

Biotechnology and Biological Sciences Research Council

Annual Report and Accounts

2016 - 2017



Biotechnology and Biological Sciences Research Council (BBSRC)
Annual Report and Accounts 2016 - 2017

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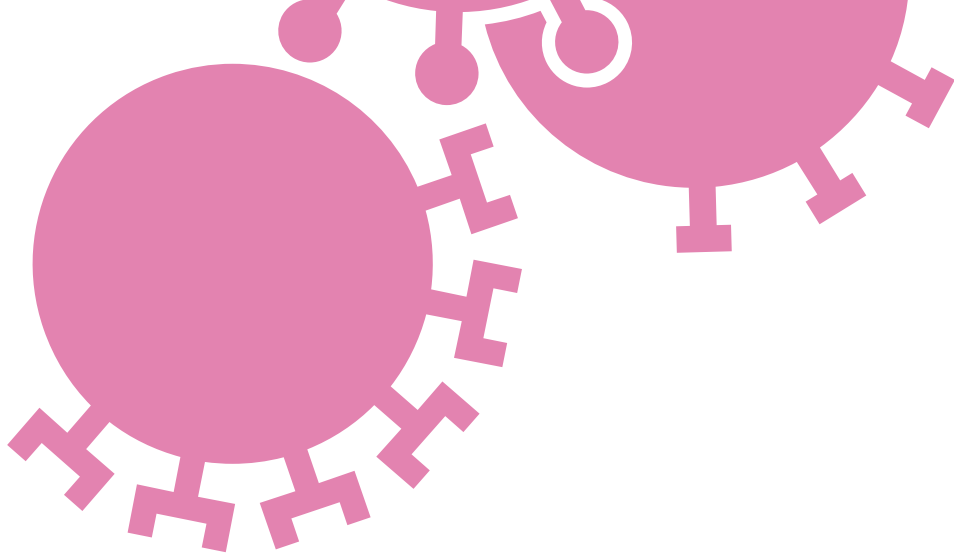
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This Report provides an overview of BBSRC's major activities during the period 1 April 2016 to 31 March 2017.

This Report is accessible at www.bbsrc.ac.uk/annualreport. Readers may wish to refer to previous Annual Reports also found on this page: BBSRC Strategic Plan at www.bbsrc.ac.uk/strategy and the BBSRC Delivery Plan 2015-2016 at <http://www.bbsrc.ac.uk/deliveryplan>

BBSRC

The Biotechnology and Biological Sciences Research Council (BBSRC), established by Royal Charter in 1994, is the UK's principal funder of basic and strategic research across the biosciences, in universities and research centres throughout the UK. BBSRC is funded primarily by the Science Budget through the Department for Business, Energy and Industrial Strategy (BEIS).



BBSRC works collaboratively with its sister Research Councils through Research Councils UK (RCUK) in areas that include: cross-Council programmes of research; research training and careers development; knowledge exchange and economic impact; communications, public engagement and administrative harmonisation.
www.rcuk.ac.uk

Updated information on BBSRC's policies, activities and impact is accessible at: www.bbsrc.ac.uk



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Chair's statement

The past year has been one of change and of opportunity. This is set to continue as UK Research and Innovation comes into existence this time next year. Let me review how our research and innovation landscape has shifted over the last 12 months, and the future opportunities opening up for biotechnology and biological sciences.

We've seen the ramping up of activities around the Global Challenges Research Fund (GCRF). This £1.5bn fund to address challenges faced by developing countries was launched last year. Over the last 12 months BBSRC, in partnership with our sister Research Councils and others, has been deeply involved in shaping calls and investing in bioscience research and researchers. The potential of bioscience to address needs in key areas of food, energy and health opens real opportunities for our community to be central in tackling these big challenges at home and abroad.

In November 2016, the Prime Minister announced the Industrial Strategy Challenge Fund (ISCF), which was swiftly followed by the "Building our Industrial Strategy" green paper in January. I was delighted to see that science, research and innovation were pillars of the industrial strategy. Indeed, bioscience and biotechnology are highlighted as focus areas for the ISCF.

As Professor Melanie Welham makes clear in her introductory words to this report, UK bioscience is pushing the boundaries of knowledge to make surprising and potentially transformational discoveries. GCRF, the emerging industrial strategy and ISCF show our Government's commitment to supporting this exceptional research and the impacts it brings from inward investment and jobs to environmental protection and, importantly, healthier lives.

The UK's excellent research relies on international collaboration, attracting talent from around the world and accessing international infrastructure. With the triggering of Article 50, I know that all Research Councils will be working with Government to ensure that we can maintain the UK's world-leading contributions. I was very happy to see prioritisation of research in the Prime Minister's January speech at Lancaster House.

To address competitively the challenges of our time we need to work across the conventional disciplines and link effectively with business, industry and wider society so that biosciences can make beneficial impacts in the world beyond the laboratory.

The Higher Education and Research Act's creation of a new entity – UK Research and Innovation – bringing together the Research Councils, Innovate UK and elements of HEFCE, offers a golden opportunity to do this.

I was delighted at the appointment of Professor Sir Mark Walport to the role of Chief Executive designate for this new body. I've known Mark for a long time and am convinced he will be thoughtful, consultative, creative and extremely successful in this new role.

I know that it is Mark's aspiration, as it is ours, that the transition to UK Research and Innovation will not in any way disrupt our academic community. BBSRC will continue to lead and advocate for bioscience and will be the entity with whom our community interacts.

I know my colleagues in BBSRC have worked tirelessly to demonstrate the power of biology to deliver a healthy, prosperous and sustainable future and I am sure that the coming year will give us plenty of opportunities to highlight the importance, impact and centrality of our work.

Finally, let me express my thanks to all BBSRC staff for their hard work over the past year. Each person is dedicated to supporting our research community and, as our recent survey showed, the vast majority of our stakeholders report very positive interactions with BBSRC. The Executive team, under Melanie's sure leadership, has been outstandingly successful in navigating us through a year that was very unlike most others.

On behalf of Council, I'll take this opportunity of sending warm thanks to everyone at BBSRC for their much-appreciated work, undertaken with exemplary skill and enthusiasm, in pursuit of our common goal; improving lives through top-quality bioscience.

Professor Sir Gordon Duff
BBSRC Chair
June 2017



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Chief Executive's summary

At the start of the year BBSRC supported the 'Soil Saviours' session at the Oxford Farming Conference, it was here I was reminded of the simple, yet staggering fact - our survival is dependent on a few inches of soil and some rain.

It struck me that an analogy can be made between the vital role of soil and the vital role of fundamental biological research. It is only through nurturing the pursuit of new knowledge to better understand our living world, from the molecular through to the systems level, that we can push the boundaries of knowledge to make amazing, surprising and potentially life-changing discoveries. Just as we are dependent on soil, the innovation pipeline is dependent on curiosity-driven research.

To ensure the UK continues to be a world leader and partner of choice, we need to ensure we create an environment where frontier bioscience can thrive. Where researchers are encouraged to ask fundamental biological questions that haven't been solved and work creatively towards solutions.

Recognising, valuing and enabling world-leading fundamental bioscience research is of huge importance to me and to BBSRC and over the past few months we have made a concerted effort to champion *Frontier Bioscience*.

The UK is proud to boast some of the best bioscience in the world and BBSRC makes an important contribution to this, through funding the best bioscience, training the next generation of researchers and ensuring access to the best facilities and infrastructure. Examples of this are highlighted throughout the pages of this Report.

We know that, by inspiring the brightest minds, supporting teams, enabling far reaching collaborations and funding curiosity-driven science, bioscience can generate knowledge that in turn can lead to game-changing solutions and technologies. Genomics, epigenetics, gene editing and bioinformatics (page 7) are all such examples.

Last year saw the 20th anniversary of the birth of Dolly the sheep. BBSRC's investment in the scientific programme that led to Dolly was key. No one could have predicted 20 years ago the research areas that Dolly's creation would go onto inspire, or indeed the wider impacts such as the development of induced pluripotent stem cells, technology which replaces the need to derive pluripotent stem cells from

embryos. It emphasises that key discoveries can have previously unimagined and transformative effects, such as, in this example, revolutionising approaches to cell therapy and understanding healthy versus disease states.

Going back to soil, it can take up to 1,000 years to generate six centimetres of new soil, and thankfully my analogy ends here, for unlike soil, it does not take anywhere near this long to generate new ideas and innovations from fundamental research, but it does require long-term investment and planning. On the day the Prime Minister unveiled a new Industrial Strategy, I was at Norwich Research Park at the official launch of the biotech spin-out company Leaf Expression Systems by the Minister of State for Universities, Science, Research and Innovation, Jo Johnson (see page 11).

Leaf Expression Systems is the result of long-term strategic investment in UK research and shows the strength of our bioscience community to not only produce ground-breaking science but also to harness that knowledge to create new companies, products and services and foster economic growth.

This example highlights the vital role of BBSRC's strategic investments in research, people and national capabilities at world-leading institutes across the UK in delivering new knowledge and innovation.

Last year we undertook our 2016 Institute Assessment Exercise – a rigorous, independent assessment carried out by BBSRC every 5 years to examine the excellence of the science and how it is meeting BBSRC's strategic objectives. As a result, we were delighted to announce a £319M investment, on behalf of BEIS, to support institute strategic programmes and capabilities from April 2017 (page 7).

I have so far focused on the incredible opportunities bioscience research and a skilled and talented workforce enable, but I must acknowledge too the challenging environment which we all face. A lot has happened since I wrote my first summary in last year's Annual Report, including significant changes in the political and research landscape.

Brexit has understandably raised concerns over EU funding initiatives, the futures of the many talented EU students and researchers who bring a wealth of skills and knowledge to our universities, institutes and labs and concern over the vital partnerships we have with colleagues from across the EU.

The Research Councils are working with our academic communities, an array of stakeholders as well as the UK Government to ensure that the key elements for world-class research in the UK are recognised in the EU negotiations. The government recognises that bioscience is one of the areas where we are truly world leading, and we have to protect that.

Royal Assent has now been granted for the Higher Education and Research Bill, moving us closer to the formation of UK Research and Innovation in April 2018. We continue to work closely with colleagues from across the Research Councils, Innovate UK, HEFCE and other stakeholders to ensure a smooth transition for our bioscience community.

Both Brexit and the creation of UK Research and Innovation present us all with an opportunity to strengthen existing partnerships as well as develop new ones. Bioscience and indeed research more broadly is, and always will be, a global endeavour - our research base will be all the richer the more we embrace equality, diversity and inclusion.

BBSRC's investments so far through the Global Challenges Research Fund highlight the exciting

opportunities multidisciplinary, multi-partner and multinational collaborations offer the research community in taking a challenge-led approach to tackle the global challenges of our time (page 14).

Closer to home, the Industrial Strategy Challenge Fund, announced in the 2016 Autumn Statement, offers new opportunities for researchers and industry to collaborate. While we are working across the Research Councils and Innovate UK to consult our research and business communities and explore the key challenges the Fund should address, I know that curiosity-inspired bioscience research will be an essential underpinning component.

Amidst all the opportunities and challenges over the next year, I am delighted and privileged to be leading BBSRC in ensuring we continue to be a clear and strong voice for UK bioscience, nurturing a fertile environment for the UK's world-leading research base so it remains at the forefront of addressing global challenges and supports a flourishing bioeconomy in the UK and beyond.

Thank you all for your commitment, dedication and inspiration.

