

MEDICAL RESEARCH COUNCIL**03**

15/C067

Council: December 2015
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Conflict of interest***

Trade Union Side access: In part

Minutes of the Council business meeting held at the University of Dundee on 1 October 2015**Present:**

Council	Head Office staff
Mr Donald Brydon (Chairman)	Ms Sam Bartholomew
Sir John Savill (CEO)	Mr Hugh Dunlop
Dr John Brown	Mr Bruce Minty
Professor Doreen Cantrell	Dr Declan Mulkeen
Professor Dame Sally Davies (by teleconference for item 15 only)	Dr Tony Peatfield
Professor Chris Day	Dr Frances Rawle
Professor Dame Janet Finch	Dr Jim Smith
Professor Patrick Johnston	Dr Sherie Wright
Professor Dame Sally Macintyre	Ms Sharmila Nebhrajani
Baroness Onora O'Neill	Dr Nathan Richardson
Ms Vivienne Parry	Ms Pauline Mullin (items 6-16)
Professor Michael Schneider	
Observers	
Helen Bodmer (BIS)	
Rebecca Endean (BIS) by teleconference for item 5 only	

Apologies:Dr Ruth McKernan
Dr Mene Pangalos**Council business meeting**

The meeting began at 9.00am.

1. Announcements and apologies

Mr Brydon welcomed members to the meeting and noted that apologies had been received from Drs McKernan and Pangalos. Ms Endean and Dame Sally Davies were not present at the meeting but would participate via teleconference for items 5 and 15 respectively.

2. Register of declared interests

The Chairman requested that members inform the secretariat of any updates to their declarations of interest.

3. Minutes of the Council meeting held on 7 July

The minutes of the Council meeting held on 7 July were approved as an accurate record.

4. Matters arising

4A. Report from the Council Audit and Risk Assurance Committee

Dame Janet updated members on the key discussions at the Council Audit and Risk Assurance Committee (CARAC) meeting on 17 September.

She informed Council that the recent recruitment for CARAC had been very successful and two new members had been appointed: Kathryn Packer, Managing Director/Owner of Fields of London and Charlotte Moar, Programme Director of the NHS Wales Finance Academy.

CARAC had received briefings on the management of risk in internal and external communications and the management of risk in the grants award process. The items had been designed to give CARAC members a broader appreciation of the work of the MRC and had generated a good discussion.

Five cross-Council audit reports and two MRC audits had been reviewed and CARAC had noted the reports and those actions relevant to the MRC.

CARAC had also received a report on the cross-council Funding Assurance Programme (FAP). The FAP had been separated from the Audit and Assurance Services Group (AASG) since April 2015 and this was the first time the team had reported to CARAC. The FAP team had recently undertaken some work looking at how UK universities managed grants where some of the funds were sent overseas. This work had highlighted a gap in the grants terms and conditions and varying gaps in how universities monitored/managed this expenditure; as a result the FAP team were working with the research councils to address the risks.

4B. Update from the Strategy Board meetings held on 21/22 July and 8 September

Mr Brydon formally congratulated Sir John on the extension of his appointment as Chief Executive of the MRC for a further two and a half years to 30 September 2018. The Council endorsed the congratulations.

Sir John updated Council on discussions at the Strategy Board meetings that had been held on 21/22 July and 8 September. Mr Brydon and Professor Schneider had attended the July meeting and Dr McKernan had also attended in her capacity as CEO of Innovate UK. Mr Brydon, Professor Day and Dame Janet had attended the September meeting. Dr Bodmer (Head of MRC and Health Research Team, BIS) had attended both meetings and planned to attend Strategy Board meetings on an on-going basis to maintain the connection with BIS research base.

Priorities for capacity and skills investments had been discussed at the July meeting. Strategy Board had noted that there was currently an overlap between the two schemes available for extramural early-career researchers to transition to independence, New Investigator Research Grants (NIRGs) and Career Development Awards (CDAs), and confusion in the community as to their difference. Strategy Board had recommended that the purpose of each scheme should be made clearer and agreed that the NIRGs should be renamed 'University Track awards' and the fellowships renamed 'Personal Track awards'. This would help to demonstrate that the awards were focused on supporting a route to a future position within a research organisation. Strategy Board had also discussed the need to catalyse new ways of fostering quantitative and interdisciplinary skills as well as technology specialist roles. Members had agreed that there was a need to find ways to incentivise universities to create a career track for technology specialists; this was particularly important in bioinformatics. Additionally, Strategy Board had supported a refreshed approach for the Training and Careers Group focusing on a long-term perspective on strategy for capacity and skills across the MRC.

