

# Innovate UK

## Minutes of the Governing Board's Meeting held on 12<sup>th</sup> and 13<sup>th</sup> October 2016 at Society of Chemical Industry, Belgrave Square, London.

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### Present:

#### Members of the Governing Board

Mr Phil Smith, Chairman of the Board  
Mr Harry Swan

Ms Hazel Moore  
Ms Tera Allas  
Mr Tim Edwards  
Prof. J Latham

Dr Ruth McKernan, Chief Executive

#### Observer

Ms Sharon Ellis, BEIS

#### Executive

Mr Kevin Baughan, Chief Development Officer  
Mr Paul Mason, Director Emerging and Enabling Technologies

Mr Ian Meikle, Director Infrastructure Systems  
Ms Lynne Patmore

Ms Ruth Elliott, Interim Chief Finance Officer  
Mr Nigel Townley, Director of IT and Business Change

Ms Linda Wallace, Chief Communications Officer  
Mr Ian Campbell, Director Health and Life Sciences  
Mr Patrick Jarvis, Head of Governance and Secretary to Governing Board  
Dr Emily Nott, Diversity and Inclusion Manager

#### Visitors

Sir John Kingman, Interim Chairman of UKRI

Mr Philip New, Chief Executive, Energy Systems Catapult

Mr Andrew Jamieson, Chief Executive, Offshore Renewable Catapult

Mr Scott Cain, Chief Business Officer, Future Cities Catapult

Mr Steve Yianni, Chief Executive, Transport Systems Catapult

Prof Richard Barker, Chair, Precision Medicine Catapult

Dr Belinda Quinn, Chief Executive, Precision Medicine Catapult

### Apologies:

Mr Simon Edmonds, Director Manufacturing and Materials

Ms Anne Dixon, Chief Operating Officer

## Announcements

- 1 Mr Smith welcomed members to the meeting. Mr Smith asked for any declarations of interests from members. No declarations were made. Mr Smith noted that apologies had been received from Mr Simon Edmonds and Ms Anne Dixon.

## Minutes of Previous Meeting

- 2 Mr Smith asked for any comments on the draft minutes of the previous Governing Board meeting held in June 2016. There were no further comments and the minutes were approved.

## Future of UKRI

- 3 Sir John Kingman gave a presentation to the Board on the development of the new UK Research and Innovation organisation. His presentation covered the following issues:
  - Continuing political discussions on the nature and structure of the new organisation
  - The recruitment process for a Chief Executive
  - the Government's approach to innovation and research
  - the most effective methods of commercialising research and the need for a strong innovation voice within UKRI
- 4 Governing Board members raised a number of questions about the role and structure of UKRI and a general discussion followed. Mr Smith thanked Sir John Kingman for his presentation. *(Sir John Kingman left the meeting at this point)*

## Chief Executive's Report

- 5 Dr McKernan introduced her update report to the Governing Board emphasising Innovate UK's significant role in the organisational design work taking place for the creation of UKRI. She also explained progress on the voluntary exit programme and recruitment of new staff particularly in the technology sectors. Mr Smith confirmed that these posts needed to be filled. Ms Ellis emphasised that she would support the recruitment programme through the BEIS approval process. It was agreed that Ms Dixon would hold further discussions with Ms Ellis about the best means of achieving the appropriate approvals.
- 6 Ms Dixon described progress on the development of the new digital grants system and its relationship with wider digital developments in BEIS and its partner organisations.
- 7 Ms Dixon emphasised the rising number of registrations and applications and the impact of this on her staff. The Governing Board discussed possible reasons for the increase.
- 8 Ms Moore briefed the Board on her recent visit to China on behalf of Innovate UK. She noted that
  - there was a desire from the Chinese authorities for more collaboration in innovation activities
  - UK Government ministers attending the same event had been very positive in their comments about Innovate UK

# Innovate UK

- 9 The Governing Board asked for a full update on Innovate UK's international strategy to be brought to a future meeting.
- 10 The Governing Board briefly discussed Innovate UK's role and representation on Industry Councils. It asked for a report to be made to a future meeting on how Innovate UK could maximise its impact on these Councils.