Professor Melanie Welham

BBSRC Interim Chief Executive

29th June 2017



Performance Summary

Delivery Plan objective	Deliverables/Milestones	Progress	Further examples on page:	
i) Driving bioscience discovery	<ul style="list-style-type: none"> ■ Prioritise support for investigators-led, discovery research to generate new knowledge ■ Complete a major assessment to determine the future strategic programmes and capabilities that will be supported at institutes ■ Provide dedicated support for the development and acquisition of advanced technologies, equipment and resources for bioscience research 	<ul style="list-style-type: none"> ■ £130M responsive mode grants awarded, including £9M for strategic longer, larger grants ■ Institute Assessment Exercise 2016 completed; £319M investment announced ■ £10M fund to support acquisition of advanced mid-range equipment ■ Over £10M invested in the development and maintenance of tools and resources 	7	
	Agriculture and food security			
ii) Building a more resilient and secure future	<ul style="list-style-type: none"> ■ Deliver a programme of interdisciplinary research on food system resilience, with Global Food Security (GFS) programme partners ■ Encourage research to address the challenge of resistance in agriculture 	<ul style="list-style-type: none"> ■ Joint investment of £7.2M for research on the resilience of the UK food system in a global context ■ New funding highlight "Understanding the Challenge of Resistance in Agriculture" launched 	8	
	■ Industrial Biotechnology and Bioenergy			
	<ul style="list-style-type: none"> ■ Continue to grow the UK IB community ■ Work with partners to support the development of biorefining approaches 	<ul style="list-style-type: none"> ■ Increased academic and industry engagement in the BBSRC Networks in Industrial Biotechnology and Bioenergy ■ £5M investment in biorefinery research with Brazil 	9	
	■ Bioscience for health			
<ul style="list-style-type: none"> ■ Progress major programme to establish the Quadram Institute as a new national centre for food and health research ■ Contribute to multi-agency UK vaccine research initiatives 	<ul style="list-style-type: none"> ■ Construction of Quadram Institute proceeding to schedule ■ New call for Networks in vaccine R&D launched with MRC 	10		

Delivery Plan objective	Deliverables/Milestones	Progress	Further examples on page:
iii) Transforming and creating bio-based businesses	<ul style="list-style-type: none"> ■ Allocate funding for Round 5 of the Agri-Tech Catalyst with Innovate UK, BEIS and DFID ■ Support new partnerships with the food industry ■ Continue to develop Research and Innovation Campuses 	<ul style="list-style-type: none"> ■ £16M joint Agri-Tech Catalyst investment, supporting 24 projects ■ £1M invested in Priming Food Partnerships with MRC, EPSRC and ESRC ■ Completion of new business and social infrastructure at the Babraham Research Campus ■ Formal opening of the translational facility Leaf Systems International Ltd at the Norwich Research Park 	11
iv) Growing and attracting talent	<ul style="list-style-type: none"> ■ Target vulnerable skills to ensure UK can meet scientific and strategic challenges ■ Allocate funding for industry-led training partnerships ■ Support the development of people across different organisations, disciplines, sectors and careers stages 	<ul style="list-style-type: none"> ■ More than £600k invested Strategic Training Awards for Research Skills ■ 10 new industry-led Collaborative Training Partnerships (CTPs) announced in November ■ Continued investment in doctoral training, and fellowships to support key career transition stages for future research leaders ■ Focused workshops to explore career paths for postdoctoral researchers and technical specialists 	13
v) Strengthening the UK's position as a global leader	<ul style="list-style-type: none"> ■ Establish programmes in which UK bioscience can help address international development challenges ■ Strengthen links between researchers in the UK and other countries ■ Engage with European programmes 	<ul style="list-style-type: none"> ■ Major new programme for ODA-relevant research on global agricultural and food systems ■ Launch of revised International Travel Awards Scheme ■ Launch of new ERA-Net Co-fund in biotechnologies under Horizon 2020 ■ Continued participation in pan-European research infrastructure projects and joint programming initiatives. 	14

Measuring performance

BBSRC's key deliverables and milestones, as agreed with its sponsor department BEIS, are set out in its Delivery Plan 2016/17 - 2019/20, available at: www.bbsrc.ac.uk/deliveryplan

In line with the Research Councils' common performance management framework agreed with BEIS, BBSRC's progress against its delivery plan objectives and other business critical activities is formally reviewed through bilateral meetings with BEIS held twice a year, with complementary quarterly meetings focusing primarily on finance, risk and other corporate issues.

Information on the impacts arising from the research and training funded by BBSRC, can be found in BBSRC's annual Impact Report, available at: <http://www.bbsrc.ac.uk/documents/impact-report-2016-pdf/>



Performance analysis and explanation

i) Driving bioscience discovery

Advancing the boundaries of knowledge and upholding the UK's global leadership in bioscience.

BBSRC continues to support the advancement of excellent bioscience across the breadth of our remit ensuring that the UK maintains world-leading strength in core disciplines. BBSRC supports not only investigator-led research, the lifeblood of UK bioscience, but also training opportunities and strategically funded world-class institutes, key to delivering BBSRC's vision and strategic priorities.

Progress in 2016-17 has included:

■ **£123.3M investment in investigator-led research across the UK**

Through BBSRC's responsive mode programme £123.3M has been committed to investigator-led research, the lifeblood of bioscience in the UK. BBSRC has continued to support discovery science to generate new knowledge and provide a foundation for future innovation, while balancing this with a highlighted focus on research priorities that will provide impact on identified societal and economic challenges.

■ **£9.0M for major longer-term science studies**

Three new Strategic Longer and Larger grants (sLoLas) will provide internationally leading research teams from University of Cambridge, University of Dundee and John Innes Centre each with 5 years of funding to address major challenges including: increasing the efficiency of photosynthesis in plants for improved productivity; building and utilising artificial biofilms for a range of potential applications; and developing new breeding strategies to improve the performance of brassica such as oilseed rape.

■ **Institute strategic programmes confirmed for next five years**

BBSRC provides strategic funding to eight institutes which provide national capabilities and expertise in strategically important areas of UK bioscience, and deliver long-term programmes of research. The institutes' research underpins key sectors of the UK economy such as food, farming, renewables and pharmaceuticals.

Following a robust and competitive Institute Assessment Exercise conducted during 2016,

funding of £319M has been announced to support institute strategic programmes and capabilities from April 2017.

■ **13 new fellowships supporting future research leaders**

Future Leader Fellowships (FLF) support the transition of early-stage researchers to fully independent research leaders and represent part of BBSRC's commitment to the supply of highly skilled professional scientists to the UK. More than 70 applications were received to the scheme in 2016-17, from which ten new FLFs were awarded.

In addition, BBSRC awarded three new David Philips Fellowships to support researchers in establishing their first independent research group.

■ **Advanced equipment and resources for bioscience research**

Twelve new projects totalling £8.0M have been awarded through BBSRC's Bioinformatics and Biological Resources (BBR) fund. For the 2016-17 call this included an additional £2M highlight for proposals relevant to the Global Challenges Research Fund (see p14). The fund aims to: establish, maintain and enhance bioscience research infrastructures; support high-quality bioinformatics and biological resources; and supply long-term funding, providing a stable environment for resource development and provision.

During 2016 BBSRC also launched a £10M call to support the purchase and installation of mid-range equipment that will help to maintain the competitiveness of the UK bioscience research base.

■ **£4M to develop novel bioimaging technologies**

BBSRC has committed £2.1M towards 28 new projects under the 2016 call for the Tools and Resources Development Fund (TRDF). Co-funded with EPSRC (£1.5M) and MRC (£500k), the TRDF aims to pump prime the next generation of tools, technologies and resources that will be required by bioscience researchers. The 2016 call had a specific focus on bioimaging, in response to the increasing requirement for technological and software advances in this field. Successful projects included approaches towards deep-tissue imaging, plant-root phenotyping and the incorporation of machine learning techniques into image analysis.

Key funding data for research grants and strategic funding to institutes can be found on page 17.

ii) Building a more resilient and secure future

Promoting bioscience research that addresses strategic societal challenges, scientific opportunities and economic growth in the UK and beyond.

Bioscience acts a key driver for innovation and growth in the bioeconomy and BBSRC's Strategic Plan recognises that in the coming decades bioscience will be at the heart of solutions to major challenges facing society. Agriculture and Food Security, Industrial Biotechnology and Bioenergy and Bioscience for Health are the three strategic priority areas set out in BBSRC's Strategic Plan, which BBSRC supports through responsive mode, highlights, collaborative research and institute strategic programmes.

Progress in 2016-17 has included:

Agriculture and Food Security

■ Interdisciplinary research on food system resilience

In 2015, the Global Food Security (GFS) Programme announced a 5-year interdisciplinary programme of research. The programme was co-designed by BBSRC, ESRC, NERC, Defra, The Scottish Government and FSA, in partnership with wider stakeholders, and addresses a major food security challenge: 'Resilience of the UK food system in a global context'.

In 2016, funding of £7.2M for 5 major collaborative, interdisciplinary research projects was awarded under the programme's first call. A second call for research proposals was launched in September.

■ Research to develop crops with increased health benefits

Following a call to encourage research that seeks to advance our understanding of how crops and/or crop-based food can have a positive health benefit for humans or farmed animals, BBSRC has awarded funding for two new projects totalling £1.8M. BBSRC is also following up this work to further engage this community with future ODA funding opportunities.

■ Tackling the challenge of resistance in agriculture

Agriculture faces challenges from resistance to a wide range of agents used in crop protection or

veterinary practice, including many classes of fungicides, herbicides, insecticides and anti-parasitic compounds, as well as anti-bacterials. In early 2017, BBSRC launched a highlight call to stimulate innovative research to understand and help address the development in weeds, pests, parasites or pathogens of resistance to agents used to counter them.

■ Driving collaboration in UK aquaculture

BBSRC and NERC's joint Aquaculture Initiative has awarded £600k to establish a UK Network in Aquaculture, bringing researchers together with users groups to facilitate innovation in the UK aquaculture sector. The network, ARCH-UK, will be led by Professor Brendan McAndrew (University of Stirling) and Professor Andrew Rowley (University of Swansea).

Additionally, six short innovation projects with a total value of £1.2M have been awarded through the UK Aquaculture Initiative. These projects will utilise the wealth of existing research, data and expertise to enable the development of technologies and solutions for the benefit of practitioners and decision-makers.

■ Working together to tackle antimicrobial resistance

BBSRC has continued to play an active role in the cross-Research Council antimicrobial resistance (AMR) initiative, which aims to develop collaborative approaches across research disciplines to tackle the rise in AMR. During 2016-17, new funding calls were launched, focused on '*Understanding the real world interactions*' and '*Behaviour within and beyond the health care setting*'. To date, BBSRC has committed £5.3M to this initiative.

■ Public engagement with farmers and communities

As a part of its ongoing commitment to public engagement around the science it funds, BBSRC provided support to LEAF (Linking Environment and Farming) to develop a selection of new 'Science on the Farm' resources for farmers participating in the 2016 Open Farm Sunday and Open Farm School Days events. As a result, one of three core themes for Open Farm Sunday 2016 was 'science and technology on the farm'. A total of 93 farmers ordered a Science on the Farm resource, and in a subsequent survey of users 58% of farmers reported that they would not have featured science in farming at their event without the resources provided.

Industrial Biotechnology and Bioenergy (IBBE):

■ BBSRC Networks in Industrial Biotechnology and Bioenergy continue to grow

Membership of the BBSRC Networks in Industrial Biotechnology and Bioenergy (BBSRC NIBB) has continued to grow, and by January 2017 stood at approximately 3300 academic members, engaged with more than 800 companies throughout IB supply and value chains.

As of January 2017, a total of £8.2M has been committed to 163 Proof of Concept (PoC) grants. This has leveraged around £1.2M investment in 94 of these projects from private sector companies.

A total of 193 Business Interaction Vouchers have been issued with a £1.38M commitment from BBSRC. The company contributions to these collaborative vouchers, at approx. £1.6M, exceeds the public sector investment.

