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ENGINEERING AND PHYSICAL SCIENCES RESEARCH COUNCIL

EDITED MINUTES OF THE COUNCIL MEETING HELD ON 01 MARCH 2017 AT THE ROYAL ACADEMY OF ENGINEERING (RA ENG), LONDON.

Council Members: Dr P Golby (Chair)
Professor P Nelson
Mr J Boyer
Professor M Calder
Professor A Darzi (items 1-4)
Ms B Dean (items 1-4)
Professor A Finkelstein
Professor Sir R Friend
Professor R Jones
Professor T Jones
Dr H Neville
Baroness Neville-Jones (items 1-4)
Professor M Rosseinsky
Professor M Smith
Professor T Whitley

BEIS: Mr S Axford, Deputy Director RC Policy and Funding

Invitees: Professor Kai Bongs, Birmingham University (items 5.1-5.2)

Executive: Dr A Bourne
Mr A Lewis
Dr K Pandya
Professor T Rodden
Dr N Viner
Dr A Wall

Secretary: Mr A Paul
Mr P Ferris

1. INTRODUCTORY REMARKS

1.1 Dr Golby welcomed everyone to the meeting. Apologies were received from Dr Watson. The Chair took this opportunity to formally congratulate Dr Watson on his award of a CBE in the New Year's 2017 honours. Dr Golby informed members that Professor Finkelstein, Professor Jones and Dr Neville had been re-appointed as Council members until March 2018. Dr Golby welcomed Professor Smith and Professor Whitley to their first meeting as new members.

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- 1.2 Dr Golby informed Council that Professor Kai Bongs would attend to make a presentation for agenda item 5.
- 1.3 There were no new declarations of interest from members.

2. OPENING REMARKS Oral

- 2.1 Professor Nelson updated Council on some recent developments and provided an overview of the current operating environment. He reported that he had recently met with Sir Mark Walport who had been appointed as the CEO designate for UKRI, and would also continue in his role as the government's Chief Scientific Advisor until September. An advertisement to recruit his successor in that post had been placed and members were encouraged to promote the opportunity to colleagues and interested parties.
- 2.2 He reported that the outcome of the recent Balancing Capability exercise had been published on 15 February. The response from the EPS community had been mainly positive and he said that it was a credit to all of the EPSRC staff involved that the process had progressed smoothly and had been so well received. Finally he said that a lessons learnt would be reported back to Council in July and that a more detailed paper concerning the Balancing Capability taxonomy review would be provided to Council in October.
- 2.3 Professor Nelson said that he had recently visited the USA and provided a brief report on some of the key meetings he had attended, both in Washington and in Boston. Professor Nelson noted that initiatives were in train to work towards lead agency agreements with international partners, including the NSF. There were issues from Council to revisit at a future meeting in relation to its international strategy.
- 2.4 Finally, Professor Nelson informed Council of the recent formal launch of the Rosalind Franklin Institute and a further recent announcement about the Sir Henry Royce Institute. He added that further new significant funding announcements were shortly expected in the area of robotics and artificial intelligence, together with the formal announcement of the UKCRIC, and of the government's digital strategy.

3. TRANSITION TO UKRI - UPDATE **(EPSRC 01-17)**

- 3.1 This paper provided an update on developments in the transition to UKRI and covered the HE Bill, progress with appointments, activities to effect the transition, and any early indications about organisational design, governance and relationships with BEIS and UKRI.