Dr McKernan had attended the July Strategy Board meeting to discuss opportunities for engagement with Innovate UK and members had welcomed the addition of two new Catapults in Precision Medicine and Medicine Technologies. The Precision Medicine Catapult aligned with the MRC's Stratified Medicine Initiative and plans for a new Targeted Discovery for Disease Network.

Strategy Board had supported a draft UK roadmap for non-animal technologies (NATs) under development by the NC3Rs and Innovate UK. Strategy Board had also supported emerging plans for a future MRC and UK strategy for prevention research which would provide a long-term funder perspective and strengthen user engagement and knowledge exchange.

At the September meeting, Strategy Board had discussed further the Precision Medicine Catapult and the opportunities for MRC engagement. Strategy Board had agreed that there was a piece of work to be done in raising awareness and understanding of precision medicine amongst the public and within the NHS.

Other items discussed had included the Whole Genome Sequencing Initiative - further details regarding this were included in the CEO's report - and the future plans for the MRC Toxicology Unit which would be discussed later by Council. Strategy Board had also noted the outcomes of a joint NMHB and PSMB workshop on neurovascular ageing in health and disease. Dr Mulkeen had provided an update on the Discovery Award scheme which had been launched earlier in the year to provide a new mechanism for the MRC to work strategically with universities via an annual developmental award focused on discovery research.

5. CEO's report to Council

Sir John Savill introduced this item and discussed the following matters:

The Crick

Mr Bulger informed Council that a delay of six months had been forecast for the practical completion of the Crick building. The contractual completion date was 3 November 2015 but this was no longer achievable as a result of slow progress with commissioning, the failure of a major cooling water pipe, issues with the building management system and other delays. The main contractor Laing O'Rourke was doing what it could to rectify the situation but it was unlikely that practical completion would be before May 2016. An accelerated programme of migration was now being developed with the aim of having the building fully occupied by July 2016 as planned, with some equipment to follow. Sir John informed Council that, as Minister of State for Universities and Science, Jo Johnson MP considered that he had a personal responsibility for the delivery of the project and had requested a report on what the plans were for completion and migration and how the delay would be communicated. Sir John confirmed that he would send the report to Council at the same time it was sent to the Minister.

As the MRC representative on the Crick Board, Professor Cantrell, informed Council that the Board was very concerned about the delay and the matter was being taken very seriously.

Mr Bulger confirmed that the Crick had developed a communications plan and the MRC communications team was helping the Crick with messaging. It was noted that communications with the principal investigators at the Crick would have to be carefully managed as the downtime for the research groups could be increased considerably.

Mr Bulger informed Council that the potential impact of Cross Rail 2 remained a significant risk to the Crick as recent indications were that the route would still be adjacent to the Crick. Sir John would consult with the Director General of Research and Innovation at BIS as to whether the Permanent Secretary should be approached regarding the issue.

UK-wide partnership with Genomics England: MRC joint investments with Scottish and Northern Ireland Devolved Governments

The following interests were noted: Sir John Savill (University of Edinburgh) and Ms Parry (Head of Engagement at Genomics England). Both remained in the room at the Chairman's invitation.

Dr Smith updated Council on joint investments in whole genome sequencing with the Devolved Administrations. A Review Panel, chaired by Professor Paul Stewart, had met on 31st July 2015 to review the full bids from Scotland and Northern Ireland and a specially convened subgroup of Strategy Board, chaired by Dr Smith, had met after the Review Panel to take funding decisions on behalf of the MRC. Dr Smith reported that the MRC had awarded £2m to Scotland, in conjunction with up to £7.5m Scottish devolved government (DG) contribution and £750k to Northern Ireland (NI), in conjunction with up to £2.3m NI DG contribution.