During 2016-17, BBSRC NIBB have engaged in a number of international collaboration and networking activities to support the development of IB opportunities relevant to international development. The outcomes of these activities will feed into the scoping of future BBSRC Global Challenge Research Fund proposals.

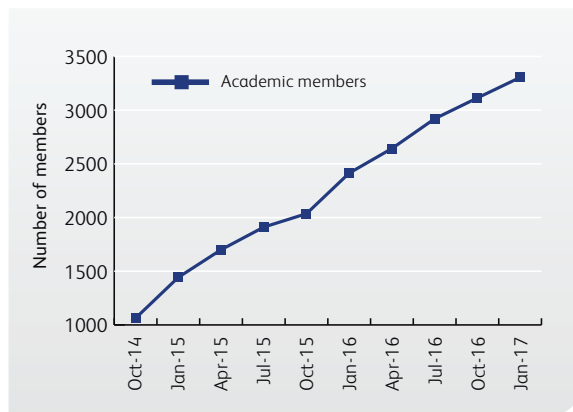
■ £5M UK/Brazil investment in advanced biofuels research

A joint investment of £5M between BBSRC and São Paulo Research Foundation (FAPESP) has been made to support collaborations between UK and Brazilian scientists in advanced biofuels research. The funding, £3.5M from BBSRC and £1.5M from FAPESP, has been awarded to two BBSRC-FAPESP partnerships, which underpin integrated biorefinery approaches for the manufacture of advanced biofuels and aim to address challenges including enzyme design and development, optimisation of feedstock attributes, and the development of novel fermentative organisms.

■ £2M for new Bioenergy hub

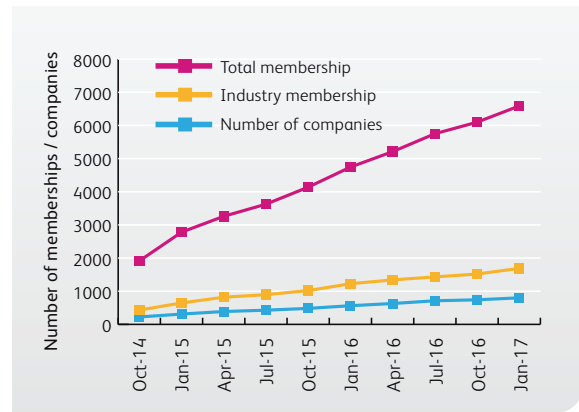
BBSRC has conducted an extensive review of its investment in bioenergy research along with partners in government departments and business and has agreed to contribute up to £2M to support the next phase of the Supergen hub in Bioenergy with EPSRC. The hub was originally launched in 2012 to investigate the efficiency and impact of a variety of bioenergy techniques, and to accelerate the deployment of sustainable bioenergy.

Academic members



Number of academic members of BBSRC NIBB has increased from October 2014 (1063) to January 2017 (3305). An academic member can hold memberships to multiple BBSRC NIBB.

BBSRC NIBB Company membership



Since October 2014, the number of companies engaging with the BBSRC NIBB (blue) has increased from 223 to 801 and the number of industry memberships (yellow) has increased (January 2017 = 1689). Total memberships is shown in pink (January 2017 = 6587).

Bioscience for Health:

■ Major construction landmark for the Quadram Institute

The final cement pouring in the construction of the Quadram Institute - a state-of-the-art national centre for food and health research, currently under development on the Norwich Research Park - took place in March. The new institute, which is due to open in mid-2018, will house 300 scientists and 100 clinicians, integrating research teams from UEA's Faculty of Science and Norwich Medical School, the IFR and the Norfolk and Norwich University Hospital's gastrointestinal endoscopy department to create one of Europe's largest centres of its kind, driving innovation in the food and health sectors through the integration of clinical and biological sciences.

■ Support for international research into nutrition and health

The Healthy Diet Healthy Life (HDHL) Joint Programming Initiative (HDHL JPI) is a transnational initiative to investigate the relationships between diet, exercise and health. BBSRC has contributed £825k to support UK participation in seven projects funded through the JPI's call for research projects in the area of 'Biomarkers in Nutrition and Health'. The call involved 17 research funders from 14 countries, and is co-funded by the European Commission. The successful projects aim to develop and validate biomarkers which will address the challenge of accurately and objectively establishing dietary intake, nutritional status and the long-term trajectory from health to disease.

■ Funding boost for regenerative medicines

In March, BBSRC, EPSRC and MRC announced a further £17M (BBSRC contribution £2M) funding commitment over five years to support the UK Regenerative Medicine Platform (UKRMP). The Platform has already made significant progress in advancing essential preclinical work in areas such as Parkinson's disease, liver disease, eye diseases such as age-related macular degeneration as well as corneal and retinal injury, and joint disorders such as osteoarthritis. The new investment will build on the Platform's successes, and help to realise the goal of accelerating scientific discoveries in regenerative therapies to clinical application.

■ Building UK Vaccine Research and Development

During 2016-17, BBSRC has been working closely with other Research Councils and government departments to increase support for vaccine research in the UK:

- Funding for five projects totalling £3M was announced following a BBSRC-MRC-EPSRC joint call for projects to develop novel tools and technologies for vaccinology.
- MRC, together with BBSRC, launched a call to establish collaborative Networks in areas of Vaccine Research and Development. The call, which has a budget of £8M, forms part of MRC and BBSRC's activities under the Global Challenges Research Fund (see page 15). The networks will focus on vaccine challenges of relevance to countries on the OECD DAC list.

■ Promoting the Replacement, Refinement and Reduction of animals in research

Following a supportive quinquennial review in 2015, BBSRC has, along with MRC, renewed its strategic investment in core funding for the National Centre for the Replacement, Refinement and Reduction of Animals in Research (NC3Rs) from 2016 - 2020. The NC3Rs is an organisation that collaborates with scientists across the life sciences sector, including academia, industry, funders and government, in order to fund research, stimulate policy change and to support career development, open innovation and commercialisation of 3Rs technology.

New guidance has also been incorporated into the BBSRC Grants Guide, outlining BBSRC's expectations and responsibilities of those conducting *in vivo* animal research, to assist prospective Principal Investigators in developing their research proposals.



© Quadram Institute

The Quadram Institute, new centre for food and health research, located on the Norwich Research Park is due to open in 2018.

iii) Transforming and creating bio-based businesses

Using bioscience research to enhance productivity, transform businesses and create new market opportunities.

Working with partners, BBSRC facilitates knowledge exchange and support partnership approaches that bring together companies and other research users with the academic research base, for societal and economic benefit.

Progress in 2016-17 has included:

■ **£16M for innovation in Agri-Tech with Innovate UK**

The Agri-Tech Catalyst, supported by BBSRC, Innovate UK, BEIS and DFID, provides funding to innovative businesses and researchers to develop innovative solutions to challenges in the agri-tech sector. Round 5 of the Agri-Tech Catalyst supported 24 projects, with £5.4M from industrial partners, totalling an investment of £16.4M. Projects will tackle global agricultural challenges ranging from food security and sustainability to weed control and livestock disease.

■ **New partnerships with the food industry**

Three new multidisciplinary projects involving collaborations between academic and industry partners have been awarded a share of £1M to carry out research to stimulate technological advances that can deliver healthy nutrition for consumers. The projects were funded by the Research Councils' 'Priming Food Partnerships' initiative which is supported by BBSRC, MRC, EPSRC and ESRC. The initiative supports pre-competitive research, with the ultimate aim of stimulating innovative research and technological advances of relevance to the food industry.

In addition, a new Food Innovation Network was launched in October 2016. Led by a consortium comprising the Knowledge Transfer Network, National Farmers Union and Campden BRI, the network aims to raise awareness of opportunities and support for innovation across the breadth of the food supply chain, and create new opportunities for collaboration and networking between academics and industry. Support for the network has been provided jointly by Defra, BBSRC and the North Yorkshire and East Riding Local Enterprise Partnership.

■ **Creating environments to accelerate innovation from bioscience: Research and Innovation Campuses**

BBSRC is working with partners to develop five UK Research and Innovation Campuses. Each campus is centred on a critical mass of world-leading bioscience, providing a unique environment where fledgling and other bioscience-based companies can collocate to access specialist facilities and capabilities, and exchange ideas with leading researchers, creating a low-risk environment for fostering early stage innovation. Major developments in 2016-17 have included:

- formal opening of the translational facility Leaf Systems International Ltd at the Norwich Research Park. The facility, based on over 10 years of research at the John Innes Centre., uses a novel system to speedily and efficiently produce valuable proteins from plants for use in new diagnostics and vaccines
- completion of the new business and social infrastructure 'The Cambridge Building' at the Babraham Research Campus
- construction of the Easter Bush Innovation Centre on the Easter Bush Campus progressing to schedule for completion in 2017.

BBSRC is implementing a common benefits realisation approach across its Research and Innovation Campus programme, based around the development of logic models, identification of key indicators, and monitoring progress against these through a scorecard.

■ **New opportunities for biofilms research and innovation**

The UK Biofilms Programme aims to support businesses and academia in the exploitation and advancement of biofilm science and technology. In 2016, BBSRC and Innovate UK launched the second phase of programme, to establish a Biofilms Innovation Knowledge Centre (IKC). An investment of approximately £12.5M will be provided to establish the IKC alongside an in-kind contribution of up to £1M worth of access to High Performance Computing facilities at STFC's Daresbury Laboratory. The IKC will bring those at the cutting edge of research together with innovators in business, helping them work together to advance biofilm research and catalyse its commercial exploitation across new products and processes for a range of industry sectors.

■ **Supporting knowledge exchange, translation and commercialisation of bioscience research**

BBSRC supports a wide range of knowledge exchange, translation and commercialisation activities to help enable the effective translation of the excellent research and capabilities it funds into benefits to society and the economy. For example, during 2016-17, BBSRC has:

- provided £3M in Follow-on funding for proof-of-concept work to take ideas arising from BBSRC-funded research to the point where the route to application is clear
- awarded five new fellows through the Royal

Society of Edinburgh’s Enterprise Fellowships scheme which enables researchers and innovators who have promising business ideas to develop the commercial potential of their research, whilst receiving formal training in relevant business skills

- supported 15 pilot Impact Acceleration Accounts to enable research organisations to provide flexible support for knowledge exchange activities, and awarded 23 new Impact Acceleration Accounts under the Global Challenges Research Fund to facilitate knowledge exchange in an international development context (see page 15)

New businesses from Bioscience

New businesses created from BBSRC research often depend on many different funding mechanisms, progressing from ideas developed during fundamental bioscience research and training, to translational funding, as well as training and support for researchers seeking to commercialise their ideas and establish a company.

At least 373 spinout companies have been created building on early stage BBSRC investments in research¹. These companies cover a wide range of sectors, from Agriculture, Food and Drink, through to Chemicals, Digital/Communication/Information Technologies, and Healthcare and Pharmaceuticals.

Case study: Azul Optics

Researchers from the University of Bristol have developed a new device to measure macula pigment density – a risk factors for age-related macular degeneration (AMD), which affects more than 2 million people in the UK.

The innovation arose from BBSRC-funded visual ecology research into the ability of the coral reef fish *Chromis viridis* to see polarised light. The researchers are now commercialising the technology through spin-out company Azul Optics with the support of a BBSRC/RSE Enterprise Fellowship.

Case study: Activiomics

BBSRC-funded fundamental bioscience research at Queen Mary University of London, on PI3 kinase proteins and the signalling pathway they

mediate, led to the creation of spin-out company Activiomics, providing mass spectrometry services to the pharmaceutical industry as well as conducting in-house research into ‘biomarkers’ associated with breast cancer.

