

Minutes of the UKRI Board Meeting

Date: Wednesday 17th July 2024
Location: Room 7.04, Caxton House London
Time: 09.45 – 17.00

Board Members and Observers	
Sir Andrew Mackenzie (UKRI Chair)	Priya Guha
Professor Dame Ottoline Leyser (UKRI, CEO)	Professor Nola Hewitt-Dundas
Siobhan Peters (UKRI, CFO) – for item 1-4	Nigel Toon
Professor Sir Ian Boyd	Ruwan Weerasekera
The Baroness Bull	Alexandra Jones (DSIT)
Professor Sir Ian Chapman	Stian Westlake (ESRC Executive Chair)
Dr John Fingleton	Anne Ferguson-Smith (BBSRC Executive Chair)
Professor Sir Anthony Finkelstein	Christopher Smith (AHRC Executive Chair) – for items 5 - 7

Attendees	
Dan Shah (UKRI Interim Chief of Investment Planning and Strategy)	Poli Stuart-Lacey (UKRI, Chief of External Affairs and Communications)
Sarah Munby (DSIT Permanent Secretary) – for items 5 - 11	Deputy Executive Chair BBSRC – for item 6 & 7
UKRI Metascience Lead – for items 6 & 7	UKRI Deputy Director for Investment Strategy – for item 8
UKRI Head of Investment Planning – for item 8	UKRI Head of Risk and Management Assurance – for item 9
Deputy Director of Corporate Strategy, Governance and Performance – for item 10	Deputy Director of Analysis and Performance – for item 10
UKRI Corporate Performance Lead – for item 10	UKRI Evaluation and Performance Lead – for item 10
UKRI Head of Planning and Performance – for item 10	Planning and Performance Specialist – for item 10

Secretariat	
UKRI Board Secretariat Lead	UKRI Head of Governance & Secretariat
Senior Private Secretary to Sir Andrew Mackenzie	

1. Welcome and Introductions

- 1.1. Andrew Mackenzie welcomed members to the Board meeting. Andrew formally welcomed Professor Sir Ian Chapman and The Baroness Bull to the Board as they were unable to attend their first meeting in May 2024. Andrew also welcomed Poli Stuart-Lacey, the newly appointed Chief of External Affairs and Communications, to her first formal Board meeting, and noted Dan Shah's change of role to Interim Chief of Investment Planning and Strategy.

- 1.2. Andrew updated the Board on his activities since the last Board meeting, including chairing the annual meeting of Exec Chairs and Council Senior Independent Members. Andrew noted that the meeting involved a discussion on strategic planning ahead of councils updating their Strategic Delivery plans. Andrew noted he had visited the British Geological Survey, a NERC institute in Nottingham which provides an excellent example of a necessary public infrastructure. Andrew also visited the Royal College of Music to see their Performance Laboratory, highlighting his intent to visit sites from across the breadth of UKRI's portfolio.
- 1.3. Andrew noted he had met with the new Science Minister, Lord Patrick Vallance, and felt the meeting had been very positive.

2. a) Minutes of 15th May 2024 UKRI Board meeting; b) Action Log; and c) Forward Schedule

- 2.1. The Board approved the minutes of 15th May 2024 Board meeting.

DECISION: The Board approved the minutes of 15th May 2024 Board meeting.

- 2.2. The Board noted the action log and forward schedule.
- 2.3. Andrew noted that the explainer on sharing confidential information was now available in the Corporate Reading Room and therefore the associated action would be closed.
- 2.4. The Board noted that an update on potential opportunities for interactions with DSIT Board will be shared with members at the beginning of each meeting.

