Minutes of the UKRI Board Meeting

Date: Wednesday 15th November 2023
Location: 7.04, Caxton House
Time: 10:00 – 14:30

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

Attendees	
Chris Ball (UKRI, CPO)	Jessica Corner (Executive Chair Research England) item 8 and 9
Emma Lindsell (UKRI, Exec Director of Strategy, Performance and Engagement)	Frances Downey (UKRI Head of Cross-Cutting Themes) item 8
Carole Walker (UKRI Head of Risk and Management Assurance) item 6	Jade Ouimet-Fortin (UKRI Senior Strategy Advisor Place) item 8
Alice Summers (Senior Risk and Assurance Business Partner) item 6	Indro Mukerjee (Innovate UK CEO and Executive Chair, UKRI Lead, Research Commercialisation) item 9
Steven Hill (Research England, Director of Research) item 7	Tony Soteriou (UKRI Director of Research Commercialisation) item 9
Abigail Reynolds (UKRI Research Culture Lead) item 7	

Secretariat	
George Madden (Board Secretariat Lead)	Tim Russell (UKRI Head of Governance & Secretariat)
Calum Kennedy (Senior Private Secretary to Sir Andrew Mackenzie)	Louise Chambers (Senior Governance Manager) Item 10

Note: HERA requires that the Board consists of at least nine and not more than twelve other members in addition to the Chair, Chief Executive Officer and Chief Finance Officer. However, the validity of any proceedings of the Board is not affected by a vacancy or a defective appointment. Recruitment campaigns are ongoing to fill the vacancies of Professor Julia Black and Lord David Willetts following their departures on 29 October 2023 and 7 November 2023 respectively.

1. **Welcome and Introductions**

    1.1. Andrew Mackenzie welcomed members to the meeting. Andrew noted that the Board meeting is being observed by Nicola Hayes (in person) from Independent Audit as part of the Board-ExCo effectiveness review. The review will report to the Board in January.

    1.2. Andrew updated the Board on his activities since the last Board meeting, noting that the Board Member Interviews for the current round of appointments were completed in October.

    1.3. Andrew noted that the MRC Executive Chair will provide an overview of MRC activities in early 2024. Receiving input on the work going on in the Councils is very valuable and the July 2024 Board and Executive Committee away day provides an excellent opportunity for in depth engagement. Currently, updates on Councils' activities are channelled through performance reports, minutes and other updates. A detailed Delegations Framework exists for councils and is being updated presently. The updated Delegations Framework will be shared with the Board in March 2024.

    ACTION: Secretariat will have reviewed timeliness of the minutes presented to the UKRI Board by end of November 2023.

    ACTION: Secretariat will have added the updated Delegations Framework to the forward schedule for March 2024 by end of November 2023.

2. **a) Minutes of 20ᵗʰ September 2023 UKRI Board meeting b) Action Log and c) Forward Schedule**

    2.1. The Board approved the minutes of 20ᵗʰ September 2023 Board meeting.

    DECISION: The Board approved the minutes of the 20ᵗʰ September 2023 meeting.

    2.2. The Board noted the action log and forward schedule.

3. **Board Committee Updates**

    a) Audit and Risk Assurance Committee (ARAC)

    3.1. Ruwan Weerasekera (Chair of ARAC) provided an update on the Audit and Risk Assurance Committee, noting that ARAC had met on 13ᵗʰ November 2023. ARAC reviewed three incidents which had occurred during the reporting period. ARAC identified that for each incident, a robust investigation had taken place.

    3.2. The Services for HR, Accounting, Reporting and Procurement (SHARP) programme, which aims to harmonise different UKRI and UK SBS business processes, continues at pace. Ruwan identified that there are clear steps to successful implementation, with risks identified, including the need to navigate during a very busy period.

    3.3. Ruwan confirmed that the estate has been reviewed in light of the problems identified with Reinforced Autoclaved Aerated Concrete (RAAC) and that only one building is of concern.