The researchers developed a new mass spectrometry technique to overcome shortcomings in existing methods. The new technique could be used to identify biomarkers – molecular changes that allow clinicians to monitor disease progression and the effectiveness of treatment.

The company was sold to Retroscreen Virology Group plc (now hVIVO) for £4M, and now focuses on biomarkers for respiratory disease.

Case study: Elasmogen

University of Aberdeen researchers established spin-out company Elasmogen to develop new medicines based on antibody-like molecules isolated from sharks, called VNARs. BBSRC invested in the initial research that led to the discovery and patenting of the shark VNARs, and has supported commercialisation of the technology through a Follow-On Fund award and a BBSRC/RSE Enterprise Fellowship.

Since it was founded in early 2016 the company, which employs 6 people, has received £1.1M private investment and won several awards for new start-up companies.

¹ Data obtained through the combination of historical BBSRC data and that submitted by researchers through the 2014 and 2016 researchfish® exercises. Of the 373 spinout companies, 288 are still active (Companies House data, January 2017).

iv) Growing and attracting talent

Investing in skilled people for the research base, and building capacity in the UK workforce

A highly skilled and trained workforce is essential for the success of the bioscience sector and a driving force for the bioeconomy. BBSRC invests in postgraduate training, early-career researchers and the development of research leaders to ensure that the research base is equipped with the range of skills and talent required for modern bioscience, and provide highly-skilled people for the public, private, third and research sectors.

■ Doctoral Training Partnerships

BBSRC is investing £125M of funding over five years to support the training and development of 1250 PhD students through 12 Doctoral Training Partnerships. The second cohort of students began in autumn 2016. A total of 331 new DTP students (a 32% increase on the notional 250 per year) have been recorded starting in 2016-17 due to institutional leveraging.

■ £19M for industry-led PhD training

In November, BBSRC announced a £18.9M investment to support world-class industry-led collaborative doctoral training through Collaborative Training Partnerships (CTP). The investment will train and develop a total of 189 PhD students, through three intakes in academic years, 2017-18, 2018-19 and 2019-20, to produce skilled people for the research base and build capability in the UK workforce. CTP succeeds Industrial CASE Partnerships as BBSRC's mechanism for the block award of CASE studentships to non-academic research organisations. The 10 new CTPs will be led by:

- AstraZeneca
- Berry Gardens Growers
- Croda International
- Eli Lilly and Company
- GlaxoSmithKline
- The Industrial Biotechnology Innovation Centre
- MedImmune (AstraZeneca)
- Mondelez UK
- Unilever UK
- Waitrose

■ Support for strategically important and vulnerable skills

The latest rounds of the Strategic Training Awards for Research Skills programme have brought the total investment announced to date to £674k. These flexible awards support the development of strategically important and vulnerable skills and capabilities in biosciences, helping to ensure that the UK has the capacity to meet future strategic and scientific challenges. New awards made in 2016-17 will support the growth of skills in fields including: statistics, computing, imaging, bioprocessing, and veterinary sciences.

■ Understanding career paths for non-faculty researchers

Towards the end of 2015 BBSRC conducted a survey of over 800 non-faculty researchers who perform essential research and research support roles, requesting their views on careers and skills. The outcomes of this exercise have helped raise awareness of the issues surrounding the career development for non-faculty members of staff. In December 2016, BBSRC published a letter in the journal *Nature*² addressing the need for clearer paths for technical careers and in March 2017 held a workshop to discuss Non-Faculty Researchers Careers and Recognition.

Celebrating bioscience innovators

Professor Tom Brown, University of Oxford, was named BBSRC Innovator of the Year 2016, for his high impact serial entrepreneurship in DNA chemistry and outstanding commitment to innovation. Professor Brown also won the commercial Innovator category in BBSRC's flagship 'Innovator of the Year' competition.

Dr Barrie Rooney, University of Kent, was named BBSRC Social Innovator 2016 for engaging multiple groups to address neglected tropical diseases, such as sleeping sickness, and Dr Martin Pule, UCL, was named BBSRC Most Promising Innovator 2016 for frontier innovations in T-cell medicine.



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² Ball, M., Hardwick, R. and Vere, K. "Performance metrics: Forge a clearer path for technical careers", *Nature*, 540, 7632. <http://dx.doi.org/10.1038/540199c>

v) Strengthening the UK's position as a global leader

Capitalising on UK bioscience research strengths and strong international links to foster collaborations and enhance contributions to international development.

Science is increasingly a connected global endeavour and this provides excellent opportunities for leveraging the world-leading strength of UK bioscience for national and global benefit. Through international partnering and leadership, BBSRC is helping to reinforce the UK's position as a global partner of choice for bioscience research.

■ Strengthening international research links

BBSRC has continued to provide dedicated support for international partnering, including:

- the launch of a revised International Travel Awards Scheme to help BBSRC researchers establish contacts with international counterparts
- 26 new International Partnering Awards to support partnerships with Europe, India, China, Brazil, Taiwan, USA, Japan and other countries, and funding for three international workshops
- 14 projects funded under a lead agency agreement in responsive mode with Science Foundation Ireland

■ Advancing the European Research Area

BBSRC and STFC provide the UK delegation to the European Strategy Forum on Research Infrastructures (ESFRI). The ESFRI has a key role in policy-making on research infrastructures in Europe. BBSRC is involved in a number of ESFRI projects including:

- ELIXIR - the European infrastructure for life science information
- AnaEE - Infrastructure for Analysis and Experimentation on Ecosystems
- EMPHASIS - European plant phenotyping infrastructure
- Euro-BioImaging - imaging technologies in biological and biomedical sciences

BBSRC also co-leads the Agriculture, Food security and Climate Change Joint Programming Initiative (FACCE-JPI) with INRA in France. FACCE-JPI aligns 21 countries under a common Strategic Research Agenda and Implementation Plan, both of which were refreshed and adopted in June 2016.

■ Transnational research in molecular plant sciences

The third joint call for the ERA-Net for Coordinating Action in Plants Science (ERA-CAPS) was launched in June 2016, in the area of molecular plant sciences. In addition to the main call, applications are also invited to a sub-call "Addressing Data Challenges in Plant Sciences". This call, administered by Deutsche Forschungsgemeinschaft (DFG), is receiving £2.5-4M from BBSRC to cover both the main call and sub-call within it. ERA-CAPS's principal objective is to increase the coordination of resources across predominantly European agencies to enable the pooling of scientific and economic capabilities of the member countries.

■ Launch of new international collaboration in Biotechnologies

The ERA-Net Co-fund in Biotechnologies (CoBioTech) launched its first transnational call for collaborative research projects '*biotechnology for a sustainable bioeconomy*'. The aim of the call, which involves 22 funding organisations from 18 countries, is to contribute to transforming the global economy from a dependence on fossil raw material to a sustainable bio-based economy. It has an indicative budget of €38.3M; BBSRC has agreed to contribute up to £2M.

CoBioTech is a new ERA-Net Cofund Action under Horizon 2020 that aims to:

- maximise synergies between current mechanisms of biotechnology research funding in Europe
- foster the exchange of knowledge across borders,
- highlight the benefits of a bio-based economy for society
- maintain and strengthen Europe's position in biotechnology

Global Challenges Research Fund

The Global Challenges Research Fund (GCRF) is a 5-year £1.5Bn resource funding stream, announced as part of the 2015 spending review, to ensure that UK research takes a leading role in addressing the problems faced by developing countries.

The GCRF will deploy the UK's world-class research capability to address the challenges faced by the developing world. The funding is protected science spend and the **Research Councils are primary delivery partners**. The GCRF is also part of the UK Government's pledge to allocate 0.7% of Gross National Income to Official Development Assistance (ODA), promoting the welfare and economic development of developing countries.

The Research Councils have each received directly allocated portions of the GCRF which, for BBSRC, started at £10M for 2016-17, rising to £20M in subsequent years. BBSRC's GCRF investments in 2016-17 have included:

- £16.8M funding commitment for **35 Foundation Awards in Global Agricultural and Food Systems Research**. Foundation Awards are moderately sized, short to medium-term investments targeted towards novel research objectives that address the challenges faced by the developing world. The BBSRC-led programme complements MRC-led awards in infections, and non-communicable diseases, which are also being co-funded substantially by BBSRC, ESRC, AHRC and NERC.
- Launch of a joint call, with MRC, to establish **community-building Networks in Vector Borne Disease (VBD) Research**. Up to £9M has been made available to support interdisciplinary networks addressing VBD challenges in plants, animals and humans that are relevant to the health or prosperity of countries on the OECD DAC list.
- Up to £8M investment, with MRC, to establish Networks in Vaccine R&D (See page 10).
- **Twenty three GCRF Impact Acceleration Accounts**, awarded to research organisations to facilitate knowledge exchange and enable innovation in an international development context, and build sustainable capacity for future ODA-relevant research.
- Pump-priming support to **explore opportunities in synthetic biology and industrial biotechnology**. A number of scoping workshops have taken place, enabling researchers in the UK and in developing countries to work together identify challenges, research needs, and priorities, to help UK academic and business communities prepare for future GCRF opportunities and establish links with overseas partners.
- Launch of a call, with the National Science Foundation (NSF), National Institutes of Health (NIH) and U.S. Department of Agriculture (USDA), for **UK-US collaborative research on the ecology, evolution and transmission dynamics of pathogens** of farmed animals and/or crops grown in Low and/or Middle Income Countries (LMICs).
- £6M investment to support the provision, by strategically-funded institutes, of **data and resources** relevant to international development research.

Newton Fund

The Newton Fund was set up by UK Government in 2014 to build research and innovation partnerships with 16 partner countries to support their economic development and social welfare, and to develop their research and innovation capacity for long-term sustainable growth.

Between 2014 and 2016, BBSRC has committed over £38M through Newton Fund activities to support collaborative research partnerships that help to fulfil the development needs of partnering countries. These investments have been made in collaboration with a wide range of delivery and funding partners, both in the UK and in Newton partner countries. New activities in 2016-17 have included:

- **Tackling anti-microbial resistance with China**
BBSRC, ESRC and MRC have together invested £4.5M to support six new research partnerships looking at ways of tackling the rise of anti-microbial resistance (AMR). UK researchers will work with Chinese counterparts, thanks to matched funding from National Natural Science Foundation of China (NSFC).
 - **UK-Brazil sustainable wheat production**
£4M has been awarded to support four bilateral UK-Brazil projects to address challenges in the sustainability of wheat production – £2M from the Newton Fund via BBSRC, with matched resources from the Brazilian Agricultural Research Corporation (Embrapa).
 - **UK-China-Vietnam-Philippines-Thailand sustainable rice programme**
13 projects were launched in January 2017 through the Newton Fund's UK-China-Thailand-Philippines-Vietnam Sustainable Rice Programme, across a range of research areas, featuring an innovative mix of regional and country approaches addressing core challenges for global and regional food security in a changing climate and developing resilience to crop pests and diseases.
- BBSRC has been allocated over £30M through the Newton Fund to support new collaborative programmes from 2017-18 to 2020-21. This new allocation will deliver a range of ODA relevant activities with Brazil, China, India, Mexico, the Philippines, Thailand, Vietnam and South Africa. The programmes supported by this allocation will cover a variety of research areas across BBSRC strategic priorities.

