



### **Minutes of the UKRI Board Meeting**

**Date:** Wednesday 13 November 2024  
**Location:** Gisborough Hall Hotel, Guisborough  
**Time:** 09:00 – 16:00

<b>Board Members and Observers</b>	
Sir Andrew Mackenzie (UKRI Chair)	Priya Guha MBE
Professor Dame Ottoline Leyser (UKRI, CEO)	Professor Nola Hewitt-Dundas
Siobhan Peters CMG (UKRI, CFO)	Jane Norman
The Baroness Bull CBE	Russell Schofield-Bezer
Annie Callanan	Nigel Toon
Professor Sir Ian Chapman	Ruwan Weerasekera
Rita Dhut	Alexandra Jones CBE (DSIT)
	Professor Dame Jessica Corner (Research England Executive Chair) – items 7-9

<b>Attendees</b>	
Dan Shah (Interim UKRI Chief of Investment Planning and Strategy)	Poli Stuart-Lacey (UKRI, Chief of External Affairs and Communications)
UKRI Head of Risk and Management Assurance – for item 6	UKRI Head of Investment Planning - for item 7
UKRI Deputy Director, Investment Strategy- for item 7	UKRI Partnership Lead - for item 7
UKRI Head of Council Business Partnering - for item 7	UKRI Strategy Lead for Place – for item 8

<b>Secretariat</b>	
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 and noted apologies. Andrew welcomed the four new non-executive members of the Board, Annie Callanan, Rita Dhut, Jane Norman and Russell Schofield-Bezer, to their first meeting.
- 1.2. Andrew updated the Board on his activities since the last Board meeting, in particular noting he had taken part in a roundtable on Financial Sustainability, which enabled a highly productive discussion with members of the higher education system. Andrew highlighted that a note of that discussion is included in the Board Corporate Reading Room. Andrew noted he also met with the interim Chair of the Office for Students, discussing financial sustainability from a different perspective.
- 1.3. Andrew noted he has met with the deputy Prime Minister of Singapore, who is also the chairman for the National Research Foundation. The conversation was focused on international collaboration.



- 1.4. Andrew also noted that he met with Minister Vallance, who highlighted his priorities for the next phase of the SR. He also noted he is due to meet with Lord Livermore, Financial Secretary to the Treasury, and continues to link up with the Prime Minister's business advisor.

## **2. a) Minutes of 18 September 2024 UKRI Board meeting; b) Action Log; and c) Forward Schedule**

- 2.1. The Board approved the minutes of the 18 September 2024 meeting, noting one error which will be corrected by the Secretariat prior to publication.

**DECISION:** The Board approved the minutes of 18 September 2024 meeting.

- 2.2. The Board noted the action log and forward schedule.
- 2.3. The Board requested that in the morning of the January Board and Executive Committee away day, the secretariat arrange visits to UKRI funded activities in the South West.

**ACTION:** The Secretariat will have arranged a visit in the South West ahead of the Board ExCo Away Day on 14 January 2025.

## **3. Board Committee Updates**

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

- 3.1. Andrew Mackenzie, Chair of the UKRI Nominations and Remuneration Committee (NomCo) noted that there has been no NomCo meeting held since the last Board meeting.
- 3.2. Andrew highlighted the Update on Senior and Public Appointments included in the paper pack, in particular noting the appointment of the four new non-executive members to the Board. Andrew also noted that he was in discussions with DSIT and No 10 regarding extensions for some existing Board members, to support these discussions Andrew noted that UKRI will be writing to Board members to request diversity data.
- 3.3. Andrew noted that the interviews for the incoming CEO are being held this week, noting that he hopes to identify a shortlist which he and the panel, chaired by Alex Jones, will explore further. The Board noted that Nigel Toon and Ottoline Leyser are on the panel to recruit the new Innovate UK Executive Chair. Nigel noted that the campaign had gone through shortlisting and interviews were due to take place at the end of November. Ottoline highlighted that the nine Executive Chair roles are all public appointments which can take a significant amount of time and therefore it is an ongoing process.
- 3.4. Ottoline provided an update on appointments within the Executive, noting that the process for appointing a substantive Chief of Investment Planning and Strategy is well underway and she hopes to update the Board shortly. Ottoline noted that the appointment process for the substantive Chief People Officer and Chief of Operational Delivery was also underway, with those roles currently being filled by contractors. The Board were supportive of these roles being moved into contractual appointments.
- 3.5. Andrew highlighted the council member appointments, noting that this is a substantial process and that approval of appointments is delegated to the CEO on behalf of NomCo,



unless the appointment is considered exceptional and therefore outside of the agreed delegation process. The Board raised concerns that the gender diversity of the Natural Environment Research Council appointments would take female representation on the Council below what they would consider acceptable. The Board requested aggregated diversity data for all the councils' Councils to be shared going forward.