ACTION: Secretariat will have updated the Board on opportunities to interact with the DSIT Board at every meeting

3. Board Committee Updates

a) Nominations and Remuneration Committee (NomCo)

- 3.1. Andrew Mackenzie, Chair of the UKRI Nominations and Remuneration Committee (NomCo) provided an update to the Board on discussions held with the committee prior to the Board. Andrew noted that the NomCo Annual Report to the Board, which is shared as a paper for discussion by exception, was approved by NomCo with no amendments.
- 3.2. Andrew noted the committee discussed senior appointments, highlighting that good progress continues to be made on recruitment of new executive chairs. Andrew informed the Board that an interim Executive Chair for Innovate UK had been identified and was currently with ministers for approval.
- 3.3. Andrew noted that work on appointing up to five new non-executive members is ongoing and he continues to discuss regularly with Alexandra Jones and Lord Vallance. Andrew noted that he hopes new members will be in post before the November 2024 Board meeting.
- 3.4. Andrew noted the committee discussed the UKRI pension schemes, supporting Chris Ball's recommendation to work with DSIT, the Cabinet Office and HM Treasury to pursue the option to transfer future service accruals from the Research Council Pension Scheme to the Civil Service Pension Scheme, retaining the Research Council Pension Scheme for preserved members and for existing pensioners.

- 3.5. Andrew highlighted that the committee also reviewed the process for pan-UKRI honours nominations.

b) Audit and Risk Assurance Committee (ARAC)

- 3.6. Ruwan Weerasekera, Chair of ARAC, provided an update noting that ARAC have met three times since the last Board. The majority of the time has been focussed on the Annual Reports and Accounts (ARA). Ruwan commended the team on the development of a comprehensive and substantial document, noting that the process of completing the ARA had significantly improved. Ruwan confirmed that the committee had signed off the document and delegated final approval to himself as Chair and to Andrew as Board Chair. Ottoline will have final sign off before it is laid before Parliament.
- 3.7. Ruwan noted there had been a full ARAC 'Business as Usual' meeting, where they discussed the assurance letter from UK SBS and considered the UKRI delegations report.
- 3.8. Ruwan noted the committee received an excellent annual Chief People Officer update from Chris Ball and were reassured that good progress was being made.
- 3.9. Ruwan noted he has met with Liz Cohen, the new Chair of DSIT Audit and Risk Assurance Committee and will continue to develop that relationship. Ruwan noted he had also met with the new audit chair of Innovate UK Loans.

c) Board Investment Committee (BIC)

- 3.10. Priya Guha, Chair of BIC, provided an update on the Committee, noting that it had recently completed an internal effectiveness review, details of which are included in the Corporate Reading Room. The internal review reflects member's collective assessment of the committee, noting that while it is still a work in progress, significant work has been undertaken.
- 3.11. Priya noted the committee are in the process of reviewing their terms of reference and will come back to the Board for final approval in November if needed.
- 3.12. Priya noted the Committee, which met on the 9th July 2024 focussed on the shape of the future investment portfolio.

d) Organisation Change Committee (OCC)

- 3.13. Nigel Toon, Chair of OCC provided an update on the committee, noting that it had met on 9th June. The committee had requested further discussion on detailed plans of the SHARP programme, to understand what the go/no go date would be and the implications around that. Nigel noted there is a meeting scheduled to discuss the plan in more detail and that OCC is reassured that SHARP continues to move in the right direction. Nigel thanked Christine Ashton for her work leading the programme, noting that her insight had been invaluable.
- 3.14. <withheld from publication>
- 3.15. Nigel noted that the OCC Annual Report to Board is included in the papers for information. Nigel also highlighted that OCC will not be conducting an internal effectiveness review as the committee is due to wind down towards the end of the year. Andrew Mackenzie

highlighted how forming OCC had been an excellent intervention as we moved through such significant organisational change and thanked the members for their commitment.

- 3.16. The Board recommended that the change products captured lessons learned, noting that such significant change would be unlikely to be repeated for a substantial amount of time.