Further information about BBSRC Newton Fund Partnerships can be found at the following address:
<http://www.bbsrc.ac.uk/documents/bbsrc-newton-fund-partnerships-pdf/>



Key funding and performance data

BBSRC Historic Allocations					
	2012-13 £'000	2013-14 £'000	2014-15 £'000	2015-16 £'000	2016-17 £'000
Programme Resource	359,474	351,471	351,471	351,173	348,015
Administration Resource	26,116	17,488	16,300	14,903	13,848
Sub Total Resource	385,950	368,959	367,771	366,076	361,863
Programme Non-Cash	7,900	10,100	10,100	25,000	20,000
Administration Non-Cash	2,486	2,551	2,618	521	700
Sub Total Non-Cash	10,386	12,651	12,718	25,521	20,700
Total Resource DEL	396,336	381,610	380,489	391,597	382,563
Base Capital Allocation	29,700	29,700	29,700	26,700	46,515
Capital Projects	73,600	82,200	104,700	48,200	17,800
Total Capital DEL	100,300	111,900	134,400	74,900	64,315
Total BBSRC DEL	499,636	493,510	514,889	466,497	446,878

Summary of grant applications and success rates				
	2012-13	2013-14	2014-15	2015-16
Number of applications (excluding Fellowships)	1,507	1,865	1,964	1,778
Success rate by number (%)	29	27	26	25
Equivalent success rate by value (%)	28	27	26	25

Applications and success rates by gender								
	2012-13		2013-14		2014-15		2015-16	
	Male	Female	Male	Female	Male	Female	Male	Female
Project grants	26.7	22.5	27.3	22.4	23.3	19.0	23.2	22.6
Programme grants	41.3	33.3	32.3	22.5	36.7	40.4	31.1	26.3
New investigators	24.2	21.7	28.3	25.0	21.7	27.1	24.1	17.9
Fellowships	5.7 ¹	6.3	5.0	13.0	5.7 ²	11.2	10.1	8.8

Percentage of female applicants from total applications and from successful applications for peer-review funding								
	2012-13		2013-14		2014-15		2015-16	
	Total	Successful	Total	Successful	Total	Successful	Total	Successful
Project grants	21.9	19.1	23.4	20.0	24.3	20.8	22.4	22.3
Programme grants	18.0	15.1	20.6	15.3	22.6	24.3	21.6	19.0
New investigators	25.8	23.8	32.7	30.0	29.9	34.8	32.6	26.3
Fellowships	31.4	33.3	36.5	60.0	42.6	58.8	45.2	41.7

¹ In 2012-13 a total of five awards were available and two male applicants declined

² In 2014-15, Fellowships were offered to eight male applicants of whom one declined

Due to the timing of data production, figures for 2016-17 are not available at the time of going to press

BBSRC funding to funded institutes in 2016-17 (£M)				
Institute	BBSRC strategic grants	BBSRC other funding	BBSRC capital funding	Total BBSRC funding
Babraham Institute (BI) ³	12.81	1.06	5.28	19.15
Pirbright Institute (PI) ⁴	13.13	4.62	5.81	23.56
Institute of Food Research (IFR) ⁶	9.81	1.96	29.32	41.09
John Innes Centre (JIC)	12.41	12.23	4.39	29.03
Rothamsted Research (RRes)	13.78	5.00	2.06	20.84
Earlham Institute(previously TGAC)	6.32	2.80	0.54	9.66
Roslin Institute at the University of Edinburgh (RI) ⁵	7.84	10.96	0.04	18.84
Institute of Biological, Environmental and Rural Sciences at Aberystwyth University (IBERS) ⁵	4.31	0.10	0.06	4.47
2016-17 Totals	80.41	38.73	47.50	166.64
2015-16 Totals	82.90	48.40	41.50	172.80

³ Includes BBT Ltd

⁴ Formerly the Institute for Animal Health (IAH)

⁵ 2 BBSRC-funded institutes, Roslin Institute and the Institute of Biological, Environmental and Rural Sciences, are embedded in the University of Edinburgh and Aberystwyth University, respectively. Competitive Research Grant funding, provided under the 'Other Funding' category, is provided direct to the Universities and not included here.

⁶ includes the £13.5M capital cost to date of BBSRC's £50M contribution to the construction of the new Quadram Institute facility. This facility, which will integrate the research teams from the IFR and UEA's Faculty of Science and Norwich Medical School with the NNUHs' gastrointestinal endoscopy facility under one roof, will open in 2018.

Top 25 universities by grant funding					
2016-17			2015-16		
	University	£M		University	£M
1	The University of Manchester	19.89	1	University of Manchester	21.25
2	University of Edinburgh	18.45	2	University of Edinburgh	19.14
3	University of Cambridge	15.65	3	University of Cambridge	15.83
4	University of Oxford	14.14	4	University College London	14.63
5	University of Nottingham	13.69	5	University of Nottingham	13.24
6	University College London	13.25	6	University of Oxford	12.77
7	Imperial College London	11.82	7	Imperial College London	12.41
8	University of Bristol	11.01	8	University of Bristol	12.06
9	University of Warwick	10.99	9	University of Warwick	10.77
10	University of Glasgow	10.21	10	University of Glasgow	9.96
11	University of York	8.53	11	University of York	7.52
12	University of Leeds	7.31	12	King's College London	7.12
13	King's College London	5.84	13	University of Sheffield	6.65
14	University of Birmingham	5.65	14	University of Leeds	6.22
15	University of Sheffield	5.55	15	University of Newcastle Upon Tyne	5.67
16	University of Newcastle Upon Tyne	5.35	16	University of Liverpool	5.46
17	University of Liverpool	5.19	17	University of Birmingham	5.33
18	University of Exeter	4.08	18	University of Dundee	4.7
19	University of East Anglia	3.82	19	University of East Anglia	4.38
20	University of Kent	3.81	20	University of Exeter	3.67
21	University of Dundee	3.76	21	University of Southampton	3.49
22	University of St Andrews	3.74	22	Cardiff University	3.32
23	University of Aberdeen	3.57	23	University of Aberdeen	3.19
24	University of Reading	3.56	24	University of Reading	3.16
25	University of Southampton	3.42	25	University of Leicester	2.88

Financial Performance / Our Finances

In 2016-17 BBSRC had a working budget of £450M (£471M in 2015-16), comprising £379M resource and £71M capital. The decrease reflects the profiling of capital funding for large projects. The table below shows BBSRC's budgetary outturn against our allocation.

Budgetary Outturn £'000	Programme	Admin	Capital	Non cash	Total
Initial Allocation	348,015	13,848	64,315	20,700	446,878
Target Outturn	352,015	13,848	71,005	13,565	450,433
Outturn	352,008	13,774	70,970	11,121	447,873
Underspend / (overspend)	7	74	35	2,444	2,560
Underspend / (overspend) %	0.01%	0.54%	0.05%	18.02%	0.57%

BBSRC's budget outturn set out in the table above is based on Government budgeting rules as set out in HM Treasury's *Consolidated Budgeting Guidance* 2016-17 and aligns to the budget results recorded by BEIS for BBSRC. It differs from the figures reported in the financial statements as set out in the table below.

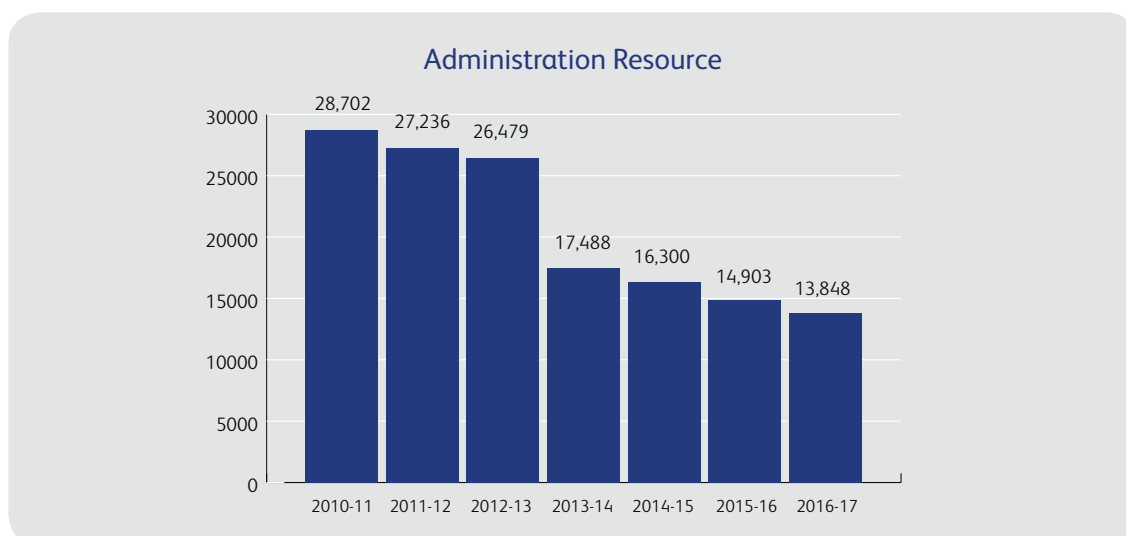
Reconciliation of outturn to financial statements £'000	
Expenditure per outturn	447,872
Reconciling items (AME spend)	19,438
Notional UK SBS charges	1,812
Net gain on revaluation of property, plant and equipment	(36,329)
Total comprehensive expenditure	432,843

Resource Budget

During the year, BBSRC spent £395.1M on research and capital grants (compared with £398.7M in 2015-16). An analysis of research funding is included in note 2 to the accounts. In 2016-17 BBSRC provided £50.9M for training and fellowship awards (compared with £45.6M in 2015-16).

Administration Budget

In 2016-17, BBSRC received an administration allocation of £13.8M (2015-16: £14.9M), a decrease of £0.9M on the previous year. The budget reduction reflects continuing austerity measures across Government. The graph below shows the reduction in administration allocation during the last five years.



Capital Budget

BBSRC's capital allocation for 2016-17 is set out in the table below.

Capital Budget 2016-17	£'000
Base capital allocation	46,515
Centre for Food and Health	17,800
Additional Allocation from BEIS	5,800
In year asset sales	890
TOTAL ALLOCATION	71,005

The first phase of investment at the Pirbright Institute to construct new high containment virology laboratories has been successfully completed and an assurance review (Gateway Review 5) was held in January 2017. The review gave a 'Green' assessment for the project and found that 'the key benefit from this project has been achieved'. The second phase of investment at the Pirbright Institute to construct new low containment vaccinology laboratories and mixed containment in-vivo facilities is in progress. The BBSRC's new Vaccinology Centre, The Jenner Building was successfully completed within target for cost, time and quality and the building is now in full use. The building was officially opened in March 2017 by HRH The Princess Royal. Focus is now on the delivery of the in-vivo facilities which are at various stages of design and build with the final tranche scheduled for operational start in March 2021.

Capital commitment at 31 March 2017 was £225M, £60M higher than at 31 March 2016 (£165M), this is reflective of additional institute maintenance and development, and support of mid range equipment research capability.

The net book value of BBSRC's tangible fixed asset base decreased by £24M from £450M in 2015-16 to £426 M in 2016-17, mostly due to assets being sold or transferred to the Homes Communities Agency (HCA) during the year, see note 8 to accounts for further information. During the year, several assets have been reclassified as held for sale and have a net book value of £43.2M as detailed in note 8 to the accounts. Impairments in 2016-17 amounted to £1.3 M, compared to £16.43 M in 2015-16. The impairments relates to several assets across our sponsored institute sites where there has been a change in the use of the asset or for assets that are due for planned demolition.

UK Shared Business Services Ltd (UK SBS)

UK SBS provides processing services in human resources, procurement, payroll, finance and IT to all seven Research Councils. There is further information in the Governance Statement on page 35.

Creditor Payment Policy

BBSRC observes HM Treasury guidance and makes every effort to pay creditors within 5 days of receipt of invoice. Where this is not possible, BBSRC observes the CBI's Prompt Payers' Guide, and adheres to the principles of the Prompt Payers' Code, endeavouring to ensure compliance with the agreed terms of payment of creditors' invoices and to pay them within 30 days of receipt of invoice. During 2016-17, 76.6% of undisputed invoices were paid within 5 working days (84.4% in 2015-16). During 2016-17, 96.4% of undisputed invoices were paid within 30 calendar days (98.2% in 2015-16).

