



Minutes of the UKRI Board Meeting

Date: Wednesday 20th September 2023
Location: St David's Hotel, Cardiff
Time: 10:00 – 15:30

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

Attendees	
Isobel Stephen (UKRI, Exec Director of Strategy, Performance and Engagement)	Frances Wood (UKRI International Director) – item 7
Thomas Bentham, Independent Audit (observer)	Christopher Smith (AHRC Executive Chair, UKRI International Champion) – for item 7
Catherine Stalker, Independent Audit (Observer)	Myriam Telford (UKRI Head of International Analysis and Evaluation) – item 7
Daniel Shah (UKRI Director of Investment Strategy and System Insight) items 6, 7, 8, 9 & 10	Tom Crawley (UKRI Deputy Director Programmes and Partnerships International) – item 7
Joanne Allison (UKRI Deputy Director of Corporate Strategy, Governance & Performance), – for items 6 & 7	Jonathan Pearce (MRC Director of Strategy and Planning) – item 8
Rosie Cornelius (UKRI Deputy Director of Analysis and Performance) – items 6 & 7	Ed Neave (UKRI Investment Planning Lead) – item 9
Rick Hamilton (UKRI Evaluation and Performance Lead) - items 6 & 7	Helen Pearce (UKRI Head of Investment and Planning) – item 9
Louise Brown (UKRI Evaluation Lead) - items 6 & 7	
Tripti Rana Magar (UKRI Planning and Performance Specialist) – item 6 & 7	

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

1. Welcome and Introductions

- 1.1. Andrew Mackenzie welcomed members to the meeting. Andrew noted that this will be Professor Julia Black's last Board meeting. Andrew thanked Julia for her time and invaluable contributions to the Board, highlighting that she joined in October 2017 prior to the formation of UKRI.
- 1.2. Andrew congratulated Ruwan Weerasekera on joining the Audit and Risk Committee of the Innovate UK subsidiary, IUK Loans Ltd, as an expert member (not the Board, and not with voting rights to avoid conflicts with his role on UKRI ARAC). His first meeting will be on 9th October 2023.
- 1.3. Andrew noted that the September 2024 Board meeting will be held in Swindon, so that a Strategy session can take place with Board members the day before the formal Board meeting on 18th September. The Board noted there is also the potential to include some staff engagement at the Swindon meeting, ahead of the Board Strategy session. The November 2024 meeting will now be held at a venue in the North of England yet to be determined.
- 1.4. Andrew updated the Board on his activities since the last Board meeting, which included visiting Kew, an arm's length body of Defra, and he was impressed with Kew's use of HR based solutions to tackle net-zero. Andrew noted that he met with Franck Pettigas, the PM's Business Advisor and was able to use the opportunity to explain the role of UKRI. Andrew also noted that he met with the Secretary of State. Andrew highlighted that progress is being made on the recruitment of Non-Executive Members (NEMs) with interviews set to take place in October.

2. a) Minutes of 19th July 2023 UKRI Board meeting b) Action Log and c) Forward Schedule

- 2.1. The Board approved the minutes of 19th July 2023 Board meeting.

DECISION: The Board approved the minutes of the 19th July 2023 meeting.

- 2.2. The Board noted the action log and highlighted the following:
 - An update on the plan for influencing stakeholders be brought to the November Board meeting for discussion.
 - Strategic discussion items, and regular updates from the Research Councils be provided.

ACTIONS:

- An update on the plan for influencing stakeholders will be brought to the November Board meeting for discussion.
- Secretariat will have worked with the Executive to schedule strategic discussion items into specific meetings by January 2024 meeting. Senior Executive to decide how to incorporate regular updates from Research Councils, for example Executive Chairs scheduled for upcoming meetings to cover the respective Council's progress, plans, and any significant challenges.

- 2.3. The Board noted the forward schedule.

3. Board Committee updates

a) Nominations and Remuneration Committee (NomCo)

- 3.1. Andrew Mackenzie (Chair of NomCo) provided an update on the Nominations and Remuneration Committee which was held immediately prior to the Board.
- 3.2. Andrew noted that the appointment of Patrick Chinnery as Executive Chair to the Medical Research Council (MRC) had recently been announced, but the appointments process for new Executive Chairs continues to be a lengthy process, noting UKRI has several urgent appointments that need to be confirmed. Alex Jones acknowledged this and agreed that she would try to push for a speedier process.
- 3.3. Andrew confirmed he has invited Ruwan Weerasekera and Professor Nola Hewitt Dundas to join the Nominations and Remuneration Committee from November 2023. Ruwan and Nola noted they were happy to join, and this was confirmed by NomCo. Ruwan and Nola will replace Lord Willets and Julia Black who will step down following the September meeting.
- 3.4. Andrew noted that NomCo formally agreed to delegate authority to appoint ordinary Council members to the CEO. Any requests that come from a Council outside of the norm would still come to NomCo for approval.