4. CEO Priorities

- 4.1. Ottoline Leyser provided an update to the Board, noting that the last few months have been focused on preparations for and engagement with the new government. Ottoline noted she is pleased about the appointment of Lord Patrick Vallance as Science Minister, highlighting their existing strong relationship which will hopefully be the platform from which to build a deep and trusted partnership. Ottoline explained her ambition to work collaboratively across government, supported by the full Research and Development stack and working closely with Chief Science Advisors.
- 4.2. Ottoline highlighted the energy and ambition of the new mission-focussed government, noting that there is still significant ongoing work around what their missions will look like. Ottoline noted that the pillars of economic growth, public services and people/citizens align well with UKRI's strategy.
- 4.3. Ottoline noted there has been lots of international engagement, highlighting that UKRI are considered well internationally. In particular, UKRI has been feeding into international conversations on Trusted Research and Innovation. The Board noted Ottoline's relief at being back in Horizon Europe fully and that applications continue to ramp up.
- 4.4. Ottoline noted that the academic community are obviously very interested in the financial sustainability of the research and innovation system. UKRI has a role in this space to convene interested parties to allow collective understanding and collective actions to be taken. Alexandra Jones noted that DSIT continues to work very closely with both UKRI and the department of Education to ensure that the right people are involved in the conversation.
- 4.5. Ottoline noted that UKRI has a critical role to play in turning things around for the country, noting the need to build awareness outside of the organisation by setting out the unique value of UKRI.

5. CFO Update

- 5.1. Ottoline Leyser, on behalf of Siobhan Peters, provided an update to the Board, highlighting the finance update which is included in the papers.
- 5.2. Ottoline updated the Board on UKRI's engagement with Europe through their presence in Brussels. Christopher Smith, UKRI's International Champion provided a summary of the key issues, including reassuring the Board that UKRI's commitment to strengthening engagement with Europe and European funding opportunities remains a high priority. The Board requested some lines to take regarding UKRI's evolving presence in Brussels.

ACTION: Calum Kennedy will have liaised with UKRI International and will have provided lines to take to the Board regarding UKRI's evolving presence in Brussels and our continued and strengthening engagement with Europe and European funding opportunities by end of July

- 5.3. Ottoline updated the Board on the Voluntary Exit Scheme currently underway, noting the scheme was not focussed on reducing headcount, but was an opportunity to reshape the organisation following headcount reducing naturally over time. Ottoline noted the scheme was targeted at specific groups across the organisation and there has been some disappointment from people who want to access the scheme but are ineligible.

6. Update on Innovation in Expert Review

- 6.1. Professor Guy Poppy introduced the item, providing an update on activity undertaken by the Forum for Expert Review following the publication of the Review of Peer Review. Guy highlighted that the term Expert Review is used to be more inclusive and capture reviews across UKRI, noting that Innovate UK do not use Peer Review since it is not the best term for many of their reviewers.
- 6.2. Guy noted that while consideration was given to creating a Centre of Excellence, it was decided it would be more effective to work closely with the UKRI/DSIT Metascience Unit and to use the evolving funders forum to house a community of practice for expert review.
- 6.3. Ottoline noted the Innovation in Expert Review work is addressing key issues within the UK research and innovation system, including difficulty in getting high quality peer review and real or perceived issues with diversity for award rates. Ottoline highlighted that UKRI is an evidence-based organisation and is therefore collecting the evidence in this space.
- 6.4. Guy noted that many of the members of the Forum for Expert Review have positions within the UK and internationally, the Board noted the intention to share our knowledge globally and bring back international lessons learned to the UK. Ottoline noted that not all interventions work the same internationally, but that this was an exciting space.
- 6.5. The Board noted the need to include a variety of peer/expert reviewers, for example bringing in Public Sector Research Establishments (PSREs). The Board also raised that the overall burden of peer review has increased and encouraged the programme to consider how to manage this burden, such as training researchers to be better reviewers and understanding what parts of the system need classical peer review and which parts do not. This is an area of significant focus and is part of the 'experiments' being developed together with the UKRI/DSIT Metascience Unit.
- 6.6. The Board noted the ongoing work is exciting but would welcome more information about the objectives and outcomes of the programme. Guy highlighted that there is continuous activity in this space and they will continue to try out new and innovative ideas.