3.4. ARAC reviewed the Information Governance Annual Report which noted that good progress is being made. A deep dive on the information governance risk will take place in 2024.

b) Organisation Change Committee (OCC)

3.5. Nigel Toon (Chair of OCC) provided an update on the Committee following its meeting on the 11th October 2023. The OCC received a presentation on data and information. The UKRI Data Strategy has been approved and data management processes such as data quality and data glossary introduced, with a new Data Working Group established. Data supply is a crucial element of the project and the OCC affirmed that the quality of the data is assured.

3.6. The OCC Terms of Reference (ToR) were updated, accounting for the following:
- Inclusion of the attendance of SRO's of significant aspects of the organisation change delivery as and when required by the committee
- Updating the membership of the committee
- Amendments to UKRI's Style Content Guide

3.7. The Board approved the updated OCC Terms of Reference, observing that a further minor revision to the appointments section may need to follow, pending guidance from the Head of Governance and Secretariat.

DECISION: The Board approved the updated OCC Terms of Reference.

c) Board Investment Committee (BIC)

3.8. Priya Guha (Chair of BIC) noted that a BIC meeting had not taken place since the previous Board meeting in September. The next meeting is scheduled for the 11th December 2023 which will include a site visit to the Rutherford Appleton Laboratory. During the visit BIC will discuss evidence of science impact on place, campus development plans and asset lifecycles, including management of end-of-life infrastructure.

4. CEO Priorities

4.1. Ottoline Leyser introduced the CEO update noting that UKRI is currently operating in a challenging environment which is putting strain on staff as well as the community. It is critical that the Senior Leadership Team identifies how to navigate the landscape and support across the organisation and communities.

4.2. UKRI is now halfway through its three year Spending Review settlement, and well into its five year Strategy. The benefits from UKRI's work are becoming more visible and are being well received by the community. For example, the community is keen to engage with UKRI's strategic themes, and how they can be grown and developed in the future.

4.3. Ottoline noted that the technology programmes are also well received. This was evidenced at this year's Quantum Technologies Showcase, to which Ottoline was an invited speaker. The event was jointly organised by Innovate UK, the Engineering and Physical Sciences Research Council (EPSRC) and the UK National Quantum Technologies Programme (UKNQTP). The showcase highlights the positive impact of UKRI's work.

4.4. Ottoline noted the even split of UKRI funding into thirds across Research England and Innovate UK, fully delegated Research Councils budgets aligned to UKRI strategy, and

collectively managed budgets across UKRI. As well as enabling interdisciplinary and challenge-led funding, the collective management of funds in areas such as infrastructure and Talent, is creating efficiencies for UKRI and our communities, more flexibility and more opportunities.

4.5. There are ongoing productive and positive interactions with key stakeholders, such as Chief Scientific Advisors. UKRI is now seen as an opportunity to be grasped with a positive trajectory, as evidenced by the perception survey. Hard work continues in the form of communications, promoting the positive changes UKRI has made and future opportunities, as well as encouraging engagement from communities.

4.6. Ottoline highlighted several areas of future engagement, including round table events focussing on government priorities, such as high value manufacturing, aiming to drive forward our activities and create a shared endeavour.

4.7. The Board noted that there are many types of external stakeholders with various levels of interest in UKRI. It is important to consider the organisational tone, which is balanced between academia, business, government, and wider stakeholders, whilst ensuring UKRI's voice and message is strong. The Board noted the importance of being part of events, such as the AI Safety Summit, as well as influencing before and after such events.

5. CFO Update

5.1. Siobhan Peters introduced the item, noting that UKRI entered the year 3.3% overcommitted for 2023/24 and 3.6% in 2024/25. At period 6, the forecast overcommitment is 3.2% for 2023/24.