b) Audit and Risk Assurance Committee (ARAC)

- 3.5. Ruwan Weerasekera (Chair of ARAC) provided an update on the Audit and Risk Assurance Committee, noting that ARAC had met once since the last Board.
- 3.6. Ruwan noted that recruitment for new non-executive independent members is ongoing, but reassured the Board that ARAC remains quorate.
- 3.7. Ruwan highlighted that the National Audit Office (NAO) Management letter is awaited and that there is a new NAO lead who will attend future ARAC meetings.
- 3.8. Ruwan noted he had observed the whistle blowing process in practice and is satisfied that UKRI's process is fit for purpose.

c) Organisational Change Committee (OCC)

- 3.9. Nigel Toon (Chair of OCC) provided an update on the committee. Nigel highlighted that the committee is urging the executive team to focus on providing strong leadership through this change process.

4. CEO Priorities

- 4.1. Ottoline Leyser introduced the CEO update highlighting that following the announcement that the UK will affiliate with Horizon Europe, work has begun on transitioning and encouraging participation. Ottoline noted that this is a hugely positive outcome for many reasons. Within UKRI it provides welcome certainty after years of work to prepare for multiple possible outcomes. UKRI will capture the good work done to support all these scenarios.
- 4.2. Ottoline noted that UKRI continues to work with DSIT on reprioritisation following the advice UKRI provided on 27th April to the DSIT Secretary of State, with a few outstanding issues

still to resolve. Ottoline highlighted that the creation of UKRI enables managing the portfolio of R&I investments with greater agility and flexibility, allowing responsiveness to changing priorities and opportunities with minimum negative consequences.

- 4.3. Ottoline highlighted the recent roundtable meeting she had attended at No.10, along with DSIT colleagues. Ottoline noted that the meeting was very positive and provided an excellent opportunity to build relationships and to explain the role of UKRI. The Board agreed this is a positive step and Ottoline highlighted that there are many excellent pan-UKRI activities to show-case. There is further work to be done to communicate UKRI's visionary aspirations and collaborative culture.
- 4.4. Ottoline noted UKRI's role in the Government's 'place' agenda, to increase spending outside of the south-east. She highlighted that consideration needs to be given as to how UKRI can work in a more integrated way that is sensitive to regional differences. The Board agreed that the UKRI 'brand' is a positive brand and that more effective communication is needed to promote recognition for Government, the community and, importantly, to UKRI staff. Ottoline noted that the Research Councils are a huge strength, and working together as UKRI we are more powerful.

5. CFO Update

- 5.1. Siobhan Peters introduced the item, including highlighting the Finance Update paper which provides an update of UKRI's financial position. Siobhan noted that UKRI entered the year 3.3% overcommitted for 2023/24 and 3.6% in 2024/25, but reprofiles in quarter 1 reduced the overcommitment down to 2.9% in 2023/24 and 3.2% in 2024/25.
- 5.2. Siobhan noted that we have been working with DSIT to gain a better understanding of the pressures on this year's budget, particularly in relation to OpEx spend and constraints. The Board advised that given the outcomes of the last People Survey, senior leadership needs to show it is addressing the main issues identified by staff. Communicating the aims and ambitions of the organisational change is key to addressing staff uncertainty.
- 5.3. Siobhan confirmed that the estate has been reviewed in light of the problems identified with Reinforced Autoclaved Aerated Concrete (RAAC) and can confirm that we have only one building where this is an issue.

6. UKRI's Framework for Performance: 2023-24 Quarter 1 Progress and Performance Report

- 6.1. Isobel Stephen introduced the quarterly progress and performance report highlighting that it provides an overview of organisational inputs and near-term outputs, supporting performance analysis and discussions at Executive Committee (ExCo), Board and at the quarterly DSIT Progress and Performance meetings. Isobel noted that measures in the dashboard have been updated since the last report, as audited year-end data is now available.
- 6.2. The Board agreed that in the summary of the updates to the dashboard it would be helpful to show which metrics will be sensitive to the organisational changes that are underway.

ACTION: The Performance team to highlight those metrics that are sensitive to the organisational changes that are underway and those that aren't sensitive to organisational change.