**ACTION:** The Senior and Public Appointments team will have shared the aggregated EDI data for UKRI council's Councils.

- 3.6. <withheld from publication> The Board requested further discussion around working towards more diverse councils to come back to NomCo in January 2025, including reviewing the delegation principals.

**ACTION:** Further discussion of council appointments, including council diversity and the delegation principals, will have been brought to NomCo for discussion in January 2025.

- 3.7. The Board noted that robust challenge had been built into the decision-making for the Natural Environment Research Council (NERC) Council appointments and that the appointments balanced a number of key requirements at that point in time. The Board agreed that improving gender diversity on the Council was a priority for NERC going forward.

**ACTION:** The Senior and Public Appointments team, working with Executive Chairs, will have developed a plan to attract diverse candidates to future recruitment rounds ahead of the 2025/26 campaign.

- 3.8. The Board were happy for candidates listed to be appointed to the Council in 2024/25 as approved by the CEO. Priya Guha noted her dissent with this decision with respect to the NERC Council appointments.

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

- 3.9. Ruwan Weerasekera, Chair of ARAC, provided an update to the Board. Ruwan welcomed Rita Dhut and Russell Schofield-Bezer to the committee as new members. The Board noted the appointment of Ian Chapman as Deputy ARAC Chair.

- 3.10. Ruwan noted that there are four areas of focus for the committee;

- Funding Assurance
- Counter Fraud
- Grant Profiling
- Commitments Disclosures

- 3.11. Ruwan highlighted that Siobhan Peters will address funding assurance and counter fraud at every ARAC meeting going forward. Highlighting that the Director of Risk Assurance and Counter Fraud is developing a plan to address these key issues, which ARAC will be asked to challenge in December.

- 3.12. The Board noted that ARAC has rolling Executive Chair attendance, with Stian Westlake (Executive Chair for ESRC) joining the November meeting to discuss his council level risks. Ruwan noted that Charlotte Deane (Executive Chair for EPSRC) will be joining the next meeting.



- 3.13. The Board noted that ARAC continues to discuss The Funding Service (TFS) and SHARP implementation, noting that a joint ARAC and Organisational Change Committee (OCC) meeting will be held on 9 December 2024. This meeting will follow the early December go/no go decision for both programmes and will consider how the scope of the OCC will be brought into ARAC in 2025.
- 3.14. Ruwan flagged that the annual timetable of activities continues to be discussed, noting that in the light of SHARP implementation, there are concerns that the laying of the Annual Report and Accounts may need to be delayed. This is being monitored closely and plans are in place to manage a possible delay.
- 3.15. Ruwan highlighted that ARAC had held a session with the NERC Aviation Assurance Panel, and that this was well received by all with the committee providing robust challenge.
- 3.16. The Board noted that Ruwan is the Freedom to Speak Up Guardian and currently meets Siobhan weekly to discuss any issues. Work is underway to identify a single process for raising concerns, which will include a policy refresh.
- 3.17. Ruwan noted that he is stepping down from the Innovate UK Loans Board.

**a) Board Investment Committee (BIC)**

- 3.18. Priya Guha, Chair of BIC, provided an update on the Committee. Priya noted that the last meeting mainly focussed on the spending review, including how the Board and the Board Investment Committee can most effectively support the Executive Committee through the multiyear spending review process. The Board noted that BIC have a spending review briefing planned for February 2025. Priya also noted the committee also received the standard update on physical and digital infrastructure, including large investments.
- 3.19. The committee also discussed how UKRI can work with a long term infrastructure portfolio alongside ensuring the portfolio is as flexible as possible. The committee considered the pipeline of business cases.
- 3.20. Priya noted that the Director of UKRI's Environmental Sustainability Programme gave an update, highlighting our commitment to carbon reduction. The Board noted both DSIT and UKRI are committed to a greener government.
- 3.21. Priya highlighted that the committee considered how we currently use consultants to support technical assessments and how that expertise could be brought in house. The committee noted the need to recognise there are a specialist areas which require a high level of expertise which could be hard to recruit internally.
- 3.22. Priya noted the next meeting of BIC will be held in January at the British Antarctic Survey (BAS), and they will be joined by Professor Dame Jane Francis (Director of BAS) and Professor Louise Heathwaite (NERC Executive Chair). The committee will look at UKRI's investment portfolio against the national infrastructure roadmap.
- 3.23. The Board formally approved a minor change to the BIC Terms of Reference to change the wording to broaden BIC's oversight from the current 'review risks related to infrastructure investment' to 'review risks related to large-scale investment'. This was agreed by Siobhan



Peters and ratified by BIC at their October meeting. The role of Chief of Investment Planning and Strategy was also formally added to the membership.