5.2. Siobhan highlighted that the forecast at period 6 presents a £264m pressure composed of overcommitment and the No Cost Extension adjustment from 22/23. OpEx is currently overcommitted in year by £6.7m. Siobhan noted that we have been working with DSIT to develop a better understanding of the pressures on this year's budget, particularly in relation to OpEx spend and constraints. Siobhan highlighted that Councils are actively considering how to reduce spend and there is a commitment from Councils to work towards achieving a balanced figure.

5.3. Alex Jones thanked Siobhan and UKRI for the excellent work being undertaken. Alex noted that DSIT is continuing to work on how Horizon underspends can be used and profiled to greatest benefit. Uncertainty remains with regard to funding in year programmes which must be mitigated by continued good communications between UKRI and DSIT.

6. UKRI Board Risk Update

6.1. Siobhan introduced the Board risk update, noting that the paper provides an overview of all risks overseen by the UKRI Board in addition to a specific update on the most recent ExCo risk deep dive on the Failure to deliver against UKRI Environmental Sustainability and Greening Government Commitments.

6.2. UKRI published its Environmental Sustainability Strategy in 2020 with a range of targets, most prominently the transformation to Net Zero by 2040, 10 years earlier than the UK government commitment. However, UKRI is not currently on track to meet the Environmental Sustainability aspirations set in 2020. A deep dive on UKRI Environmental Sustainability and Greening Government Commitments was presented to the Executive Committee in September 2023. ExCo agreed that this risk remains outside appetite and is

not expected to come within appetite in the near future due to challenges with the financial budget and carbon budgeting. A more in-depth presentation on Environmental Sustainability is scheduled to be discussed at the Wednesday Morning Meeting on 15th November. A summary of the in-depth discussions will be reported to UKRI Board in January 2024.

6.3. The Board noted that UKRI has a key and unique role to play in achieving government targets, through its direct actions and through the research and innovation it supports to solve global challenges. UKRI is actively funding research to address sustainability challenges, such as sustainable computing, and will continue to support activities that address the underlying problems.

6.4. Geopolitical uncertainty is giving rise to a growing and evolving area of risk across industries with the potential to impact local, national and global organisations. Changes in the geopolitical landscape are moving at pace and our ability as an organisation to adapt and respond appropriately is vital. It is important that we continue to evolve our approach to identifying, assessing and managing these changing threats and that we are able to identify emerging opportunities to support the sector. A detailed discussion on the ways in which changing geopolitical dynamics impact on UKRI's delivery of its strategy is planned for UKRI Board in January 2024.

7. Innovation in Expert Review

7.1. Steven Hill introduced the item noting how UKRI uses peer/expert review currently and how we are looking at best practice across the organisation and wider research and innovation system including trialling innovative approaches. Steven noted that the approach is to harness our collective expertise to embed best practice in expert review across UKRI, and across the wider research and innovation landscape. The work is expected to lead to a menu of evidenced interventions that can be used appropriately, aligned to the objectives of each funding opportunity.

7.2. The Board welcomed the approach, noting that a 'one size fits all' model would not be adequate for UKRI, which includes a wide range of programme types. The work has the potential to be world leading, influencing both national and international organisations. The Board noted that the novel approach warrants good engagement with the community, ensuring that key stakeholders are informed and engaged with the direction of travel.

7.3. The Board noted the benefits of AI in peer review and the link to metascience which will be discussed by the Board in 2024. Work could also be undertaken to assess the impact on effort from the points of view of the applicants, reviewers and administrative support.

8. Place Update

8.1. Jessica Corner introduced the paper. Place continues to be an important policy area for government, devolved administrations and regional authorities. There is an increasing interest in 'innovation-based growth' and the associated funding and benefits for places. Both major parties are discussing further devolution, with a focus on jobs, productivity and innovation at a local level.

8.2. There is a long lead time to changing the geography of research and innovation funding, so funding targets are difficult to respond to on political timescales. Even so, UKRI must act on the input funding target while also acting on engagement and impact. While the missions and targets may change, a track record of delivering funding, engagement and impact

against the Place agenda will be critical for the UK's prosperity, and for securing public and political support for research and innovation investment in a tight fiscal environment.