Grand Challenges Research Fund

Sir John reported that there was universal support for the Grand Challenges Research Fund from all the Research Councils and BIS were also supportive of the idea. However, following advice from BIS, the proposal had not been included in the spending review bid. The idea would continue to be developed and consultation with the community regarding the challenges would be deferred until after the spending review.

Comprehensive spending review (CSR) update

Rebecca Endean (BIS) joined the meeting via teleconference for this item.

Ms Endean informed Council that BIS had been asked by the Treasury to model 25 per cent and 40 per cent cuts in whole department spend for the spending review. The BIS return had now been submitted and the importance of science had been emphasised; it had also been highlighted that science had been prioritised in the Conservative Party manifesto. Ms Endean reported that the very strong evidence base for investment in science had been warmly accepted by the Treasury's capital panel. Additionally, a number of letters from industry expressing support for science and research had been sent to the Treasury.

Members reported that they had been informed that NIHR had been asked to submit its spending review bid as capital rather than resource. Sir John explained that this was related to accounting treatment ESA2010 whereby investment in research was treated as capital investment and allocated by a different process taking into account the net present value of the investment. Mr Dunlop highlighted that a potential risk with this approach was that the Treasury could impose capital type controls on resource spend and request business cases for money already committed.

6. Finance report

Mr Dunlop introduced this item and informed Council that work on the mid-year 2015/16 forecast had now been completed and programme resource was expected to come in on budget. IP income was now expected to exceed the budget as a result of new products and a change in the Benlysta royalty rate. This would be used to fund in-year initiatives.

The year-to-date results indicated that there was likely to be a £1m underspend on administration; BIS had been informed so the money could be used elsewhere. As capital expenditure was projected to be 2.7 per cent less than budget, planned spend on LMB's Cryo-EM would be brought forward from 2016/17 to 2015/16.

Mr Dunlop reminded members that at the last Council meeting, the Chairman had asked what the consequences might be for the Pension Scheme if redundancies needed to be made as a result of spending review cuts. High-level illustrations on what number of redundancies might be the tipping point for an investment/funding strategy review and the possible outcome of a review had been outlined in the paper. Council noted that it would take between 400-750 staff redundancies to tip the scheme into negative funding.

This outcome was only likely in the worst case CSR scenario planning of cuts of 25 per cent in MRC funding.

7. The Life Study

Life Study

Professor Dame Janet Finch had a potential conflict of interest as Chair of the Life Study Strategic Advisory Committee. She remained in the room at the Chairman's invitation. Ms Parry informed Council that she had stepped down from UCL Council at the beginning of September so did not have a conflict.

Sir John updated Council on the current status of the Life Study - as of 31 July 2015, £8.2m had been spent on the study, of which about £450k was MRC funds.

He informed members that the study had been designed to be conducted in several phases. A pilot of the birth component was currently being conducted, and the first real recruitment phase of the pregnancy component was underway.

As Council had been informed at the July meeting, a Gateway zero review had been undertaken to provide robust independent assessment of the ability to deliver the objectives envisaged for the Life Study within the planned time and budget. On 10 July, the ESRC Council had decided that ESRC funding for the Life Study should be stopped as quickly as possible, in a carefully-managed way, owing to (i) low recruitment and low probability of achieving a large enough sample size, undermining its scientific delivery, (ii) poor value for money to date and, if it continued, (iii) the Amber/Red Gateway Zero rating. The MRC had supported this and to take forward the decision the ESRC, MRC and UCL had agreed that an independent scientific and operational audit should be undertaken to ensure that the scientific value achieved by the study to-date was appropriately assessed and to evaluate whether there were any scientific benefits to be gained by continuing elements of the Life Study programme beyond the minimum completion period mandated by the current contractual arrangements (three months). The audit group was chaired by Professor Hazel Inskip from the MRC Life Course Epidemiology Unit, Deputy Chair of the MRC Population and Systems Medicine Board, and also included Professor Jill Pell as an MRC representative.

The outcome of the audit would be reported shortly and Sir John confirmed that he would share the report with Council members when he received it. The intention was that the report would be discussed by ESRC Council on 16 October where a final decision would be taken about the completion of the current phase.

Council discussed the financial implications if the Life Study was to close at the completion of the current phase. Members noted that a significant proportion of the funding allocated was from the large facilities capital fund and that this money would be returned to BIS.