**DECISION:** The UKRI Board formally approved the minor amendments to the Board Investment Committee Terms of Reference

- 3.24. Priya noted that she and Ruwan Weerasekera (Chair of ARAC) are working together to ensure ARAC and BIC are complimentary, are adding value and avoid duplication.

**b) Organisation Change Committee (OCC)**

- 3.25. Nigel Toon, Chair of OCC provided an update on the committee, noting that the committee is made up of three main elements;

- SHARP programme
- Simpler and Better Funding
- Organisational Change

- 3.26. Nigel noted that ideally these three elements would mesh well together, but in reality noted that staff are doing more with less resources, resulting in additional stress across the organisation. Nigel highlighted the significant work Christine Ashton (Chief Information Officer) and Siobhan Peters had taken on in steering the change programmes in the right direction. Nigel noted that following a replan, things were moving steadily forward with significant go/no go decisions being made in December.

- 3.27. Nigel highlighted that the committee had noted some challenges with progress toward SHARP implementation given the need to coordinate across UKRI and UK Shared Business Services.

- 3.28. The Board noted that a joint OCC and ARAC meeting on 9 December, where the programmes will update the committees on a the go/no go decisions. The joint meeting will consider next steps for the transition of OCC into ARAC. The Board noted that an Organisational Change Induction Pack has been created and will be shared with Board members and ARAC non-executive members.

**ACTION:** The Secretariat will have shared the Organisational Change Induction Pack with all Board members and ARAC non-executive members.

- 3.29. Nigel noted that the OCC is a light touch advisory committee, highlighting that the responsibility for organisational change and the specific change programmes sits with the Executive.
- 3.30. Siobhan highlighted that a comms plan for the SHARP launch and its resourcing are being considered throughout the process, noting that the organisational change risks are being actively managed. Siobhan noted that in particular the team are considering how updates and maintenance of systems are handled after the launch. The Board recommended this consideration is included in the go/no go decision.



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

- 4.1. Ottoline Leyser provided an update to the Board. She noted the persistent challenge with articulating how UKRI operates as a single organisation, consisting of 9 councils. She highlighted that the UKRI Executive Committee consists the 9 council Executive Chairs and our operational leads. The Committee works to optimise research and innovation outcomes, the services we provide to the research and innovation community, and our efficiency and effectiveness as an organisation. This involves the council Executive Chairs working through their individual councils, collaboratively between councils, or collectively across all councils, depending on the best way to achieve these three shared goals.
- 4.2. Ottoline highlighted that as a result, our collective activities include operational functions and work to harmonise our programmes, as well as research and innovation programmes such as our Strategic Theme investments, or our work to support commercialisation.
- 4.3. Ottoline noted the opportunity to articulate that UKRI is a unique national asset with an extraordinary breadth and depth of expertise. The Board noted that Ottoline has shared her experience internationally as nations around the world are seeking to emulate the UKRI model.
- 4.4. The Board noted the critical role UKRI can play in the drive for growth in the UK. Ottoline highlighted the broad set of stakeholders UKRI interacts with including government, businesses, international stakeholders, academia and the wider research innovation community.
- 4.5. Ottoline explained that she is meeting regularly with Lord Vallance, noting that the meetings have been engaging and very useful. Ottoline highlighted that Lord Vallance has a clear vision for research and development to accelerate the delivery of the Government missions, addressing key problem statements developed by the Mission Boards. This programme is distinct from the wide portfolio of mission-relevant research already underway, for example within the UKRI Strategic Themes, which are well-aligned with the missions.

#### **5. CFO Update**

- 5.1. Siobhan Peters highlighted the finance update included in the papers. She noted that there are ongoing conversations at Executive Committee regarding ensuring that we end the financial year within budget. In the light of our increased ability to deliver on our planned spending profile, Siobhan noted that the organisation will be making changes to financial practices to reduce the use of over profiling.
- 5.2. Siobhan provided an update on the Voluntary Exit Scheme, <withheld from publication> This would then give the organisation scope to reshape as needed.
- 5.3. Siobhan highlighted that UKRI recognises nine Trade Unions, noting that this is a complex landscape to navigate. The Trade Unions have taken an active interest in the SHARP programme and we are working with them to identify and address any issues of concern.