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- 3.2 Mr Lewis introduced the paper. He said that the passage of the HE Bill was nearing completion and that this would signal the creation of UKRI as a “shadow” body, under the auspices of BEIS, leading up to its formal establishment as a single legal entity on 01 April 2018. He reported that there had been some recently proposed amendments to the Bill tabled by the Government (see Annex to these minutes) and which resonated with concerns that had previously been raised by the Research Councils and the House of Lords. Members welcomed these amendments, noting that they were very helpful to the constitutional set-up of UKRI.
- 3.3 Mr Lewis added that the precise nature of the relationship between this “shadow” body and the existing nine organisations had yet to be fully determined but the new body would preside over the final organisational design of UKRI and the transition from the Research Councils format.
- 3.4 Mr Lewis said that, following the appointment of the new CEO designate for UKRI, the process to recruit between 9-12 UKRI Board members had begun. The deadline for applications had been extended to the end of March.
- 3.5 Mr Lewis reported the BEIS-led UKRI Transition Programme had undergone a Gateway 0 Review, and a process to recruit a Programme Director to lead and coordinate this critical activity had started. He added that the BEIS transition team had developed an approach based around determining the day 1 and quarter 1 essential requirements. To this end the team had initiated a number of work-streams to be able to present the incoming CEO with options in relation to a number of areas of business. He said that in contributing to these work-streams the EPSRC Executive had been mindful of the principles that Council had articulated when considering what a successful outcome and vision for engineering and physical sciences (EPS) might be within that new body.
- 3.6 Finally Mr Lewis said that a crucial part of EPSRC’s own change programme was to ensure that there were clear two-way communications and flow of information regarding developments as they arise. All staff had had the opportunity to attend change management learning sessions, and the UKRI transition routinely featured in the weekly updates from the senior team to staff.
- 3.7 Members welcomed the update and agreed that it would be important to establish an early understanding of its own constitutional responsibilities in the transition process, especially in the context of the creation of the “shadow” UKRI organisation. It

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asked the Executive (through RCUK) to continue to seek early clarification from BEIS on these aspects.

3.8 **Minute not included as contains exempt material, at the time of publication, under the terms of the Freedom of Information Act 2000.**

3.9 Council **agreed** that, building on the previously articulated vision for engineering and physical sciences (EPS) within UKRI, it should further develop the EPSRC-specific science and innovation strategy for the Council going forward, and that this should extend beyond its own investments, and should include the commitment to the long-term.

4. **DEVELOPING EPSRC'S RESPONSE TO THE GOVERNMENT'S INDUSTRIAL STRATEGY (EPSRC 03-17)**

4.1 Dr Pandya introduced this paper which provided an update on the Research and Development (R&D) policy landscape relating to the Government's developing Industrial Strategy. The paper reported on EPSRC's strategic response to date to the emerging policy landscape, and identified a number of opportunities arising. The paper sought specific direction from Council in three areas:

- i) The best way of ensuring that EPSRC seizes the positive opportunities arising specifically through the ISCF, within the context of the vision for UKRI discussed previously by Council;
- ii) The key considerations for the Executive in the response to the Government's Industrial Strategy Green Paper;
- iii) Specific considerations of how best to respond to the continuing challenge posed by the importance of "place" in the Government's strategic thinking.

4.2 Members discussed the above questions. It acknowledged the Government's goals for the Industrial Strategy in achieving growth and jobs creation, and said that it would be important to respond directly to the challenge areas as currently presented. Members noted, however, the need to reinforce the message regarding the long-term contribution of EPS, its impact over different timescales, and its distinctiveness as the Council which provided the convergence for all other fields and for the work of Innovate UK. Council also felt that BEIS attendance at the forthcoming EPSRC business partner event would be beneficial so they might hear at first hand the views of this influential community.

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- 4.3 Members acknowledged that it was important for EPSRC to contribute to the RCUK collective response to the Industrial Strategy consultation. However, Council **agreed** that it should also submit an EPSRC-specific response which addressed the challenges and opportunities presented by the Industrial Strategy but which was rooted in the long-term, low-TRL research and skills base which powered the entire system. Council directed the Executive to describe the EPSRC response in terms of the compelling offers that EPSRC and EPS will make to Government that others cannot, to address the questions posed and work with partners to sharpen key messages. In addition, Council **directed** the Executive to develop a narrative about how the skilled people it supported benefit the economy. Members also felt it was legitimate for the submission to go wider than Council's own remit for skilled people by drawing attention to requirements at all stages of the pipeline and for different levels of skills (e.g. technicians). A sub-set of Council members¹ **agreed** to work with the office to develop the EPSRC response to the Industrial Strategy green paper consultation.
- 4.4 Members discussed the element of 'place' highlighted in the government's green paper. Members observed that the response to this aspect of the Industrial Strategy should focus on the *outputs* of Council's investment, including the skilled, numerate people who were the vehicle for ideas and intellectual capital to move between regions. Council **agreed** that the 'place' agenda need not, and should not, compromise its commitment to excellence as a core value; the challenge, however, was to better link up pools of excellence in a way that addressed the UK's productivity challenges.