## Finance Update

- 11 Dr McKernan and Ms Patmore presented the finance update report. The Governing Board noted the current financial position for 2016/17. Ms Patmore stressed that
  - there were still a number of risks arising from weaknesses in the current finance system
  - the stabilisation and data cleansing programme were progressing
  - there was a significant risk of an underspend in 2016/17
- 12 Ms Patmore explained the reasons for the possible underspend and mitigating actions being planned.
- 13 The Governing Board discussed progress on the development of new finance innovation products. Dr McKernan noted that she continued to value this opportunity and stressed that this programme was an important part of Innovate UK's five point plan.

## Diversity and Inclusion Update

- 14 Dr Emily Nott gave a presentation on Innovate UK's diversity and inclusion activities and plans. In particular she described the achievements of the Women in Innovation programme. The Governing Board congratulated the organisation for its progress in this area and welcomed Innovate UK's own innovative approach. Ms Allas stressed the need for continued monitoring and evaluation of the programme's outcomes. The Governing Board discussed whether it might be appropriate to offer some sort of support package to those who were not winners in the programme.

## UKRI Industry Challenge Fund

- 15 Mr Baughan presented a paper setting out a proposal for developing a UKRI Industry Challenge Fund stressing that it was still very much a live topic. He noted that
  - the proposed fund was at the heart of Innovate UK's future relationship within UKRI
  - it included a series of financial proposals for the Secretary of State to consider as part of the Autumn Statement package
- 16 Dr McKernan commented that a great deal of preparatory work had been undertaken in the preceding months and that initial proposals had been well received by BEIS officials.
- 17 The Governing Board expressed its complete support for the proposal.

## Regional Innovation

- 18 Mr Baughan presented a paper setting out Innovate UK's plans for a more effective approach to fostering regional innovation. This included
- closer working between national and regional funding agencies
  - potential additional funding
- 19 The Governing Board endorsed the proposal noting that the "one stop shop" principle was important and that there was currently a need for much greater local coordination.

*(end of Day 1)*

## Sector Presentation – Infrastructure Systems

- 20 Mr Meikle gave a presentation to the Board setting out the plans and activities of his sector team. He was assisted in this by representatives of the appropriate Catapult organisations including Mr Philip New, Mr Andrew Jamieson, Mr Scott Cain and Mr Steve Yianni.
- 21 The presentation covered a wide range of issues including:
- the smart systems and heat project
  - collaboration arrangements
  - movements in offshore energy prices
  - the use of data in developing hyperconnected cities
  - city wide demonstrator programme
  - departure planning project
- 22 Mr Meikle concluded the presentation by stressing the breadth of activities undertaken by his sector team and the Catapults. He noted the need for Innovate UK and the Catapults to influence national policies in these industries. All the agencies would need to have a common agenda in order to achieve this.
- 23 Members of the Governing Board raised a number of detailed questions about the above activities and noted the overall progress of the sector team. Dr McKernan commented that it was good to see all the Catapults contributing to the presentation.

## Precision Medicine Catapult Delivery Plan

- 24 Dr Belinda Quinn and Professor Richard Barker, Chief Executive and Chair of the Precision Medicine Catapult presented their five year delivery plan to the Governing Board for approval. The presentation included
- aspects of market failure and the need for the Catapult
  - need to increase access to gene therapy
  - need for further development of health economics relevant to the Catapult's activities
  - relationships between the three medical Catapults
  - outline programme portfolio including nine disease areas
  - Costs and target GVA impact chart

# Innovate UK

- 25 The Governing Board discussed the plan with Dr Quinn and Prof Barker. They responded to detailed questions raised by the Board. Mr Smith thanked them for their presentation.

*(Dr Quinn and Prof Barker left the meeting at this point)*

- 26 The Governing Board then discussed in detail the strengths and weaknesses of the plan.
- 27 It was agreed that Mr Campbell would provide more detailed feedback to the Catapult with a view to a further version of the plan being presented to a future meeting of the Governing Board.

## **Update from Audit and Risk Assurance Committee**

- 28 Prof Latham updated the Governing Board on the recent meeting of the Committee. He noted that a key item of the Committee's business had been to consider the new corporate risk register. A copy of this was also presented to the Governing Board. Ms Moore commented on the number of items in the high risk quadrant. Ms Patmore noted that the next action was to design robust mitigating actions. The Board expressed a desire to review the register in more detail and it was agreed that it would be brought to the next meeting in a more prominent position on the agenda.

## **Any Other Business**

- 29 There was no other business. Mr Jarvis reminded the Committee that the next meeting would be held on 7 December 2016.