ACTION: Professor Guy Poppy will have shared a two-page outline of the high level objectives of the Innovation in Expert Review work by end of September 2024.

7. Innovation in Funding: The UKRI/DSIT Metascience Programme

- 7.1. Stian Westlake, Executive Chair of Economic and Social Research Council, introduced the item, providing an update on the development of the DSIT and UKRI Metascience Programme. The joint Metascience Unit aims to improve research policy and funding practices through conducting rigorous experiments and commissioning applied research. Stian noted that the programme has allowed UKRI the opportunity to build capacity to run internal experiments.
- 7.2. Stian highlighted the ongoing work with Innovate UK, ensuring there is significant engagement with business. The Board noted the programme had leveraged co-investment, including from a US-based philanthropic funder.

- 7.3. The Board encouraged the team to be disruptive in their thinking, noting this was an opportunity to identify improvements across the system. Jennifer Gold, UKRI's Metascience Lead noted that while the Unit is developing an initial tranche of experiments that are focused on testing smaller-scale changes to funding mechanisms to deliver quick wins, there is considerable scope to test more radical changes to funding modes, assessment processes, and approaches to investment management. Stian noted the importance of trying out a range of ideas, not just experiments where we have a very strong hypothesis for the outcome, but to explore more ambitious moonshots. The programme is focused on ensuring the most useful questions are answered.
- 7.4. The Board requested that an update on the UKRI/DSIT Metascience programme is brought back for further discussion, in particular, updating the Board on progress against the programme's objectives and key performance indicators.

ACTION: Stian Westlake and Jennifer Gold will bring an update on the UKRI/DSIT Metascience Programme back to Board in 6-12 months' time to share progress against the programme's objectives and key performance indicators.

8. 2024 Spending Review

- 8.1. Dan Shah, interim Chief of Investment Planning and Strategy, introduced the item, providing an update on spending review preparations, with an aim to support the Board's responsibility for shaping UKRI's strategy, including its specific responsibility to provide advice to the Secretary of State on the allocation of UKRI's budget. Dan noted that several past Board and Board Investment Committee papers and an explainer on the spending review and allocations were included in the Corporate Reading Room for background.
- 8.2. David Rogers, Deputy Director for Investment Strategy noted that timelines for a spending review are not yet public, but the Chancellor is expected to make an announcement shortly following a fiscal review. David noted that the country is in a challenging fiscal position and we expect the spending review outcome to reflect this.
- 8.3. David noted that following previous Board discussions, our recent focus has been on agreeing a shared vision for the future state of UKRI's investment portfolio, focusing on the outcomes we are seeking to achieve over a ten-year period, to 2035. David noted that Executive Committee continue to consider these outcomes.
- 8.4. Alexandra Jones encouraged the team to consider the government's missions and how UKRI can contribute. Andrew Mackenzie noted the spending review process worked well previously, and with the publication of UKRI's Strategy 'Transforming Tomorrow Together' we are in a much stronger position.
- 8.5. The Board noted that David Rogers will be leaving UKRI and thanked him for his work on this and previous spending reviews.

9. UKRI Risk Update

- 9.1. Andrew Mackenzie introduced the risk update, highlighting that a significant amount of work had been done on assessing the risk matrix. Andrew noted the series of deep dives being

carried out with the UKRI Executive Committee and invited the Board to advise the risk team on any areas where they felt they needed further reassurance or discussion.