5. QUANTUM TECHNOLOGIES UPDATE (EPSRC 05-17)

- 5.1 Dr Golby welcomed Professor Kai Bongs who provided Council with an overview of the work of the UK Quantum Technology Hub in Sensors and Metrology.
- 5.2 In discussion, members asked about the group's efforts to protect the IP, the timescale to commercialisation, and the balance between the development aspects and the fundamental research problems. Members noted that there was potential to draw on private investors in the commercial innovation space rather than expend multiple effort in seeking out end-users. Dr Golby thanked Professor Bongs for an interesting and stimulating talk.
- 5.3 Dr Viner drew members' attention to the questions in the paper regarding the next phase of the QT programme, noting the successes so far – against a backdrop of high expectations – and

¹ Jack Boyer, Anthony Finkelstein, Richard Friend, Matt Rosseinsky, Tim Whitley.

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the increasing pressure given the subject's presence on the list of Industrial Strategy challenges. Members were extremely supportive of the achievements so far, and noted the need to continue looking for product opportunities, based on use-cases and demonstrators.

- 5.4 Council **strongly affirmed** its support for the QT programme, promoting its development of the next generation of key breakthrough/disruptive technologies, and taking responsibility for the necessary infrastructure to ensure commercialisation. Given emerging applications, members noted the programme's intrinsic importance to the nation's security. **Minute not included as contains exempt material, at the time of publication, under the terms of the Freedom of Information Act 2000.**

6. THE INFLUENCE OF EPSRC EQUIPMENT FUNDING POLICY ON UNIVERSITY PROCESSES (EPSRC 02-17)

- 6.1 Dr Bourne introduced this paper which built on discussion at the July 2016 Council meeting concerning a framework for future capital investments. He reminded Council that, at the time, it had expressed concern that such funding injections were becoming a prevalent feature of the research funding landscape and agreed that this needed further consideration in order to understand how this funding policy was influencing university policy and behaviour. As a starting point this paper presented information on how partner universities manage their capital strategically in the context of the 50% funding contribution requested by EPSRC as part of their funding policy for equipment.
- 6.2 Council **noted** the update and **agreed** that there should be no immediate change to the existing arrangements. **Minute not included as contains exempt material, at the time of publication, under the terms of the Freedom of Information Act 2000.**

7. EQUALITY & DIVERSITY (EPSRC 04-17)

- 7.1 Dr Wall introduced this paper which provided Council with an update on the EPSRC (and RCUK) action plan to promote equality, diversity and inclusivity. The key strands included:
- i) **Leading by example** to achieve improved diversity in the membership of RCUK Councils, advisory and peer review bodies and to ensure that RCUK has a diverse workforce, equipped to act as ambassadors for Equality, Diversity and Inclusion in all that we do;

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- ii) **Challenging bias and work towards fair and inclusive funding processes.** Raising awareness of, and taking steps to reduce the impact of, any unintentional bias in RCUK systems, processes, behaviours and culture and achieve success rates for RCUK funding that are not influenced by the gender of the applicant or by other protected characteristics; and
- iii) **Leading and supporting change in the research community** by demonstrating strong leadership to change the culture, practices and make-up of the research community and to use RCUK assurance processes to ensure progress in Equality, Diversity and Inclusion processes across the research system.

7.2 In discussion, members reinforced the principle of focusing initially on internal processes before going more widely. Members highlighted the convergence in the success rate figures, and the SAN gender profile, but noted there was more work to be done, in particular, to attract sufficient numbers of female applicants to Council. Council **asked** to see the results of the trials of anonymous peer review, and **noted** the progress made with the action plan so far.

8. CIVIL SERVICE PEOPLE SURVEY UPDATE (EPSRC 06-17)

- 8.1 Mr Lewis introduced this paper which provided Council with the headline data on the outcome of the Civil Service People Survey (CSPS) 2016 and the resulting actions the Executive was taking to address some of the lower-scoring aspects. He said that this was the fifth year EPSRC had used the survey and the first year there had been as many as six Research Councils participating, giving a greater level of comparative data.
- 8.2 Members welcomed the positive results in the survey, and congratulated the Executive. However, members noted the lower scoring areas and said that the practices associated with the higher scoring areas could perhaps be brought to bear on the more negative aspects. **Minute not included as contains exempt material, at the time of publication, under the terms of the Freedom of Information Act 2000.** Council **asked** to understand the deeper analysis the Executive was working on.

