board to express concerns to the Secretary of State.

11. UKRI Annual Health and Safety Report 2022/23

11.1.   Siobhan introduced the item noting it was good practice to share the item with the Board since they have specific Health and Safety related responsibilities. Siobhan noted that UKRI has an excellent track record in our high hazard environments.

11.2.   Siobhan highlighted that it is important not to consider the office environment as low hazard, noting there has been in increase in mental health and wellbeing issues reported. The Board noted that UKRI has a strong response to this increase and is focussed on managing health and safety in an office environment. Chris Ball noted there will be an update on the UKRI Wellbeing pulse survey at the September Board meeting.

12. AOB

12.1.   The Board noted the following;
- UKRI Finance Update
- Update on Public and Senior Succession and Appointments
- Programme of Board meetings for 2024 and 2025
- Board Committee meetings minutes;
    - Audit and Risk Assurance Committee (27th March 2023)
    - Executive Committee (25th April 2023, 26th April 2023)
    - Organisation Change Committee (15th February 2023, 12th April 2023)

13. Non-Executive Session