



Minutes of the UKRI Board Meeting

Date: Wednesday 17 January 2024
Location: CS6, Polaris House
Time: 10:10 – 17:00

Board Members and Observers	
Sir Andrew Mackenzie (Chair)	Nigel Toon
Professor Dame Ottoline Leyser (UKRI, CEO)	Ruwan Weerasekera
Dr John Fingleton	Alexandra Jones (DSIT)
Professor Sir Anthony Finkelstein	Charlotte Deane (EPSRC Executive Chair) – from 11:30am
Priya Guha	Mark Thomson (STFC Executive Chair) from lunchtime onwards
Professor Nola Hewitt-Dundas	Christopher Smith (AHRC Executive Chair) from item 10 onwards
Siobhan Peters (UKRI, CFO)	

Attendees	
Chris Ball (UKRI, CPO)	Carole Walker (UKRI Head of Risk and Management Assurance) item 9
Tim Bianek (UKRI, COO)	Alice Summers (Senior Risk and Assurance Business Partner) item 9
Isobel Stephen (UKRI, Exec Director of Strategy, Performance and Engagement)	Frances Wood (UKRI International Director) item 10
Dan Shah (UKRI Director of Investment Strategy and System Insight) item 8, 9	Karen Salt (UKRI Trusted Research and Innovation Portfolio Director) item 10
Joanne Allison (UKRI Deputy Director of Corporate Strategy, Governance & Performance) item 8	Martin Langran (UKRI Senior Security Advisor) item 10
Rosie Cornelius (UKRI Deputy Director of Analysis and Performance) item 8	Adam Staines (UKRI MRC - Associate Director, Cross Council Partnerships) item 11
Caroline Batchelor (UKRI Head of Corporate Planning and Performance) item 8	Alasdair Taylor (UKRI Head of Policy – Research Financial Sustainability) item 12
Julia Dickinson (UKRI Corporate Performance lead) item 8	Mel Knetsch (UKRI Deputy Director of Research Financial Sustainability and System Impact) item 12
Rick Hamilton (UKRI Evaluation and Performance Lead) item 8	Kate Turton (UKRI Interim Head of Research Sustainability and Engagement) item 12
Jade Ouimet-Fortin (UKRI Senior Strategy Advisor Place) item 8	Patrick Rigby (UKRI Lead Analyst, Analysis of the UK Research and Innovation System) item 12
Tony Soteriou (UKRI Director of Research Commercialisation) item 9	Jessica Corner (Executive Chair Research England) item 14

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

Apologies	
Professor Sir Ian Boyd	

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 created by the departures of Professor Julia Black and Lord David Willetts on 29 October 2023 and 7 November 2023 respectively.

1. Welcome and Introductions

- 1.1. Andrew Mackenzie welcomed members to the meeting and noted that the Board meeting will be observed by Charlotte Deane (the newly appointed EPSRC Executive Chair) from 11:30 and Mark Thomson (STFC Executive Chair) from 13:45.

2. a) Minutes of 15 November 2023 UKRI Board meeting; b) Action Log; and c) Forward Schedule

- 2.1. The Board approved the minutes of 15 November 2023 Board meeting.

DECISION: The Board approved the minutes of 15 November 2023 Board meeting.

- 2.2. The Board noted the action log and forward schedule.
- 2.3. Alex Jones provided clarification on the statistical basis of the financial flows that contribute to UKRI achieving its Levelling Up target, which does not include those that fall outside of DSIT's remit. Discussions continue with regard to how best to achieve the Levelling Up target. The corresponding action (B.2023.20) was closed.