8.3. Jessica noted areas of future consideration, including the need for a long term evidenced based strategy, tensioning current and future activities, UKRI's regional presence and spend distribution relative to the population. A function to deliver Place needs to be established. Place is a consideration in our investments, with both UKRI-wide and Council-specific elements in its implementation. The Board noted the need to positively challenge Councils and share good practice in their activities in relation to Place.

8.4. The Board noted that for UKRI to communicate successfully on research and innovation it needs a presence across the UK. There are low-cost activities which UKRI could undertake now to build and enhance its presence across the UK and a longer-term plan would help to achieve this.

8.5. The Board noted that Place is an excellent opportunity for UKRI. Clarity on the statistical basis of the financial flows that contribute to UKRI achieving its Levelling Up target was needed to better understand how UKRI's target can be met. The Board noted the importance of regular dialogue with DSIT to identify and agree the best route to achieving the UKRI target.

Action: By January 2024 Jessica Corner and Alex Jones will have clarified the statistical basis of the financial flows that contribute to UKRI achieving its Levelling Up target .

9. UKRI Research Commercialisation Update

9.1. Indro Mukerjee and Tony Soteriou introduced the paper. The progress made and achievements since the last Board discussion on research commercialisation in March 2023 was discussed. It was noted that the UKRI brochure "Commercialising your research with UKRI" and our refocussed UKRI webpage on "research commercialisation" can be used to position UKRI as a partner of choice and a smart investor to deliver the UK government ambitions.

9.2. The Board noted that further consideration to the simplification of the web pages and ease with which they can be navigated is required. Thought needs to be given to the user, which includes new and established businesses, and their navigation of the webpages to retrieve the desired and relevant information. There also needs to be greater recognition that the route to commercialisation isn't always linear, and promoting how UKRI supports those non-linear paths.

9.3. The Board noted the importance of identifying the personas of those that UKRI is trying to serve, understanding the journey of those individuals or groups and how easy it is for them to engage and access schemes. In addition, the outputs that UKRI wants to achieve and how success is measured need to be clear to all. Failure to do this risks working with the wrong type of stakeholder and failing to meet objectives.

9.4. The Board requested that a reading room paper presenting a timeline for future research commercialisation activities is brought to the January Board meeting ahead of a full update to the Board in March 2024. Engagement with the Commercialisation Task and Finish Group to embed integrated-UKRI research commercialisation working is also required.

ACTION: Indro Mukerjee and Tony Soteriou will have produced a UKRI Board Reading Room paper presenting a timeline for future research commercialisation activities by January 2024.

ACTION: Indro Mukerjee and Tony Soteriou will have engaged with the Commercialisation Task and Finish Group to embed integrated-UKRI research commercialisation working by May 2024.

10. UKRI November Conference

10.1. The Board discussed the UKRI November Conference which is taking place at the British Antarctic Survey, Cambridge.

ACTION: A list of attendees will have been sent to the UKRI Board in advance of the conference.

11. AOB

11.1. The Board discussed the locations and timings of future meetings.

ACTION: Secretariat will have provided clarification on activities and locations of future Board meetings by end of November 2023.

11.2. The Board approved the Updated UKRI Nominations and Remuneration Committee (NomCo) Terms of Reference.

11.3. The Board noted the following:
- UKRI Finance Update
- Update on Public and Senior Succession and Appointments
- Board Committee meeting minutes:
    - Audit and Risk Assurance Committee Minutes – 11th September 2023
    - Board Investment Committee Minutes – 11th July 2023
    - Organisation Change Committee Minutes – 14th June 2023
    - Organisation Change Committee Minutes – 25th August 2023
    - Executive Committee Minutes – 25th July 2023
    - Executive Committee Minutes – 5th September 2023

12. Non-Executive Session