



Minutes of the UKRI Board Meeting of 14th September 2021

Date: Tuesday 14th September 2021
 Time: 10:30 – 16:30
 Location: 58 Victoria Embankment and via Zoom

Board Members and Observers	
Sir Andrew Mackenzie (Chair)	Fiona Driscoll
Professor Dame Ottoline Leyser (UKRI, CEO)	Sir Harpal Kumar (from item 6)
Lord John Browne (for item 1-9)	Professor Sir Ian Diamond
Professor Julia Black	Dr John Fingleton
Professor Sir Leszek Borysiewicz (for item 1-7)	Professor Dame Sally Davies (for item 1-5)
Lord David Willetts	
Attendees	
Emma Lindsell (UKRI, Exec Director of Strategy, Communications, Analysis and Governance)	Tim Bianek (UKRI, COO)
Ruth Elliot (UKRI Finance Director) <i>deputising for Siobhan Peters</i>	Daniel Shah (UKRI, Director of Investment Strategy and System Insight)
Joanne Allison (UKRI Deputy Director, Corporate Strategy, Governance and Performance) – for item 6 - 8	Rosie Cornelius (UKRI Deputy Director, Analysis and Performance) – for item 6
Caroline Batchelor (UKRI Head of Corporate Planning and Performance) – for item 6	Henry Cormack (UKRI Head of Appraisal and Evaluation) – for item 6
Julia Dickinson (UKRI Corporate Performance Lead) – for item 6	Sarah Parks (UKRI Evaluation Lead) – for item 6
David Rogers (UKRI, Deputy Director for Investment Strategy) - for item 7	Tom Crawley (UKRI, Head of Strategy, Balance and Narrative) - for item 7

Grazka Kazmierska (UKRI, Deputy Director of Financial Planning and Analysis) - for item 7	Sophie Broster-James (UKRI Head of External Affairs) – for item 7
Katy Ingleby (UKRI Communications and Engagement Management Lead) – for item 7	Sue Gilchrist (UKRI Senior Strategy Advisor) – for item 8
Laura Notton (UKRI Head of Corporate Strategy and Governance) – for item 8	Indro Mukerjee (Innovate UK CEO) – for item 9
Mike Biddle (ISCF Programme Director, Innovate UK) – for item 9	
Secretariat	
Hannah Berriman	Tim Russell
Zena Davis	Samantha Richardson
Apologies	
Siobhan Peters	Sue Donaldson (UKRI, CPO)
Katrina Nevin-Ridley (UKRI, Comms)	

1. Welcome and Introductions

1.1. Andrew Mackenzie welcomed the Board members to the meeting. Andrew acknowledged it was the last meeting for Fiona Driscoll and Harpal Kumar and thanked them for their time on the Board.

2. a) Minutes of 13th and 14th July 2021 b) Action Log and c) Forward Look

2.1. The Board approved the minutes for the 13th and 14th July 2021 meeting, and noted the action log and forward look.

DECISION: The Board approved the minutes for 13th and 14th July 2021.

3. CEO Report to Board

3.1. Ottoline updated the Board on a number of live issues not covered on the agenda. Ottoline highlighted that it is an important time for UKRI with the upcoming spending review and the development of a five year strategy ongoing; noting this is an opportunity for UKRI to support the UK in the Build Back Better agenda. Ottoline noted the importance of working with the Board.

3.2. The Board noted UKRI's role in the UK Climate Change Conference UK 2021 (COP26), acknowledging the opportunity for us to showcase the excellent work ongoing in Net Zero and other cross-UKRI areas. Ottoline noted that we have a significant presence in

Glasgow for the conference, as well noting that on the eve of COP 26 the new polar research ship for Britain the RRS Sir David Attenborough will make a special visit to London in advance of its first Antarctic mission.

4. CFO Report to Board

- 4.1. Ruth Elliot presented the Chief Finance Officer's Report, which covers the period from 24th June 2021 to 23rd August 2021.
- 4.2. Ruth noted that the UKRI corporate function had been very busy, with a lot of focus on the upcoming Spending Review and development of the HR Target Operating Model.
- 4.3. The Board noted the key risks outlined in the report and were keen to ensure they aligned with risks highlighted in other areas of the organisation (eg. quarterly performance pack). The Board requested a review of the UKRI risk framework to come to a future Board meeting to align our understanding of risk across UKRI. The Board also requested that ongoing mitigations for key risks are included in the CFO report.

5. Performance Management Framework

- 5.1. Ottoline Leyser presented the first quarterly performance report using the new performance framework. Ottoline highlighted the large body of work that has gone in to developing the framework and thanked the teams involved and those that provided data. Ottoline noted that the development and implementation of the performance framework is an iterative process, which will improve as we continue to refine measures and reports.
- 5.2. The Board noted the complexity of the report, acknowledging the various potential audiences and key priorities. Ottoline noted the framework aims to capture markers of health across the R&I system, both qualitative and quantitative, and where possible, to allow interventions to be linked outputs and outcomes. Ottoline also noted the need to develop a high quality performance framework that avoids disproportionate emphasis on a small number of imperfect indicators, which can drive perverse incentives. The Board noted that while the information was useful, the report was very long and they would encourage a more succinct document.
- 5.3. The Board noted that Audit, Risk, Assurance and Performance Committee (ARAPC) have considered the report closely. ARAPC noted the breadth of our activity, and consequence complexity in developing a performance framework. This has resulted in rich reports that allow the identification of areas of success and concern. As the development of the framework progresses, it should be possible to identify particularly informative measures and our performance against them.
- 5.4. The Board encouraged the team to think about how the framework can reflect UKRI's risk register and developing Strategy, as well as reflecting national strategies and priorities and how UKRI's activities have impact across the wider research and innovation ecosystem.