Going Concern

BBSRC is dependent on funding from BEIS to meet liabilities falling due within future years. Funding for £428M in 2017-18 has been agreed via the Spending Review 2015. BBSRC has no reason to believe that future funding from BEIS will not be forthcoming after this spending review period, and therefore the financial statements are prepared on a going concern basis.

Environmental Policy

BBSRC's corporate Environmental Policy confirms our commitment to promote environmental best practice. Energy efficiency is an important element of the policy. BBSRC funded Institutes occupying BBSRC sites have fully supported the corporate Environmental Policy and have formulated their individual environmental policies, specific to their own activities, to reflect the framework of the BBSRC policy. Specifically BBSRC is committed to:

- Understanding its environmental impacts, including the direct environmental impacts of the research that it sponsors. It requires recipients of BBSRC funding to monitor and minimise any adverse impacts on the environment and local communities
- Compliance with relevant environmental legislation, and, where appropriate, adoption of current standards of best practice

- Continual development of objectives and targets to reduce environmental impacts through the application of realistic, measurable and achievable performance indicators
- The efficient use of energy and natural resources, minimising waste and encouraging effective re-use and recycling
- Minimising the environmental impacts of new buildings and structures through good specification and design whilst supporting their primary function
- Working with suppliers and contractors to promote approaches to supply chain management and product sourcing that minimise adverse environmental impacts
- Raising awareness and training staff in best practice in order to ensure effective resource management
- Raising awareness and maintaining dialogue with external stakeholders, including commercial and domestic tenants, contractors, suppliers, local communities, local authorities and other organisations, to identify key environmental issues and to ensure standards of best practice on site
- Regularly reviewing its environmental impacts and environmental management practices

Energy Policy

BBSRC is committed to reducing our energy consumption to the lowest practical level, commensurate with the realistic needs of the research programme. The policy commitments are:

- To promote best practice in energy and environmental conservation and to implement strategies to reduce energy consumption and cost
- To promote energy and environmental conservation and to encourage all staff to be efficient with their use of energy
- To ensure, as far as possible, that new buildings, plant and equipment are designed to provide for a high but cost effective standard of energy and environmental conservation
- To implement energy efficient capital schemes at institute sites
- To adopt energy purchasing strategies to achieve the best prices from the marketplace and to seek opportunities for purchasing renewable energy
- To measure and reduce carbon emissions

Environmental Management And Implementation

Polaris House where BBSRC is located has been awarded, and implements, an Environmental Management system (EMS) via ISO 14001.

Polaris House has successfully retained its ISO 14001 accreditation in February 2017 and the responsibility of the EMS and environmental aspects of the campus has been transferred over to the Joint Building Operations Services (JBOS).

BBSRC is active in promoting and supporting its associated Institutes in attaining accreditation for Environmental Management systems under ISO 14001; Rothamsted Research at Harpenden has been awarded ISO 14001.

The environmental impact, together with the monitoring and usage of resources within Polaris House is managed by the JBOS which has set a target of reducing to five per cent, waste disposal to landfill by 2017. This target has been met as all waste produced at Polaris House is now recycled or incinerated and undergoes energy recovery where possible. Reporting on the actual quantities of waste disposal will not be available until after the publication of this document.

JBOS has continued to implement and integrate energy saving and Carbon reducing technologies into the building systems. There are various technologies available for future consideration, such as:

- Photo Voltaic electrical generation;
- Combined Heat and Power generation;
- Installation of low energy lighting;
- Bore hole water supply; and
- Further Insulation.

The above are technologies that require substantial capital investment, together with extended payback periods that in many cases extend beyond the expected efficient operational life of the integrated components. These technologies require careful examination prior to the commitment of funds to these sizable investments.

As at 31 March 2017, it can be reported that:

- Low energy 'LED' type lighting is being installed within the areas of Polaris House that are undergoing refurbishment together with automatic PIR lighting control
- LED lighting has been installed within the multi storey car park as well as PIR Lighting Control
- A programme of window replacement with high efficiency PVC units has been carried out in block 3 of Polaris House

Sustainability

BBSRC is fully committed to a programme of review and reduction in the use of energy, finite resources and waste disposal.

The majority of BBSRC's Carbon emissions emanate from the use of mains supplied electricity within its' head office, Polaris House, and it is this resource that when targeted with energy saving technologies will return the highest level of reductions

Professor Melanie Welham

Interim Chief Executive and Accounting Officer
Date: 29 June 2017



Accountability Report

Corporate Governance Report

Directors' Report

Governance

BBSRC is an independent non-departmental public body of the Department for Business, Energy and Industrial Strategy (BEIS), established by Royal Charter. BBSRC's working relationship and lines of accountability with its sponsor department BEIS are defined through a Management Statement and Financial Memorandum, which are subject to periodic review.

BBSRC's Chief Executive, in her role as Accounting Officer, is accountable to the public via Parliament. Parliament monitors and influences BBSRC's work through its Select Committees and the Parliamentary Ombudsman.

Council

The Governance Statement in the Accounts describes the role of Council within BBSRC's governance framework and provides information about Council's membership, performance and attendance.

Information about Council's Boards is also contained within the Governance Statement. More information about Council can be found at: <http://www.bbsrc.ac.uk/about/governance-structure/council/> and the membership of Council and main advisory boards can be found in the Governance Statement.

Note 14 in the Accounts contains details of related party transactions. Registers of interest for Council, Boards and Committees can be found at:

<http://www.bbsrc.ac.uk/documents/council-conflicts-pdf/>

Panels and Committees

BBSRC's strategy advisory structure comprises the panels listed below. Membership can be found on BBSRC's website at: www.bbsrc.ac.uk/organisation/structures/panels

- Agriculture and Food Security Strategy Advisory Panel
- Bioscience for Health Strategy Advisory Panel
- Bioscience for Industry Strategy Panel
- Bioscience for Society Strategy Panel
- Bioscience Skills and Careers Strategy Panel

- Exploiting New Ways of Working Strategy Advisory Panel
- Industrial Biotechnology and Bioenergy Strategy Advisory Panel
- Research Advisory Panel

BBSRC has a number of committees which assess applications for responsive mode grant funding and assess studentship and fellowship applications. BBSRC's committees are listed below and membership can be found on BBSRC's website at: <http://www.bbsrc.ac.uk/about/governance-structure/committees/> A list of members in BBSRC's peer review and strategy pool of experts is also available at this webpage.

- Committee A – animal disease, health and welfare
- Committee B – plants, microbes, food and sustainability
- Committee C – genes, development and STEM approaches to biology
- Committee D – molecules, cells and industrial biotechnology
- Committee E – fellowships and other personal awards

BBSRC Estates Management Policy and Strategy

in place a corporate policy (and procedures) for estates management, environmental performance reporting and capital maintenance work, through which it ensures that Institutes manage their estates in accordance with best practice, including energy and environment management. As a result, Institutes are required to:

- Define and implement 10-year estate strategies and capital investment plans;
- Support strategic science objectives;
- Identify future infrastructure requirements; and
- Ensure sustainability, fitness for purpose, legal compliance and value for money.

Protected Personal Data Related Incidents

BBSRC recognises and fully supports the need for effective information governance in protecting its information and the information entrusted to it in the course of its business. Compliance with data protection law is taken very seriously and as such, BBSRC provides all employees with training on their responsibilities on an annual basis. BBSRC continues to monitor and assess its information risks in order to identify and address any weaknesses and ensure continuous improvement of its systems and procedures.

There have been no personal data related incidents in 2016-17 requiring reporting to the Information Commissioner's Office.

TABLE 1: SUMMARY OF PROTECTED PERSONAL DATA RELATED INCIDENTS FORMALLY REPORTED TO THE INFORMATION COMMISSIONERS OFFICE IN 2016-17

Statement on Information risk	<ul style="list-style-type: none"> - All staff have been provided with Information Governance and Data Protection Awareness training, either through new starter inductions or annual refresher training. - Privacy Impact Assessments are routinely carried out on new systems to ensure that BBSRC remains compliant with data protection legislation and put in necessary security controls. - Data Sharing Agreements are routinely implemented as and when BBSRC is required to share data with other organisations. 			
Date of incident (month)	Nature of incident	Nature of Data Involved	Number of People Potentially Affected	Notification Steps
	0	0	0	0
Further action on information risk	Revision of the Data Protection Policy is in progress. Revision of the Retention Schedule has been completed to comply with legislation and business requirements.			

TABLE 2: SUMMARY OF OTHER PROTECTED PERSONAL DATA RELATED INCIDENTS IN 2016-17

Incidents deemed by the Data Controller not to fall within the criteria for report to the Information Commissioner's office but recorded centrally within the Department are set out in the table below

Category	Nature of incident	Total
I	Loss of inadequately protected electronic equipment, devices or paper documents from secured Government premises	0
II	Loss of inadequately protected electronic equipment, devices or paper documents from outside secured Government premises	0
III	Insecure disposal of inadequately protected electronic equipment, devices or paper documents	0
IV	Unauthorised disclosure	1
V	Other	0

TABLE 3: YEAR-ON-YEAR TOTAL NUMBERS OF PROTECTED PERSONAL DATA RELATED INCIDENTS PRIOR TO 2016-17

Total number of protected personal data related incidents formally reported to the Information Commissioner's Office, by category number.							Total number of other protected personal data related incidents by category number.						
	I	II	III	IV	V	Total		I	II	III	IV	V	Total
2016-17	0	0	0	0	0	0	2016-17	0	0	0	1	0	1
2015-16	0	0	0	0	0	0	2015-16	0	0	0	0	2	2
2014-15	0	0	0	0	0	0	2014-15	0	0	0	0	3	3
2013-14	0	0	0	0	0	0	2013-14	0	0	0	0	2	2

Public Sector Information Holder

BBSRC does not sell data and therefore is not making a statement with regard to the requirements set out in HM Treasury and Office of Public Sector Information guidance.

Freedom of Information

Since its formation BBSRC has been subject to the Freedom of Information Act. During 2016-17 BBSRC provided information in response to 48 requests (2015-16: 39).

Statement of responsibility of Council and Chief Executive as Accounting Officer

Under Section 2(2) of the Science and Technology Act 1965, the Secretary of State with the consent of HM Treasury has directed BBSRC to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of BBSRC and its net expenditure, changes in taxpayers' equity, and cash flows for the financial year.

In preparing the Accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by the Secretary of State including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgments and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Council will continue to operate.

The Department for Business, Energy and Industrial Strategy (BEIS) has appointed the Chief Executive as Accounting Officer of BBSRC. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding BBSRC's assets, are set out in the NDPB Accounting Officers' Memorandum issued by HM Treasury and published in 'Managing Public Money'.

BBSRC's Accounts are audited by the Comptroller and Auditor General in accordance with Section 2(2) of the Science and Technology Act 1965. The audit fee for the year was £85,000 (2015-16: £85,000). No non-audit work was performed by the Auditors during the year. In so far as the Accounting Officer is aware, there is no relevant audit information of which BBSRC's auditors are unaware, and the Accounting Officer has taken all the steps that she ought to have taken to make herself aware of any relevant audit information and to establish that the BBSRC's auditors are aware of that information.

The annual report and accounts as a whole is fair, balanced and understandable. The Accounting Officer takes personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

Governance Statement

1. Scope of Responsibility

As Accounting Officer, I have personal responsibility for maintaining a sound system of governance and internal control, which supports the achievement of BBSRC's policies, aims and objectives whilst safeguarding the public funds and BBSRC assets for which I am responsible, in accordance with the responsibilities assigned to me and disclosed in 'Managing Public Money'.