3. Board Committee Updates

a) Nominations and Remuneration Committee (NomCo)

- 3.1. Andrew Mackenzie (Chair of NomCo) provided an update on the Committee noting there has been no progress in moving towards appointing new Board member candidates following the recent round of recruitment. Tim Russell confirmed that the Board is still quorate under HERA.
- 3.2. Andrew provided a brief update on the work that is underway, including a review of honoraria to members of Council's Councils and advisory bodies in order to ensure consistency and fairness.
- 3.3. Following approval at the November NomCo meeting, two new Non-Executive Members (NEMs) joined ARAC as of January 2023. At the request of the ARAC Chair, NomCo approved the reappointment of the three current NEMs to ARAC.

- 3.4. Andrew informed Board that he would be meeting with Board members in the coming months as part of the annual appraisal process.

b) Board Investment Committee (BIC)

- 3.5. Priya Guha (Chair of BIC) provided an update on the Committee noting that a BIC meeting took place on 11 December 2023. The meeting included a site visit to Rutherford Appleton Laboratory, Harwell Campus. During the visit, BIC explored the evidence of impact of investment in place, campus development, asset lifecycles and end of life infrastructure.
- 3.6. The visit included discussion on the tension between building new platforms and facilities versus the tangible and visible need for investment in ongoing reparation and maintenance to address aging estate infrastructure safely and efficiently.
- 3.7. BIC received updates on strategic investments, the Infrastructure Advisory Committee and large compute, including potential locations for Exascale which may support the Place priority. Andrew commended the work undertaken to give BIC a clear role, noting that consideration should be given to how BIC can be made more effective.

ACTION: Priya Guha will have identified how the Board can provide support to BIC by March 2024.

c) Organisation Change Committee (OCC)

- 3.8. Nigel Toon (Chair of OCC) provided an update on the Committee following its meeting on 8 January 2024. There will be a delay of currently unspecified duration to the Services for HR, Accounting, Reporting and Procurement (SHARP) programme. A team from UKRI, UKSBS and IBM are examining the challenges and are currently working on the replan. Next steps are to share the revised plan with the Programme Board at the end of January. Subject to ratification and any subsequent work requested on the replan, a revised approach will be shared with stakeholders in February. Until the replan is completed there is not a definitive view of what is possible and as a result on a revised go-live date.

ACTION: Tim Bianek will have presented the outcome of the replanning work at the March Board meeting.

- 3.9. The Board stated the importance of implementing a system that works, noting that the issues had been foreseen, but were underestimated. The reputational damage of deploying a non-working system greatly outweighs the reputational risk of delay. The Board emphasised the importance of capturing lessons learned at the appropriate time.

d) Audit and Risk Assurance Committee (ARAC)

- 3.10. Ruwan Weerasekera (Chair of ARAC) provided an update on the Committee, noting that ARAC had met on 11 January 2023. Ruwan noted that the Research Council Pension Scheme Annual Report and Accounts, and the Medical Research Council's Annual Report and Accounts were ratified by the Committee.
- 3.11. The Government Internal Audit Agency (GIAA) noted that overall delivery of the 2023/24 programme remains on track with two thirds of planned work in train or finalised. The distribution of assurance ratings for the 2023/24 programme delivered to date is comparable to previous final year positions.

3.12. ARAC received an update on UKRI Board and Principal risks, the outcome of the review of the risk quadrant diagram and detailed updates on the Board risks. Ruwan noted that UKRI Finance is undertaking a number of steps to avoid the late identification of estimation errors witnessed in previous years.

4. People Survey

4.1. Ruwan gave an update on the discussions held at the Wellbeing and Workforce Deep Dive on 13 November 2023, and ARAC meeting on 11 January 2024 with regard to the outcomes of the People Survey.

4.2. It was noted that there were several negative shifts from the previous year, with scepticism appearing to come from middle bands and longest serving members of staff. Progress against the People Survey Action Plan, which is publicly available, needs to be monitored. Currently, there are several areas that suggest further work is needed.

4.3. The Board noted that casework statistics from Innovate were not included and that they would expect to see those included in future.

ACTION: Chris Ball will have provided ARAC with the necessary information to enable ARAC to track and monitor workforce and wellbeing issues across all of UKRI, including Innovate UK data provided by Rob Shaw.