## 6. UKRI Board Risk Update – November 2024

- 6.1. Siobhan Peters introduced the UKRI Board risk update, noting it provided an overview of the UKRI Board principal risks. Siobhan noted that the team have run an exercise looking at the common risks across the UKRI councils to identify common, as well as specific risks, providing opportunities to improve mitigation. This approach also allowed identification of risks that could be elevated for discussion at ARAC.
- 6.2. Andrew Mackenzie highlighted that the cross council risks were included in the reading room, noting that there appeared to be only three areas not specifically covered by a principal risk. The Board noted that risks around peer review and artificial intelligence were included in the principal risks but felt that more consideration was needed regarding risks related to Intellectual Property. Siobhan highlighted that the principal risk quadrant does include a risk on our internal controls environment and suggested that an aggregated IP risk could sit under that. The Board highlighted the need for further discussion on Intellectual Property at a future meeting and requested key information on current process be included in the reading room. The Board noted the need to understand how other stakeholders, including universities and other funders, manage and consider IP.

**ACTION:** The Risk team, alongside wider UKRI colleagues, will have shared information with the Board on how Intellectual Property risks are currently managed across UKRI. The Secretariat will have added Intellectual Property discussion to the forward schedule.

- 6.3. Alex Jones noted that the IP Office sits within DSIT and can offer advice and support on management of IP. Alex highlighted that the IP Office are already working closely with Charlotte Deane, who is the UKRI Senior Responsible Officer for Knowledge Assets.
- 6.4. The Board queried the treatment of council level risks that highlight challenges with the amount of funding available compared to the scale of opportunity within their remit; Siobhan Peters clarified guidance that we should consider two different aspects of risk.
  - the risk that we do not achieve our intended impact with the resources that have been made available to us. Siobhan noted that this risk requires us to demonstrate that we are achieving best value within our own sphere of control
  - the risk is that we fail to represent the scale of potential opportunity adequately to government
- 6.5. Siobhan highlighted that these two risks (intended impact and influencing policy) are reflected on the Board principal risk register and noted that the next phase of the cross council risk exercise will consider alignment of relevant council risks to the principal risks.
- 6.6. The Board noted that UKRI is managing the Trusted Research and Innovation risk closely, noting that UKRI can contribute to risk assessment at the point of application, but that research organisations bear the responsibility as relationships develop throughout the lifespan of the grant. The Board noted that UKRI is working closely with research organisations to help them understand their responsibilities, highlighting the DSIT Research Collaboration Advice Team (RCAT) as an available resource. Siobhan explained that understanding of Trusted Research and Innovation has improved across UKRI, reflecting the cultural shift that was needed in the organisation.



## 7. 2025 Spending Review

- 7.1. Dan Shah, interim Chief of Investment Planning and Strategy, updated the Board on the ongoing work for the Spending Review. Dan highlighted the formal process for the allocations process that follows SR25 phase 1, noting the Board's responsibility for shaping UKRI's strategy and its specific responsibility to provide advice to the Secretary of State on the allocation of UKRI's budget as set out in the Higher Education Research Act 2017. Dan highlighted that UKRI continue to work closely with Lord Vallance, DSIT's Minister of State for Science, with an aim to make the allocations process as smooth as possible.
- 7.2. The Board noted that budget for 2025/26 will have very little headroom as the majority of the budget is already legally committed. Dan noted that this will result in some difficult choices, which will come back to Board in January. Dan highlighted that the multi-year Phase 2 of the SR will cover from 2026/27 to the remainder of this parliament and is due to conclude in late Spring 2025.
- 7.3. Dan noted that Lord Vallance is keen to ensure curiosity led research is protected in the multiyear settlement and highlighted that the Executive Committee is considering how to rethink our existing portfolio to ensure it is flexible, agile and focussed on delivery of the desired outcomes. The Board noted the ambition to include more flexibility in the budget to allow the organisation to pivot more when there is a change in circumstances.
- 7.4. Alex Jones thanked the team for how quickly they have responded throughout the SR process, highlighting that the collaborative and effective working relationship between UKRI and DSIT is reflected in the positive SR outcome, highlighting the evidence base that science is good for growth. Alex noted the need to work together transparently going forward. The Board noted that DSIT was working at pace to provide budget details to UKRI so that we are able to move onto the internal allocations process.
- 7.5. Andrew Mackenzie noted that once we have more clarity on the budget, we would share the proposed internal allocations, with additional narrative and choices with the Board. If necessary, the secretariat will arrange an additional Board call. Dan noted that once allocation recommendations are submitted there will be ongoing negotiations, with formal and final allocations being approved by the Board, ideally in January 2025.