BBSRC is an independent non-departmental public body of the Department for Business, Energy and Industrial Strategy (BEIS). BBSRC's lines of accountability with BEIS are defined through a Management Statement, Code of Practice and Financial Memorandum.

2. The Purpose of the Governance Statement

The Governance statement, for which I take personal responsibility, gives a clear understanding of the dynamics of BBSRC and its control structure. It records the stewardship of BBSRC, and provides a sense of BBSRC's performance during the year and how successfully it has coped with the challenges it faced. The statement explains how BBSRC has complied with the principles of good governance, reviews the effectiveness of these arrangements, and complies fully with the Corporate Governance Code.

3. Governance Framework

In my role as BBSRC's Accounting Officer, I am supported by BBSRC's Council, its Boards, and the Executive team within BBSRC, who use a range of management information to monitor performance and inform decision making. There are controls in place that ensure the quality of data is of the standard expected for reliable and informed decision making.

BBSRC Council

Council is BBSRC's top level decision-making body, and comprises the Chair, me, and between 10-18 other members, at least half of whom are appointed for their qualification in relevant science. Users of research in both Government and industry are also represented. All members are appointed by the Secretary of State for Business, Energy and Industrial Strategy, and are required to abide by a Code of Practice that covers conflicts of interests and general conduct. Details of Council membership can be found at <http://www.bbsrc.ac.uk/about/governance-structure/council/>

Council meets at regular intervals throughout the year and exercises full and effective control over the activities of BBSRC and its staff. Council decides all issues of major importance, including: issues of corporate strategy; key strategic objectives and targets; major decisions involving the use of financial and other resources; and substantive personnel issues, including key appointments. Nevertheless, Council delegates responsibility to me, as Interim Chief Executive, and BBSRC staff to the maximum extent possible.

Examples of recent Council meeting agenda items for discussion include:

- The 2016 Institute Assessment Exercise;
- Enabling Impact;
- Annual consideration of BBSRC research investments;
- The Change Landscape;
- Annual discussion on forward Strategy and Budget; and
- Presentation from the 2016 BBSRC Commercial Innovator of the Year and Innovator of the Year awards winner, Professor Tom Brown, on Innovations with DNA.

In line with good governance principles, each year BBSRC carries out a formal appraisal of the performance of Council. Collective appraisal provides Council with an opportunity to consider its own effectiveness and to comment on issues which are not normally part of its usual business, the results of which are presented to Council for an open discussion on issues of significant note.

BBSRC also has in place annual appraisals of individual Council members. The resulting reports are used in the process for considering Council re-appointments.

Council's Committee and Boards

Council approves the membership of the Committee and Boards that report to it; namely Appointments Board, Audit Committee and Remuneration Board. The Chair of each is required to report regularly on the work of their respective Boards and to take forward specific tasks as directed by Council.

Appointments Board

Appointments Board meets at least once per year, and also deals with appointments by correspondence throughout the year. It is responsible for the open and transparent selection and appointment processes for BBSRC Strategy Advisory Panels and Research Committees.

Council is provided with the minutes of Appointments Board, with the 2016-17 meeting minutes due to be presented at its meeting in June 2017. Council is asked to approve appointments of Panel and Committee Chairs, with many key decisions regarding appointments being dealt with by correspondence to enable prompt decision making.

Audit Committee

Audit Committee meets 4 times a year, 3 meetings plus an additional teleconference and is responsible for; reviewing the annual statutory accounts of BBSRC and the BBSRC hosted Research Councils' Pension Schemes (RCPS), monitoring the adequacy and effectiveness of BBSRC's risk and internal control framework, reviewing the scope of the internal audit plan for the coming year, and overseeing the outcomes of the work undertaken by both the internal and external auditors. Meetings are attended by representatives from the National Audit Office (NAO) and Government Internal Audit Agency (GIAA) who provide the Research Councils' internal audit service.

Council is provided with the minutes of Audit Committee and is given oral updates by the Audit Committee Chair. In 2016-17 Council were informed that; BBSRC's Annual Report and Accounts 2015-16 had been formally agreed as well as the RCPS Accounts 2015-16; the Audit and Assurance Services Group (AASG) transferred to GIAA on 01 October 2016, and that there had been good constructive meetings with the CEO of GIAA; and that a new Independent Member had been recruited.

A Change Assurance Board has been established by RCUK the focus of which has been on the UK Research and Innovation Transition Programme and future service from GIAA. The BBSRC Audit Committee Chair is a member of this Board.

In line with good governance principles, each year BBSRC carries out a formal appraisal of the performance of Audit Committee, the results of which are presented to the Committee and Council for an open discussion on issues of significant note.

BBSRC also has in place annual appraisals of individual Committee members. The resulting reports are used in the process for considering re-appointments.

Remuneration Board

Remuneration Board meets once per year, although it may meet more frequently if required and is responsible for evaluating the performance of the Directors in BBSRC Office and determining their remuneration, including non- consolidated performance awards.

In order to retain strategic oversight of senior remuneration across BBSRC employment Remuneration Board also has the following roles:

- Note outcomes reported from Institute Remuneration Boards;
- Monitor senior remuneration diversity/equal pay issues; and
- Alert Chairs of Institute Governing Boards in relation to senior remuneration issues and/or feedback on specific apparent inconsistencies as identified above.

Council, Committee and Board membership and attendance 2016-17

Name of Member	Attendance			
	Council	Appointment Board	Audit Committee	Remuneration Board
Professor Sir Gordon Duff FRSE	4/4 (C)	-	-	1/1 (M)
Dr Neil Brewis	2/4 (M)	-	-	1/1 (M)
Dr Belinda Clarke FSB	4/4 (M)	-	-	-
Professor Richard Cogdell FRS	3/4 (M)	-	3/4 (M)	-
Professor Margaret Dallman OBE	4/4 (M)	-	3/4 (M)	-
Professor Carole Goble CBE FEng FBCS CITP	4/4 (M)	2/2 (C)	-	-
Dr Mike Goosey FRSC	3/4 (M)	-	-	1/1 (M)
Mr David Gregory	3/4 (M)	-	4/4 (C)	-
Professor Sarah Gurr	4/4 (M)	-	-	1/1 (M)
Dr Deborah Keith	4/4 (M)	2/2 (DC)	-	-
Professor Judith Petts CBE AcSS FRGS	4/4 (M)	-	-	-
Professor Helen Sang FRSB FRSE Note: Member was excluded from attending 1 meeting due to conflicts	3/3 (M)	-	-	-
Professor Charlotte Watts FMedSci Note: Appointment commenced 18 July 2016	2/3 (M)	-	-	-
Professor Melanie Welham FRSB	4/4 (CEO)	-	-	1/1 (M)
Professor Barry Hirst Note: Appointment ended 31 December 2016	-	2/2 (M)	-	-
Professor Rod Hubbard	-	2/2 (M)	-	-
Mr Donal Keane FCA Note: Appointment commenced 1 July 2016	-	-	2/2 (M)	-
Dr Fiona Marston	-	2/2 (M)	-	-
Professor Christine Nicol Note: Appointment commenced 1 January 2017	-	0/0 (M)	-	-
Professor Tracy Palmer FRSE Note: Appointment commenced 1 January 2017	-	0/0 (M)	-	-
Dr Len Stephens FRS	-	2/2 (M)	-	-
Professor Martin Warren	-	2/2 (M)	-	-
Professor Anne Willis OBE Note: Appointment ended 31 December 2016	-	2/2 (M)	-	-

C = Chair, DC = Deputy Chair, M = Member, CEO = BBSRC Interim Chief Executive.

Executive

BBSRC Executive Group comprises me, the Deputy Chief Executive, International and Executive Directors. Executive Group meets fortnightly to discuss both operational issues and strategic issues. Executive Group is responsible for taking forward actions on all matters emanating from Council and its Boards. It also ensures that relevant business is laid before Council in a timely manner, and reviews business associated with BEIS and RCUK.

Institutes

BBSRC's scientific remit requires research that is most appropriately delivered at independent mission-orientated Institutes with specialist facilities, alongside that conducted in university research departments, and new multi-disciplinary and 'virtual' centres. Whilst these Institutes are independent, BBSRC Executive Directors and staff meet regularly with Institutes to discuss high level policy, and strategic and operational issues in so far as they are aligned to, or have an impact on, BBSRC's strategic priorities and strategic plan.

Risks that relate to BBSRC's owned estates, capital developments; and reputation as a result of Institute activities, are managed via BBSRC's Risk Register, which is regularly reviewed by BBSRC Executive Group and Audit Committee.

4. The Risk and Internal Control Framework

The system of internal control is designed to manage risk to a tolerable level rather than eliminate all risk of failure to achieve policies, aims and objectives.

Risk Management

BBSRC has a robust management of risk process, based on HM Treasury best practice, designed to identify and prioritise the risks to the achievement of BBSRC's policies aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently and effectively.

Overall responsibility for risk management in BBSRC rests with me as the Interim Chief Executive and Accounting Officer. The task of implementing and maintaining the BBSRC Management of Risk policy is delegated to the Executive Director, Finance and Campus Operations who fulfils the role of the Director responsible for risk. However, all BBSRC Executive Directors share the responsibility to ensure the effective application of management of risk within BBSRC.

BBSRC actively encourages a culture of effective risk management, with open and transparent reporting of risk throughout the organisation. This recognises that effective risk management is an essential component of successful business operations, rather than simple risk avoidance. The management of risk framework includes:

- setting out a risk management policy defining the risk appetite for BBSRC;
- setting out guidance on the management of risk;
- signing up to overall assurance statements by Executive Directors (see Executive Directors' Stewardship Statements);
- appointing Executive Directors as Risk Owners for all risks identified;
- each Group having a Risk Manager in place and all controls to mitigate risks having an appointed Control Owner;
- using a risk management system to record risks and their controls;
- a formal PRINCE 2 based project management approach with embedded risk management being used for major activities, including the Business Critical Programmes;
- using the Office of Government Commerce Gateway review process for significant programmes, including the Business Critical Programmes;
- an Assurance Map which brings key activities, risks and assurance together; and
- using risks to inform the scope of the internal audit plan for the coming year.

Risk management and internal control are considered on a regular basis by BBSRC Executive and Audit Committee during the year. Both groups regularly review risks and the risk management framework, and receive reports on Business Critical Programmes pertaining through the year.

The management of risk process has been in place in BBSRC for 2016-17 and up to the date of approval of the annual report and accounts, and accords with HM Treasury guidance.

Business Critical Programmes

Business Critical Programmes are defined as programmes that could have a major and pervasive effect across 1 or more of BBSRC's principal areas of activity. Failure of any of these programmes could adversely affect BBSRC's operation and reputation or financial position.

The Business Critical Programmes at 31 March 2017 were as follows:

- Research and Innovation Campus Programme totalling £106M for the development of the research campuses at the strategic partnership Institutes;
- Pirbright Development Programme totalling £260M for the construction of truly world class facilities; and
- The Quadram Institute Programme totalling £75M for the construction of The Quadram Institute at the Norwich Research Park.

I am content that the 2016-17 Business Critical Programme reports and the reviews of the reports by BBSRC Executive and Audit Committee provide me with assurance that the Business Critical Programmes are being managed effectively.

MacPherson Review

The review of quality assurance of Government analytical models undertaken by Sir Nicholas Macpherson and published by HM Treasury in March 2013 made a number of recommendations for government departments and their Arm's Length Bodies.

To comply with this review, and BEIS requirements, BBSRC have reviewed their use of analytical modelling in 2016-17 and have not identified any that were considered to be business critical.