4.4. Chris Ball noted that there's a huge amount of current and future work ongoing to address the concerns identified in the survey, including networks and forums to disseminate information, as well as work the creation of career pathways within UKRI. In addition, UKRI runs a series of pulse surveys to provide real-time feedback on staff wellbeing. The outcomes of the pulse surveys can be shared for future Board meetings. The 2023 People Survey was conducted before the conclusion of a significantly delayed annual pay award at a time of rapidly rising costs of living. We would hope to see improved results in this year's survey, although the ongoing change programmes are likely to impact the results.

ACTION: Chris Ball will have placed the outcomes from the pulse surveys into the corporate reading room for future Board meetings.

4.5. Andrew Mackenzie expressed the desire to make UKRI a strong brand, rather than just being an overarching brand. Achieving a strong UKRI brand, supported by the councils, would help to generate a sense of one UKRI. This approach needs to be embodied by Executive Chairs. The Board noted the need to receive annual updates on the outcomes of the People Survey, including the proposed actions and progress against them.

ACTION: Chris Ball will bring annually the people survey, outcomes analysis and action plan for discussion to the November Board.

5. CEO Priorities

5.1. Ottoline Leyser introduced the CEO update noting that Katrina Nevin-Ridley (UKRI, Director of External Relations, Communications and Public Engagement) and Emma Lindsell and Isobel Stephen (UKRI, Exec Directors of Strategy, Performance and Engagement) would be leaving UKRI. Succession planning is underway to ensure a smooth transition as they depart. Ottoline thanked Katrina, Emma and Isobel for their support and dedication over the years.

- 5.2. A stable senior leadership team is now being created with Professor Charlotte Deane having joined EPSRC as the Executive Chair, Professor Louise Heathwaite joining NERC in March, and Professor Anne Ferguson-Smith joining as BBSRC Executive Chair on 1 July 2024.
- 5.3. Ottoline provided an overview of recent organisational design activities, including the structure of the senior leadership team. There has also been close work with the Funding Service team with clear opportunities for simplification and harmonisation. Work also continues more generally to create integrated, harmonised approaches to core functions, facilitating movement of people across the organisation, allowing UKRI to build attractive career pathways.
- 5.4. Ottoline highlighted the excellent work being delivered in UKRI, noting the recent celebration of Biobank and the NERC Impact Awards ceremony, for example highlighting wastewater surveillance research led from Bangor University. UKRI Strategy delivery is being well received, including the Cross Research Council Interdisciplinary Responsive Mode Scheme. For its first round, 175 of 979 applications have been invited to submit full applications.

6. CFO Update

- 6.1. Siobhan Peters introduced the item, noting that UKRI remains overcommitted with work continuing to identify solutions. The challenge is different to previous years due to programmes being more mature, the sector moving beyond pandemic disruption, and reprioritisation has absorbed flexibility in some areas. Work has been underway with DSIT to develop a better understanding of the pressures on this year's budget, particularly in relation to OpEx spend and constraints.
- 6.2. Attention has been given to the Spending Review (SR) and the principles that will underpin the bid. Discussions have taken place with the BIC and Executive Committee on our current understanding of our commitment position into the next SR, impact on the balance of our portfolio and a number of overall risks. The Board noted concern with regard to the cumulative pressures going into the next SR and the associated risk of that major new projects and/or core programmes meeting essential R&I system requirements could become unaffordable.
- 6.3. Siobhan noted that a two-day workshop had been scheduled at the end of January to discuss UKRI organisational design. Discussions will include elements of change and business planning.

7. Board Effectiveness Review

- 7.1. Andrew Mackenzie introduced the item and gave an overview of the Board Effectiveness Review report. The report is under final review and is expected to be finalised by the end of January.
- 7.2. The full report will be shared with the Board ahead of its meeting in March, following which it will be shared formally with DSIT. The Board confirmed the importance of Independent Audit being present at the March meeting to support discussion, ahead of a Board only session to discuss the report in full.