- 5.5. The Board encouraged the team to consider where engaging external expertise would be beneficial in the development of the framework, including across other funders and sectors, though noted that high quality performance reporting was recognised as challenging for many funders. Ottoline noted that additionally UKRI has an internationally unique role and remit. Ottoline noted that the team would seek wider engagement on the performance management framework and quarterly performance report, and come back to a future Board for further discussion.

6. Spending Review 21 Update

- 6.1. Daniel Shah provided an update on the upcoming Spending Review. Ottoline Leyser thanked the teams involved for the large amount of work that is currently ongoing and both she and Jo Shanmugalingam highlighted the constructive relationship we have with BEIS. Jo Shanmugalingam noted that the Secretary of State had reviewed the overall bid and made some reductions across the BEIS portfolio.
- 6.2. The Board were supportive of the approach to a post-submission phase of external engagement and provided comments on how to work with BEIS to strengthen the bid. The Board requested more emphasis be included on what has been achieved which would not have been possible without UKRI, and the benefit of partnerships with the private sector. The Board suggested demonstrating the value of research and innovation to those in Government by working closely with a small selection of large businesses, less established transformative new companies and important growth industries to provide a range of different voices.
- 6.3. Jo Shanmugalingam highlighted the importance of using taxpayers money efficiently, noting that the efficiency plan is a significant part of the overall UKRI bid. The Board noted that the organisation has grown over the last 3 years, developing quickly to deliver complex projects. The Board agreed that there is room to consider the overall operational model to ensure we are working as efficiently and effectively as possible.

7. UKRI Strategy Update

- 7.1. Ottoline Leyser provided an update to the Board on the UKRI Strategy, noting that in late July 2021 the BEIS Secretary of State wrote to UKRI requesting an ambitious strategy for the period 2022-2027. Ottoline noted that the UKRI Strategy has a proposed five pillar outline; Fostering a world-class R&I system, Supporting great ideas; Unleashing innovation; Targeting national priorities; and Improving how we work.
- 7.2. Ottoline highlighted the importance of ensuring the Strategy capitalises on the unique offer of UKRI, while also allowing flexibility in how we proceed. Ottoline noted that engagement with the community is ongoing through a series of roundtables.
- 7.3. The Board was supportive of the proposed approach and strategy outline and encouraged the team to continue to develop this to present a bold ambition for UK research and innovation, reflecting the UK's strengths. It was also suggested that the strategy should reference UKRI's role in horizon scanning - helping to identify future national priorities as well as addressing them. The Board highlighted the need to

consider what we will decide we're not going to do, noting the Strategy could be an excellent vehicle to facilitate that discussion, as well as the importance of aligning the strategy with the Performance Framework, and using the strategy to monitor our progress and evidence our impact.

- 7.4. Ottoline thanked the Board for their helpful comments, noting the Strategy will come back to the Board for further discussion in November 2021. The team will also provide feedback on the ongoing engagement with the wider community.

8. Industrial Strategy Challenge Fund Portfolio Review and Future Ambition

- 8.1. Indro Mukerjee provided the Board with an update on the current Industrial Strategy Challenge Fund (ISCF) portfolio. Indro noted this was an opportunity to look at what the ISCF is and has been achieving and to see how the way of working can be improved to make delivery more efficient and effective.
- 8.2. Mike Biddle noted that a lot has been learnt from the portfolio review, including highlighting areas which we know we need to do differently and more flexibly in the future. The Board noted that the emerging outcomes from the portfolio review were very positive and that UKRI should be proud of what it has achieved.
- 8.3. The Board discussed the one-stop-shop for business to connect with the research and innovation system, noting the importance of making this as clear as possible. The Board recommended ensuring that the one-stop-shop provides links to the research councils to encourage engagement across UKRI when the ISCF may not be suitable.
- 8.4. The Board encouraged further discussion on how we would identify future challenges, noting the need for UKRI insight to understand the wider landscape and learning the lesson from the ISCF that an open Expression of Interest process may not always be appropriate.
- 8.5. The Board endorsed the Portfolio Review approach and asked Indro to use the principles outlined in the Board paper to make further suggestions about the delivery and governance of Challenge-led funding within UKRI.

9. UKRI Tax Strategy 2021-22

- 9.1. The Board approved the UKRI Tax Strategy 2021-22 and recommended that in future, responsibility for approving the annual update is delegated to PFO and the CFO, where updates are minor. Any significant updates or changes will come back to the Board for approval.

DECISION: The Board approved the UKRI Tax Strategy 2021-22

10. Resolution to authorise named individuals as signatories for the legacy Medical Research Council following amendment to the Royal Charter

10.1. The Board approved the resolution to approve three named individuals as authorised signatories for the legacy Medical Research Council following amendment to the Royal Charter. The Board agreed to direct the UKRI Chief Finance Officer, as UKRI's authorised representative in its role as member of the MRC, to vote in favour of the authorisation at a meeting of the MRC Council.

DECISION: The Board approved the resolution to approve three named individuals as authorised signatories for the legacy Medical Research Council.

11. AOB

11.1. No AOB was raised.

11.2. The Board noted the following;

11.2.1. UKRI Modern Slavery Annual Statement 2020-2021

11.2.2. Summaries of Council Meetings (May 2021-August 2021)

11.2.3. Executive Committee Minutes

- 8th June 2021
- 22nd June 2021

11.2.4. Audit, Risk, Assurance and Performance Minutes

- 9th June 2021

12. Non-Executive Session