- 9.2. The Board noted the summary of the Executive Committee principal risk deep dives, noting that R1756 Failure to Influence/Respond to Changes in the Policy Landscape continues to be monitored closely. Dan Shah noted that we had anticipated that the risk score would increase before stabilising due to managing a change of Government, in particular a change of Science Minister. Dan noted that UKRI continues to develop and maintain partnerships across DSIT and Whitehall. The Board noted the importance of internal coherence across UKRI, with Dan highlighting the role of Strategy Committee in engaging with wider government.
- 9.3. Dan noted that R0024 Failure to deliver against UKRI Environmental Sustainability and Greening Government Commitments continues to be discussed with Executive Committee, commenting that the risk not only holds UKRI to account but provides an opportunity for us to take a leadership role in this area across the sector. The Board noted the distinctive estate portfolio held by UKRI (e.g. buildings, planes, ships etc) and how this would affect the management of the Environmental Sustainability risk, highlighting that a unique plan would be needed going forward.
- 9.4. Alice Summers, Head of Risk and Assurance, noted that the team will discuss the top Council level risks with Executive Committee in September. This will provide an opportunity to look at how we are managing similar risks across the organisation, drawing out similarities and differences. Ottoline noted that Executive Chairs were proactively seeking out this cross-council review with an aim to share mutual learning and best practice.
- 9.5. The Board thanked the risk management team, noting that risk reporting was comprehensive. They requested more information on the management of health and safety risks in the CFO update at future Board meetings.

10. UKRI's Framework for Performance: 2023-24 Quarter 4 Progress and Performance Report

- 10.1. Daniel Shah introduced the Q4 UKRI Progress and Performance Report. Dan noted that the report serves various purposes, with information in the report being extracted in several forms to inform conversations with the Secretary of State, Science Minister, colleagues in DSIT and wider stakeholders. Andrew Mackenzie noted that the discussion around the report offers the opportunity to deep dive on any areas of concern. The Board noted previous deep dives around co-investment and international collaboration.
- 10.2. The Board noted this quarterly report is only one part of UKRI's Framework for Performance 2023-24, and that the annual Balanced Scorecard is shared each year with the Board in January.
- 10.3. The Board were very positive about the Progress and Performance pack, noting it was a good blend of metrics, data and case studies. Andrew Mackenzie noted that the Progress and Performance report had been developed over several years but was now in a good place and no longer needed significant change. The Board thanked the team for an exceptional piece of work.
- 10.4. The Board highlighted the importance of not just focusing on where we need to improve, but also on our successes, and encouraged consideration of how we can better share our successes through a range of materials and media. The Board also highlighted the importance of considering how our community and wider stakeholders perceive UKRI,

offering application processing times as an example that will influence many stakeholder's perceptions of UKRI.

10.5. Sarah Munby noted the report was a strong foundation for having discussions with government. Alexandra Jones noted the Secretary of State would welcome a report which can be used for many audiences, but was keen to avoid different products being created specifically for him. Alex will continue to liaise with UKRI to ensure any development of the report is aligned to Ministerial priorities.

10.6. Sarah Munby provided some advice on ensuring products produced for the Secretary of State are accessible. Sarah noted the team will share any specific guidance with the secretariat who will share with paper authors going forward.

ACTION: DSIT will have shared guidance on ensuring papers are accessible with the secretariat, who will have ensured it is reflected in UKRI's refreshed guidance and share with authors.

11. AOB

11.1. The Board requested that options for visits be considered for future meetings in the South West.

ACTION: The secretariat will have considered potential optional visits for upcoming Board meetings in Swindon and London

11.2. The Board noted the following:

- UKRI Annual Health and Safety Report
- Nominations and Remuneration Committee Annual Report to Board 2023-2024
- Organisational Change Committee Annual Report to the Board 2023-24
- UKRI Finance Update – July 2024
- Executive Committee minutes – April 2024 & May 2024
- Organisational Change Committee minutes – April 2024
- Audit and Risk Assurance Committee Minutes – March 2024
- Board Investment Committee Minutes – May 2024

12. Non-Executive Session