ACTION: The Board and ExCo Effectiveness Review report will have been taken formally to DSIT after Board consideration in March.

ACTION: Secretariat will have invited Independent Audit to the March Board meeting. Session to continue with Board only discussion.

7.3. The Board discussed a subset of the report's suggestions, including the structure of Board meetings and the connectivity of Executive Chairs and Councils to the Board. Currently, updates on Councils' activities are channelled through performance reports, minutes and Executive Chair attendance at Board meetings. To help increase Board understanding of the Councils, a Board/ExCo roundtable activity in July was put forward by Andrew.

ACTION: The Secretariat will have scheduled an Executive Chair roundtable activity at the July Board/ExCo away day.

7.4. The Board noted the importance of being kept informed of key decisions and the need to increase Board's visibility to remove a sense of remoteness that some in the organisation may feel. Board member attendance at certain Council events may be one solution to aid Board's awareness of Councils' activities whilst also increasing Board's visibility.

ACTION: Secretariat will have included upcoming council events that would be appropriate for Board member attendance within the Friday Communications Roundup.

8. Performance Framework

8.1. Isobel Stephen introduced the item. The quarterly progress and performance report tracks delivery of the strategy against key agreed measures, while the Annual Balanced Scorecard focuses on the outcomes that arise from the activities UKRI delivers. Both help to manage the organisation more effectively and feed into UKRI's Annual Report and Accounts.

8.2. The Board discussed the reports, noting that the number of publications from UKRI funded research had decreased. There is no indication of a reduction in quality. Possible causes include the impact of the REF cycle on submission times, as well as the impact of the pandemic.

8.3. Isobel noted that the results from the 2023 Perceptions Survey had been shared previously with the Board. A second Perceptions Survey will be conducted in the future. The team is also exploring the possibility of undertaking a survey that is more light touch that could be undertaken annually.

9. UKRI Board Risk

9.1. Siobhan Peters introduced the item which gave an update on the UKRI Board and Principal risks, an update on the review of risk appetite planned and the annual risk review. Siobhan noted that the outcomes of the ExCo Deep Dives undertaken since the last report are being reported to ARAC and resulting actions are underway.

DECISION: The Board approved the updates to the Principal Risk Quadrant Diagram.

9.2. A joint ARAC and BIC meeting will take place on the 14 February which will include an Environmental Sustainability Teach-In and Deep Dive. A report will be prepared for Board following the meeting. In addition, Carole Walker (Head of Risk & Management Assurance) confirmed that the team would respond to Ian Boyd's security resilience comments received via email ahead of the meeting.

10. Geopolitical Context

- 10.1. Frances Wood introduced the item which reviews the measures UKRI is taking to operate in a complex geopolitical context, including how UKRI is influencing and supporting HMG international Research and Innovation (R&I) objectives, contributing to UK soft power and the ability to respond to geopolitical shocks.
- 10.2. Anthony Finkelstein noted the importance of using data to be as effective as possible in the geopolitical arena. For example, it would be extremely helpful to understand better the movement of overseas R&I investments, which are yielding return, their industrial partners and component technologies. There is a lack of such data across Government. However, the UK is in a strong position relative to others and with the right level of information, UKRI could take significantly smarter and more rewarding actions. Alex Jones noted that DSIT is looking to set up an analytics hub that will aim to address some of these areas.
- 10.3. Priya Guha noted the value of using the UK Science and Innovation Network (SIN) to greatest effect and the need to consider what is possible within the funding frameworks available. It is not possible for the SIN to have a presence in every country and the priorities across the SIN will vary, which can create barriers. Effort needs to be given to leveraging the SIN as much as possible, and utilising expertise (academic links) that may not be initially obvious.
- 10.4. More focus should be given to business in the geopolitical context, common problems and how UKRI, academia and industry can work together to tackle challenges. Priya noted that this would echo the recent speech from the Science, Innovation and Technology Secretary of State on 16th January. Frances noted that her team has started to consider this aspect and how Innovate UK can be linked into the work.
- 10.5. The Board noted that the national security policy is developing in relation to R&I and can put UKRI at odds with widely held views in the UK R&I sector. Frances noted that the team has developed security holistically with a focus on reducing internal human risk, protecting assets proportionately, improving cyber resilience and supply chain security. In relation to this, Anthony Finkelstein has accepted to Chair the Research Security DSIT Independent Advisory Board and will report back to Board.