- 6.3. Andrew Mackenzie noted that our reporting framework has developed well, and good processes for measuring performance and risk now exist. The Board noted that the report

contains some very positive stories, particularly around co-investment and should be shared particularly for our next Spending Review (SR) bid. Isobel highlighted that the preliminary summary of co-investment analysis will be developed with colleagues across UKRI as part of the development of the balanced scorecard, which will be shared with the Board in January 2024.

- 6.4. Ottoline noted that as an organisation, we are interested in long-term impact, and it is important to avoid any unintended consequences from focusing on short-term indicators that are easier to capture and measure. For example, immediate co-investment by business may compromise support for SMEs, which are typically less able to invest up front, but for which the long-term impacts of our support may be significant.

7. UKRI's International Outlook

- 7.1. Christopher Smith introduced the item, which provided an overview of UKRI's current international outlook, including how we are responding to the international indicators within UKRI's Framework for Performance. Christopher noted that international collaboration is central to UKRI's ambitions and Strategy, as set out in the International Strategic Framework.
- 7.2. The Board agreed that the paper is highly informative, particularly because it demonstrates how we are working with DSIT and are driving UK international collaboration. Christopher highlighted that our challenge is to maintain a strategic broad portfolio which allows us to work at all levels, adding that we need to demonstrate how we are contributing to UK/Global R&I goals.
- 7.3. Christopher highlighted that we are reviewing and improving how we work together across UKRI with the intention of creating a more empowered International Committee to guide our international strategy, including how we engage with EU research and innovation (R&I) programmes.
- 7.4. The Board noted the importance of structuring collaborations and funding calls, and moving away from narrow areas to a more nuanced discussion about how we balance the many aims and objectives for international collaboration. The Board agreed that we need to demonstrate to Government how we can be a good delivery partner for them. The Board also noted that there is a challenge to maintain a broad portfolio that works at several levels and maintains balance. The Board noted that it is due to discuss Foreign Policy/Geopolitical at its meeting in January 2024.

8. Horizon Scanning of Research and Innovation Trends

- 8.1. Jonathan Pearce introduced the paper which sets out a strategic framework for scanning of R&I trends based on three drivers – technology and methods, societal needs, and discovery of new knowledge – and argues that UKRI has a unique position in discovery. Jonathan highlighted that the paper recommends that, to inform our SR planning, we undertake a deeper assessment of trends and priorities in the discovery of new knowledge driver, while drawing on and partnering with others who have developed substantial work on the technology and societal trend drivers.
- 8.2. The Board noted that we can take a broad view and we have an opportunity to detect critical opportunities for driving forward the discovery part of our portfolio. The Board agreed that we need to ensure we maintain agility.

8.3. The Board agreed that the paper successfully articulates issues about understanding our capabilities, but it needs to link with other horizon scanning activities.

9. Preparation for the next Spending Review (SR)

9.1. Isobel introduced the item noting that the accompanying paper summarises what we know so far about the upcoming SR, updates on preparations, and asks for early views on the priorities around which we should begin to frame UKRI's bid.

9.2. Isobel noted that there remains a lot of uncertainty regarding the SR, but we know that an SR will be required for 2025/2026, so we want to put ourselves in the best possible position and think about who the decision-makers are.

9.3. The Board agreed that we will be entering a financially constrained environment, and we need to consider our preparedness for short-term funding opportunities that may come from Government.

9.4. The Board agreed that we need to maintain our flexibility and look at how we build in future flexibility, an example of this being our Covid response and how we were able to act quickly.

9.5. The Board advised that UKRI emphasises its track record and demonstrates the efficiencies made and willingness to continue to deliver that track record with further efficiency.

ACTION: UKRI Spending Review to be considered as an agenda item at Board as and when required

10. Modern Slavery Act Annual Statement

10.1. The Board approved the Modern Slavery Act annual statement subject to ensuring that the Funding Assurance report reflects the wording in the Modern Slavery statement.

ACTION: Changes will be made to the Funding Assurance report to reflect the wording in the Modern Slavery Statement.

11. AOB

11.1. The Board noted the following:

- UKRI Finance Update
- UKRI as an Innovative Organisation
- Board Committee meeting minutes:
 - Audit and Risk Assurance Committee Minutes – 12th July 2023
 - Board Investment Committee Minutes – 24th January 2023
 - Board Investment Committee Minutes – 18th April 2023
 - Executive Committee Minutes – 23rd May 2023
 - Executive Committee Minutes – 27th June 2023

12. Non-Executive Session