Members then discussed the study's failure to recruit and noted that the operational lessons that could be learned from this would be included in the audit report. Dame Janet explained that the national statistics authorities had required that an opt-in procedure be used for the birth component pilot. This had not worked and would be an important finding in itself for informing the approach adopted in future studies.

Council discussed the importance and sensitivities of the communications that would be required following ESRC Council's decision on 16 October, particularly from the perspective of participants already recruited into the study and staff involved. All the organisations involved would need to have one clear and unified message. It would also be important to ensure that public confidence in cohort studies was maintained.

Finally, members confirmed that they supported the ESRC Council decision to discontinue funding for the study and would support the final decision taken by the ESRC Council regarding the completion of the current phase.

8. Board Chair appointment

Sir John informed Council that the current term of appointment for Professor David Lomas, Chair of the Population and Systems Medicine Board (PSMB), was due to end on 31 March 2016 and recruitment had taken place to identify a replacement Chair. Sir John highlighted that he had been encouraged by the quality of the candidates applying for the Board Chair position, particularly as it was an onerous role. The interview panel had consisted of Sir John, Dr Mulkeen, Ms Smith and Professor Day. The panel recommended to Council that Professor Paul Elliott, Imperial College London, be appointed as PSMB Chair from 1 April 2016 until 31 March 2018, with the option to extend this for a further two years until 31 March 2020. Council noted that Professor Hugh Watkins, University of Oxford had been scored equally by the interview panel and was also considered appointable. The panel had considered, however, that Professor Elliott would be best placed to drive forward the MRC's interests in informatics and public health.

Council approved the appointment of Professor Elliott as the next chair of PSMB.

Sir John informed members that Professor Watkins would be a very strong candidate to become Chair for MCMB and Council agreed that he should be automatically shortlisted for interview when the position became available. Sir John and the office would also use discretion to identify suitable opportunities for another strong candidate, Professor Anna Dominiczak, to help the MRC.

9. Stakeholder engagement: charities

Ms Nebhrajani introduced this item and provided an overview of the key trends and issues in the medical research charity sector. She informed Council that approximately £8bn was invested in medical research in the UK each year of which medical research charities funded about £1.3bn – around 15 per cent of all UK funding. The charity sector was highly fragmented with the top four charities spending over £1.1bn per year and the remaining £180m research spend coming from approximately 130 charities. Ms Nebhrajani outlined some of the challenges currently facing smaller charities including: a tough fund-raising environment and very high overheads associated with managing grants; the need to spend significant amounts of money on patient support (through groups, publications, telephone helplines) in addition to research; and tensions between the priorities set by donors and scientific priorities. She explained that, while a typical response to budgetary pressures in smaller organisations could be collaboration or merger, charities as a sector were fairly resistant to collaboration as many had started as highly independent, vision-driven organisations and they found the loss of independence difficult to manage. Some larger charities were trying to absorb smaller charities to spread the overhead of the management of the science across a number of charities.

Researchfish data indicated that around five per cent of MRC collaborations were with charities and there was good evidence that these leveraged further funding streams. The MRC also worked closely with the other councils and major charities to develop policies that were joint or at least consistent and to make it easier for the research community to comply.

Council discussed the MRC's levels of collaboration with charities for different disease areas. It was noted that the MRC had had significant collaboration with BHF over the years, a recent example being a new programme of research into regenerative medicine, *Mending Broken Hearts*, alongside the Cell Therapy Catapult.

Members highlighted that smaller charities sometimes lacked awareness of the broader research landscape and suggested that the MRC could play a key role in helping them to understand this by bringing together charities in overlapping areas in a workshop or similar activity. This could also help those charities appreciate the value of collaboration (either by theme or cross-cutting themes) and being involved in wider partnerships. Council agreed that the MRC's involvement should be to show what was, and what could be done, but not to hold together the consortia.

Finally, Council discussed the Medical Research Foundation (MRF), which had been set up to accept charity funds gifted by the public to benefit the MRC. These funds were used to complement and extend the medical research that was supported by the MRC. Council

noted that the MRF was considering whether it should do more to actively seek donations/legacies in the future.