ACTION: Anthony Finkelstein will have reported to Board on activities of the Research Security DSIT Independent Advisory Board that he will Chair.

11. Infrastructure Advisory Committee

- 11.1. Mark Thomson introduced the item, noting the Infrastructure Advisory Committee (IAC) met on 22 and 23 November to prioritise the third wave of full proposal investments for the Infrastructure Fund portfolio. IAC also discussed raising the environmental sustainability criterion and the challenges of prioritising major or complex infrastructure investments. The Infrastructure Fund's portfolio management approach also provides flexibility to initiate projects sooner (at a low level) should budgets and business case approvals allow.
- 11.2. Mark noted that the Infrastructure Fund adopts a portfolio approach. The portfolio of projects needs to holistically achieve criteria, such as Place, rather than one project being spread across several locations. The majority of the projects are in their early stages and the full impact of the investments have not been realised. However, benefits realisation,

monitoring and evaluation is achieved through quarterly reports from the projects to the Infrastructure team.

11.3. The Board noted that it was a big achievement to have an infrastructure portfolio which helps to provide an output lens to UKRI investments, and alignment to Government objectives. The Board noted the value of timely updates to the Board and agreed that an annual cadence of reporting to the Board would be appropriate.

ACTION: Adam Staines will bring annually an Infrastructure Portfolio Report to the Board starting January 2025.

12. Financial Sustainability

12.1. Isobel Stephen introduced the item, noting that consideration is needed on what UKRI has direct control over, where we can influence by working with others and where we must be aware of context. UKRI's partial control should not be seen as an excuse and emphasis must be given to the importance of strong collaborations to overcome challenges.

12.2. The Board discussed the current landscape including the dual support system and the differing complexities across universities. To aid discussions at March Board, scenarios and the actions UKRI might take in relation to Financial Sustainability need to be presented. This will include those areas presented in the paper as well as others.

ACTION: Isobel Stephen/Emma Lindsell will have included scenarios and the actions UKRI might take in relation to Financial Sustainability at the March Board.

13. AOB

13.1. The Board discussed Commercialisation noting that a Task and Finish group had been established to consider progress with UKRI research commercialisation against the ambitions as discussed with the UKRI Board.

ACTION: Commercialisation will have been added as a standing item to the Board as part of the CEO's verbal update.

13.2. The Board noted the following:

- Digital Research Infrastructure Portfolio Update
- UKRI Finance Update
- Update on Public and Senior Succession and Appointments
- Board Committee meeting minutes:
 - Audit and Risk Assurance Committee Minutes – 13 November 2023
 - Board Investment Committee Minutes – 11 December 2023
 - NomCo Minutes – 20 September 2023

14. Non-Executive Session

14.1. The Board went into a Non-Executive only session.

Meeting End

15. Afternote – Summary of Board update meetings

Two update meetings relating to the letter from the Secretary of State for DSIT concerning the Research England Equality Diversity and Inclusion Expert Advisory Group have been held as follows:

- December 18th (out of committee) - The Board was updated on the progress of the independent investigation into the concerns raised by the Secretary of State for DSIT in her letter of 28th October on X.
- January 17th (closed session) - The Board considered the final outcomes of the independent investigation and was updated on the drafting of a letter to the Secretary of State from Andrew Mackenzie reporting on the Board's decisions.