**ACTION:** Dan Shah will have shared with the Board the proposed allocations advice, including highlighting the options considered by Executive Committee.

- 7.6. Alex Jones noted that ministers will also have a view on some of the difficult choices UKRI may need to make, highlighting that DSIT will also be making strategic choices as part of the spending review process. Alex noted she would share a short note of the strategic choices being made in DSIT.

**ACTION:** Alex Jones will have shared a short note with the Board, highlighting the strategic choices the Department for Science Innovation and Technology are making following their budget allocation.

- 7.7. The Board highlighted some of the information they would want to receive prior to allocations discussions, including;
  - what choices can be made
  - what is the result of Executive Committee considerations





7.8. Dan highlighted that while choices will be limited in phase 1, during Phase 2 we will have more scope for reshaping the portfolio as appropriate.

7.9. The Board noted it would prioritise protecting the numbers of PhD students that UKRI supports and highlighted they were supportive of increasing the stipend to match the national living wage. The Board acknowledged this would cause financial burden across the organisation. The Board noted Executive Committee's desire to mitigate budget concerns collectively.

7.10. The Board encouraged the team to think radically about UKRI's portfolio as we move into SR Phase 2, this included;

- considering the role of Innovate UK and how UKRI supports businesses across the whole of the organisation
- how to improve leveraging investment from the private sector, and
- ensuring Place is embedded in our Phase 2 thinking

7.11. The Board thanked the team for the significant ongoing work on the spending review.

## **8. Balancing Place and Strategic National Assets**

8.1. Jessica Corner, Executive Chair for Research England, updated the Board on developments on place policy and progress on the Investment Strategy for Places. Jessica noted the team had been working hard over the last year to develop a strong place agenda, ensuring that place is considered in all investment decisions.

8.2. Jessica noted that work has been undertaken to strengthen how we observe and analyse data around the annual distribution of spend, with more accurate baselines than in previous years.

8.3. Jessica noted that engagement with six mayoral authorities is strong, and that she continues to work with devolved nations to ensure engagement across the UK is strong.

8.4. Jessica noted that development of the Investment Strategy for Places is being progressed through an Executive Task and Finish Group. The Board is represented in the group by Professor Nola Hewitt Dundas. Nola highlighted that the strategy represents a key change to the way UKRI think about place.

8.5. Jessica noted that coordination across UKRI is crucial for effective delivery of the strategy, for example noting that the Future Leaders Fellowship programme is excellent at distributing opportunities around the UK. Jessica highlighted that while there is a lot of place-based investment across UKRI, the focus should be to ensure that investment is strategic and complementary. The Board acknowledged the need for a culture change.

8.6. The Board noted that coordination in this area was complicated and will require central resource to manage trade-offs together with sufficient resource for the regional co-working model and for programmes to learn from each other. The Board recognised that place considerations need to be explicitly built into the multi-year settlement.



- 8.7. The Board thanked Jessica and her team for the significant work that is ongoing. The Board agreed the approach, rationale and investment offer for places, highlighting the importance of considering lots of different engagement opportunities across the UK.

**DECISION:** The Board agreed the approach, rationale and investment offer for places.

**DECISION:** The Board agreed the foundations of the UKRI Investment Strategy for Places.

## **9. AOB**

- 9.1. The Board noted they would be keen for regular relevant Executive Chair attendance at Board meetings going forward. The Secretariat noted that several Executive Chairs are expected to attend the January Board, including the incoming STFC Executive Chair, Professor Michele Dougherty.
- 9.2. The Board requested a discussion on the use of Artificial Intelligence in UKRI, noting this is a fast moving area that needs to be considered and scrutinised as appropriate.

**ACTION:** The Secretariat will have worked with the appropriate leads across UKRI, adding a discussion on the use of Artificial Intelligence within UK Research and Innovation to the forward schedule.

- 9.3. The Board noted the following:

- UKRI Finance Update
- Update on Senior and Public Appointments
- UKRI Executive Committee minutes
  - 18<sup>th</sup> June 2024
  - 23<sup>rd</sup> July 2024
  - 24<sup>th</sup> September 2024
- Audit and Risk Assurance Minutes – 2<sup>nd</sup> July 2024

## **10. Non-Executive Session**