10. Toxicology Unit

Baroness O'Neill had links to the University of Cambridge and Professor Johnston had links to Astra Zeneca; both left the room for this item. Although the Division of Signal Transduction Therapy (DSTT), which is based at the University of Dundee, has links to AstraZeneca, it was agreed that this did not represent a material conflict for Professor Cantrell (University of Dundee) and she remained in the room for the discussion.

Mr Brydon informed Council that an Employee Representation Forum had been held on 17 September to provide an opportunity for the unit staff members, through the Trade Union Side, to put their views to a subset of Council members ahead of the final discussion at Council. Mr Brydon and Dame Janet had represented Council on the Panel. Staff had emphasised the strong ethos of the unit and, although they had noted that both Nottingham and Cambridge would provide stimulating and exciting environments for the Toxicology Unit, the view of the majority of staff was that Nottingham would provide the best opportunity for relocation. A survey of staff at the unit had been carried out which showed that only 31 per cent of staff said they would re-locate to Cambridge, with personal circumstances and affordability being cited as the main reasons.

The director, Professor Willis, had submitted a paper for Council's consideration outlining her scientific vision for the Toxicology Unit and her assessment of the location options. It was Professor Willis's opinion that, given the strength of the science in all areas that underpinned the unit's research, and the close location of industrial partners which would greatly facilitate increased interactions, that Cambridge offered the best location for the unit to deliver its scientific strategy.

Dr Mulkeen reminded Council of the background and strategic issues relating to the consideration of alternative university locations for the Toxicology Unit. A Project Group had been convened to undertake a fully-costed appraisal of options for hosting the unit. The Project Group had agreed that Leicester did not offer a strong long-term option and the Toxicology Unit should relocate. The group had considered that overall the Nottingham and Cambridge options offered contrasting strengths but were closely matched, as were the estimates of costs to the MRC for a move to Cambridge (£17-19m) or Nottingham (£16-17m). At its meetings in July and September, Strategy Board had discussed the proposed relocation of the unit. Strategy Board had noted the director's preference for the Cambridge option and the strength and breadth of excellent science that would complement the interests of the unit. Members had acknowledged some concerns regarding Cambridge including the unit's likely lower internal visibility (relative to Nottingham) and its ability to engage with university interests and shape strategies; and the risks of significant staff loss in a move. However, overall, the majority view at Strategy Board had been that Cambridge would be the better option for the unit given the stronger environment of excellent complementary science to support the ambitions of the unit and help deliver against the key needs in toxicology, and opportunities for close partnership working with AZ and GSK.

Members carefully considered the information that had been presented and took into account the views of Strategy Board, the views presented at the Employee Representation Forum and the views of the director. Members discussed the pros and cons of the different locations and agreed that there was no case for remaining in Leicester. However, both the Nottingham and Cambridge options were attractive and the decision was finely balanced. Council strongly supported the director's vision for developing new scientific and toxicology links, and ensuring the unit had the scope and agility to respond to emerging areas. On balance, Council agreed that the broader range of scientific opportunities in Cambridge would better support the vision for toxicology over the longer term. Council appreciated that the Cambridge option may be more difficult for some staff in the unit; however it was noted that in addition to the director, ten out of the 12 programme leaders at the unit had indicated a preference for a move to Cambridge and they would be integral to the success of the unit.

After each member of Council had expressed their own preference, Council agreed that the Toxicology Unit should relocate to the University of Cambridge.

11A. University units update

Council noted the progress with the university unit programme which had been outlined in the paper. Mr Minty reported that discussions were underway with the University of Cambridge regarding the timetable for transition of the MRC Biostatistics Unit, the MRC Cognition and Brain Sciences Unit and the MRC Mitochondrial Biology Unit.

11B. MRC Mitochondrial Biology Unit (MBU) - Gateway One Review

Council considered the options appraisal for a potential transfer of the MBU to a university unit within the University of Cambridge. It was noted that if the unit transferred to the university the costs associated with animal (mouse) support would be liable for VAT if kept at the ARES facility run by the LMB and could add an additional £150k to the core five year award. However, this additional cost could be avoided if the unit used the university's facilities. Council approved progression through gateway one and the start of detailed negotiations with the university.