9. MINUTES OF THE PREVIOUS MEETING

- 9.1 The minutes were **accepted** as a true record of the meeting.

10. ACTIONS AND MATTERS ARISING

10.1 Council noted the following updates on actions from the last meeting:

- i) (minute 4.5) Consideration was under way regarding the best method for the development of a strategic roadmap for fusion, including the respective merits of a panel approach or deployment of a consultant. The target was to complete the review within two years, with work commencing in the autumn. Dr Golby requested a further update at the next meeting;
- ii) (minute 6.6) The communications team were working on using all possible opportunities to promote the role of basic science in innovation;
- iii) (minute 8.2) Theme Leads were developing a pipeline of next-generation ideas in readiness for the next senior management team awayday, so that a dashboard could be brought to the next meeting.

10.2 The actions at minutes 5.3 and 10.1 were included in business for Council's next meeting.

11. EXECUTIVE REPORT (EPSRC 07-17)

11.1 This paper reported that the full timetable for the project to replace the ARCHER service had now been developed, and it was anticipated that the Gateway 2 review (Delivery Strategy) will take place in June. It was anticipated that the outcome of the review together with a firmer costing for this activity would be reported to the July Council meeting.

11.2 This paper reported that the Executive had decided to end the Platform Grant Scheme following the May 2017 outline proposal deadline. This was in recognition that the grant funding landscape has evolved since the Platform Grant scheme was introduced fifteen years ago, with many universities now providing similar flexible support for staff and with Principal Investigators now holding fewer grants. Moreover, flexible funding for longer, larger grants was available through other schemes.

11.3 Council **noted** the update.

12. REPORT FROM ARAC 7 FEBRUARY 2017
(EPSRC 08-17)

12.1 **Minute not included as contains exempt material, at the time of publication, under the terms of the Freedom of Information Act 2000.**

12.2 Council **noted** the report from ARAC.

13. OPERATIONS REPORT **(EPSRC 09-17)**

13.1 Mr Lewis introduced this report by asking Council to approve the indicative budget for 2017/18. He added that EPSRC was awaiting formal confirmation of the following allocations:

- i) Administration (both EPSRC and RCUK);
- ii) National Nuclear Users Facility Phase 2;
- iii) Rosalind Franklin Institute;
- iv) New Cavendish Laboratory;
- v) National Innovation Centre for Data (NICD).

13.2 **Minute not included as contains exempt material, at the time of publication, under the terms of the Freedom of Information Act 2000.**

13.3 Council **noted** the Operations Report.

14. ITEMS TO NOTE ONLY

14.1 There were two information papers:

- i) Communications Update EPSRC 10-17
- ii) Corporate Risk Log EPSRC 11-17

15. ANY OTHER BUSINESS

15.1 There was no other business.

16. NEXT & FUTURE MEETINGS

16.1 The next meeting is on 09 & 10 May 2017 at the St James Court Taj Hotel, London.

ANNEX 1: RESEARCH COUNCIL-RELEVANT TABLED AMENDMENTS TO THE HER BILL

- Enshrining the **Haldane Principle** (Willetts definition 2010) in law;
- Increasing the **upper limit for Council members** from 9 to 12;
- Establishing an **Executive Committee within UKRI** which will include the Executive Chairs of Councils;
- Ensure that experience of the **charitable sector** is a considered criteria when making appointments to the UKRI Board;
- **Consulting with the research community** before making any changes to the names or scope of the research councils;
- Publishing **separate budget allocations** to each of the councils;
- Changing the description of the research councils' objectives to emphasise the importance of **advancing the frontiers of human knowledge**;
- Making it clearer that UKRI can with permission enter into **joint ventures, invest in companies and other innovative financial arrangements**;
- UKRI to have regard to the need to promote innovation by businesses and strengthen the existing requirement to support those engaged in business activities.