12. White space: Gender balance on MRC Council, boards and panels

Dr Smith introduced this item. He reported that the chief executives of each of the research councils had agreed that each research council should set gender targets for membership of Council, boards and panels. There was currently a good gender balance on the MRC's Council, with seven women and seven men (including the Chair and Deputy Chair). It was proposed that Council should strive to maintain a 50/50 balance but that formally the target should be to maintain the balance between 40 and 60 per cent given the small number of members on Council.

The current gender balance across all MRC boards and panels was 28 per cent women to 72 per cent men. The female application rate had stayed reasonably stable at 25 per cent over the past few years. A target of making at least one in every three appointments a woman was proposed in order to reach, over time, a level of 33 per cent female representation. This would be in line with the current gender balance (34:66) in the clinical medicine field which, according the Higher Education Statistics Agency, was the 'label' attached to researchers the MRC funded most.

Council discussed the proposed targets for boards and panels. Members acknowledged the difficulties in attracting women to these key roles and all agreed that more needed to be done in this regard. There were differing views regarding the use of targets - several members suggested that the target for board and panel membership was not ambitious enough whereas others were not keen on having a target at all. It was suggested that a target of 50:50 for shortlists should be considered. Council agreed that, as a significant number of new board members were identified through the MRC's own headhunting, universities, board members and MRC staff needed to focus additional effort on identifying potential female candidates of a suitable calibre. One option could be to ask universities to present suggestions for membership which were 50:50 male/female.

Council agreed that the discussion regarding targets for gender balance should be revisited at a future meeting and requested that the office review further what actions the MRC could take to improve the number of high quality applications from women for these roles.

Action: Office staff to identify actions the MRC could take to improve the number of high quality applications from women for Board and Panel membership for discussion at a future Council meeting.

13. Research integrity and research misconduct annual report

Council noted the actions taken to promote research integrity by RCUK, the MRC and others; and the high level summary of allegations and investigations in MRC units and information on allegations and investigations related to MRC funding. The proposed statements for publication were approved.

14. Agenda for December Council business meeting and joint meeting with Strategy Board

Council noted the agendas for the December Council business meeting and for the joint meeting with Strategy Board.

15. Quinquennial review (QQR) of the Prion Unit – private Council discussion

Only Council members, the BIS observer (Helen Bodmer) and MRC Head of Communications (Pauline Mullin) were present for this discussion.

The Chair of CARAC presented an analysis of Baroness O'Neill's review of process failures in the early stages of the QQR. Council endorsed in full CARAC's agreed recommendations, which were:

- a. Better document management so that successive drafts of the documents can be identified, including identification on the face of the documents
- b. Clearer recording of the stages of the process for QQR including a process for signing off agreed mandates
- c. A check list for approving letters to referees, the checklist to include specific variations in the standard template/mandate. The checklist to be signed off by two people.
- d. A more formal process for showing that the declarations of interests of board members have been considered. This process should lead either to disqualification where there is a conflict; or to a brief indication of reasons why there is no conflict.

The MRC executive to:

- i. Develop how the recommendations can best be implemented to avoid any possible ambiguity, and;
- ii. Consider if the recommendations have wider application outside the QQR process.

Council charged MRC Management Board with ensuring that (i) and (ii) were progressed.

Turning to the QQR itself, Council noted the Unit's report, the 60 revised referees' reports, the Unit's responses to these reports, the full sub-committee report, written advice from the Theme Leader on the likely financial consequences of the recommendations of the subcommittee, a clarification that level funding for the Unit would be £31.7m for the QQ, a confidential letter from the Director dated 7/9/15, and the Unit's full scientific response to the full subcommittee report.

Council confirmed the draft minute of its July discussion, endorsed the scores proposed by the subcommittee and decided to make an award of £28.5m for the QQ. Council emphasised strong support for the Unit's scientific mission and the need to progress rapidly the Unit's transfer to UCL and the joint building project. Council approved a communication plan and asked that the Unit should be transferred to the portfolio of the Molecular and Cellular Medicine Board as soon as practicable, with subsequent agreement on scientific objectives and programmes to be delivered during the QQ commensurate with the funding awarded; these would be the only basis for future assessment of progress during the QQ.