Tax Arrangements of Public Sector Appointees

The Alexander Review, published in May 2012, made a number of recommendations to ensure that the highest standards of integrity could be demonstrated in the tax arrangements of senior public appointees. I can confirm that BBSRC's senior staff are paid through payroll and that arrangements are in place to provide assurance that appropriate tax arrangements are in place to cover any other appointees covered by the report.

In 2016-17 BBSRC identified 1 contractor who fell within the Alexander Review criteria. BBSRC has sought and gained assurance that the appropriate tax arrangements are in place for the contractor identified.

I confirm that BBSRC is compliant with the requirements of the HM Treasury 'Review of the tax arrangements of public sector appointees' published in May 2012.

Transparency

In line with government's transparency agenda we publish details of all of our expenditure including Government Procurement Card (GPC) transactions regardless of value. Details of all BBSRC transactions are published on both our website and www.data.gov.uk.

Regularity and Propriety

BBSRC is committed to establishing and applying appropriate regularity and propriety standards, including applying appropriate cultures and behaviours and does not tolerate any form of fraud, bribery and/or corruption. The key components in this regard are:

- Fraud and Bribery policy;
- Research Council Whistleblowing policy;
- Gifts and Hospitality policy;
- Complaints procedure; and
- Research Council Code of Conduct policy.

A mandatory e-Learning awareness training package covering fraud and bribery was rolled out and completed by all staff in 2014-15 and has been completed by all new starters since this date. Further training on Fraud and Bribery for all staff is scheduled for 2017-18.

The Chair of the Audit Committee is the nominated contact for BBSRC staff to raise any concerns which may fall under the Whistleblowing policy.

I confirm that for 2016-17:

- Neither I nor my staff authorised a course of action, the financial impact of which is that transactions infringe the regulatory requirements as set out in Managing Public Money;
- There were no novel, contentious or repercussive transactions that required BEIS or HM Treasury approval;
- There were no instances of fraud identified within BBSRC or within UK SBS which impacted on BBSRC;
- There were no cases of whistleblowing and that the arrangements which we have in place for whistleblowing are effective; and
- There has been 1 breach of delegation in respect of a write off for a small monetary value for which BBSRC has zero delegated authority. Retrospective approval for the write off has been granted by BEIS.

Ministerial Directions

There were no Ministerial directions given in 2016-17.

Pay Remit

Pay setting arrangements throughout the Civil Service are set out in guidance issued by HM Treasury. I can confirm that BBSRC was compliant with the requirements.

Information security and assurance

Working closely with Government Security Agencies and its delivery partners, BBSRC continues to implement and embed security best practices within its operations, operating a system of continual improvement in response to the changing environment. The controls are tested through a programme of audits and an independently assessed annual health check submitted to BEIS. BBSRC has consistently maintained or improved its performance responding promptly to the findings of annual penetration tests, regular vulnerability scans, audits, and lessons learnt from security incidents to improve our security controls.

All BBSRC staff undertake mandatory security, information assurance and data protection training, with regular reminders delivered through various internal communications channels.

BBSRC experienced a small number of security incidents and near misses in 2016-17, none of which required the notification of the Information Commissioner's Office.

BBSRC remains committed to assessing our cyber security controls against the Cyber Security Essentials scheme and the Cyber Security 10 Steps to identify any improvements that are required. In addition BBSRC aims to achieve external accreditation in 2017-18.

Austerity Measures

BBSRC has robust control processes, checks and reporting arrangements in place to review and manage expenditure in keeping with the austerity measures introduced in May 2010.

5. Efficiency

Efficiency Programme

From 2011 to 2016 the Research Councils implemented an efficiency programme to drive down the costs and overheads associated with research. The efficiency savings derived from this programme were re-invested in research.

In the spring of 2011 RCUK published Efficiency 2011-15: Ensuring Excellence with Impact describing how the Research Councils would implement the recommendations in Sir William Wakeham's report Financial Sustainability and Efficiency in Full Economic Costing of Research in UK Higher Education Institution. The efficiency savings were applied to both research grants and fellowships awarded via competitive routes to research organisations and also to Research Council institutes.

The efficiency programme ended in March 2016 and during its 5 years achieved savings of £545M, exceeding the planned target. This figure will rise to over £610M over the next few years as the ongoing contributions from the efficiency savings deducted at source from grants awarded during this period are included.

Further details of the efficiency programme can be found at <http://www.rcuk.ac.uk/research/efficiency/efficiency2011/> and <http://www.rcuk.ac.uk/Publications/policy/Efficiency2011/>

Alongside these measures the Research Councils also introduced changes to the requests for equipment on grants, including asking applicants to demonstrate how the usage of the equipment will be maximised. RCUK has worked with university partners to develop options to promote and assist equipment sharing, including exploring the use of asset registers. There is good anecdotal evidence of significant progress by universities to promote sharing, and of very efficient usage of large pieces of experimental equipment.

UK Research and Innovation Transition Programme

On the 27 April 2017 Royal Assent was given to the Higher Education and Research Bill creating the Higher Education and Research Act 2017, which will result in the creation of UK Research and Innovation. In February 2017 Sir Mark Walport was appointed as Chief Executive Designate of UK Research and Innovation.

BEIS have been leading the UK Research and Innovation Implementation Programme with the Research Councils working directly on the following work streams:

- People and HR;
- Finance, Governance and Assurance;
- Legal; and
- Procurement.

Following the BEIS decision in October 2016 to revise their business case on common technology the Research Councils elected to restart the RCUK Business Digital and Technology Project focusing on the next 18 months' requirements.

In December 2016 BEIS took the decision to put their remaining Digital programmes on hold (Grants and HR/ Finance system replacement), and to maintain UK SBS as a shared service provider through to 2019-20. The Research Councils therefore agreed in February 2017 to start the requirements phase for a HR and Finance service and for a Grants service, working closely with the UK Research and Innovation Transition Programme and with work to secure and upgrade current UK SBS systems.

Also, 2016-17 saw the moves into Polaris House of Innovate UK and UK SBS, as part of the office Estates change project led by the cross Council Campus Oversight Board.

A Change Assurance Board was established in April 2016 with membership drawn from the Chairs of Audit Committees of the Research Councils. This Board has provided challenge and advice throughout the changes described above.

6. Review of Effectiveness

As Accounting Officer it is my responsibility to ensure a sound system of governance and internal control is being maintained. In 2016-17 this review has been informed by the work of BBSRC Audit Committee and the BBSRC Executive, including the review of Business Critical Programmes, the internal audit service provided by GIAA, RCUK Funding Assurance, the assurance opinion provided by the Accounting Officer of UK SBS, and comments made by the external auditors in their management letter and other reports.

Executive Directors' Stewardship Statements

BBSRC Executive Directors and the Deputy Chief Executive provide annual Stewardship Statements assessing internal control and risk management activities in their areas of responsibility, the results of which are reviewed and discussed by the Executive Group.

The 2016-17 returns provide a positive assessment on BBSRC's system of internal control, but highlight the ongoing concern regarding the challenge of recruiting and retaining employees as a result of the ongoing change environment. A further concern was noted regarding the morale of employees in light of the uncertainty around the forthcoming changes. These concerns are already reflected in the BBSRC risk register and are therefore being actively managed through the management of risk process.

I am content that the 2016-17 stewardship statements provide me with assurance that a sound system of governance and internal control is in place.

Internal Audit

The Director of Internal Audit (DIA) is required to provide me with an opinion on the overall adequacy and effectiveness of BBSRC's framework of governance, risk management and control.

In 2016-17 sufficient internal work has been undertaken to allow the DIA to provide a positively stated (evidence-based) and reasonable (not absolute) assurance opinion on the overall adequacy and effectiveness of BBSRC's system of internal control.

The overall opinion is Moderate assurance the definition of which is; some improvements are required to enhance the adequacy and effectiveness of the framework of Governance, Risk Management and Control. This opinion is informed through the work of internal audit completed during the year and provides assurance in 2 areas: BBSRC core activities and cross-client activities with a BBSRC involvement.

Of the 10 assurances provided through the core assurance work, 1 reflected limited assurance; the Business Continuity Planning internal audit. BBSRC's Business Continuity Plan is currently under review and all of the recommendations made by internal audit have been accepted and will be implemented during 2017-18.

Of the 24 cross-client audits carried out relevant to BBSRC, 4 reflected limited assurance; Change Management: RCUK Change Programme; Change Management: RCUK Communication and Public Engagement; Open Access Block Grant; and Procurement.

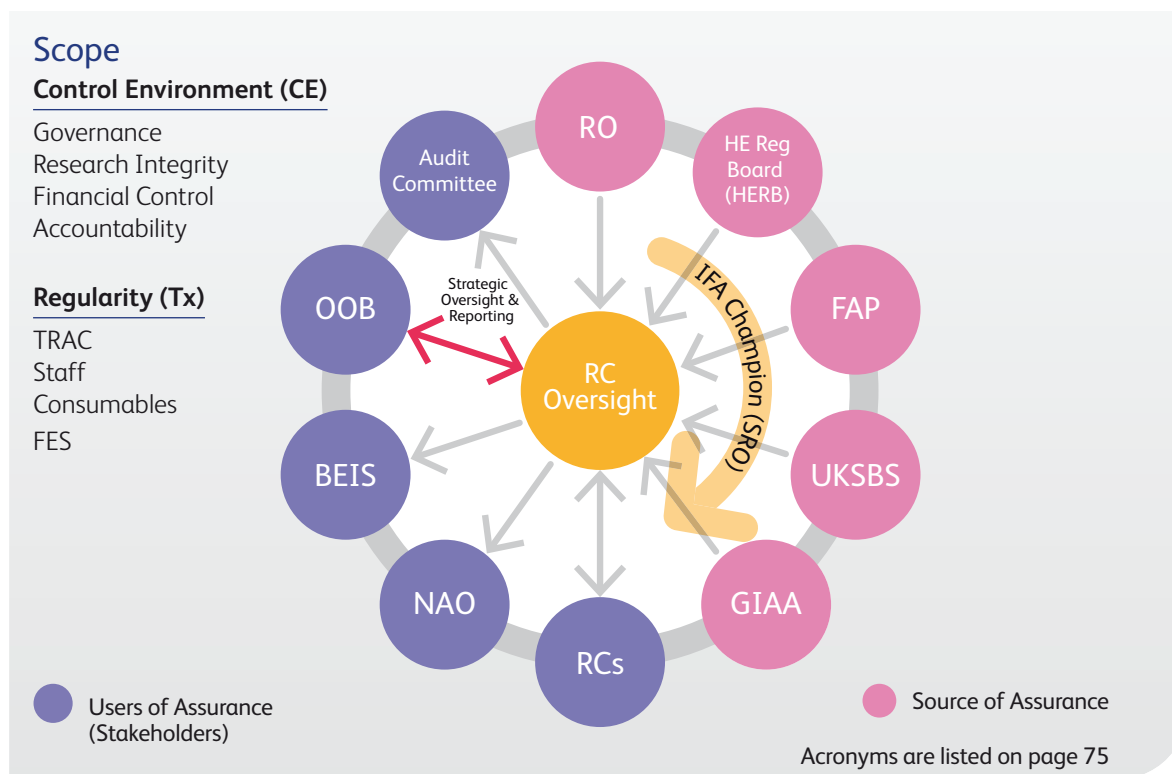
BBSRC has a comprehensive system for tracking implementation of audit recommendations. Progress on the implementation of core audit recommendations is closely monitored within BBSRC and regularly reviewed by the Audit Committee. Progress on the implementation of cross-client audit recommendations is monitored through the cross Research Council Governance, Risk and Assurance Improvement Network.

Funding Assurance

Across the RCUK community research funding totals £2.9Bn, of which £459.7M relates to BBSRC. The BBSRC funding landscape has 2 major funding mechanisms: (i) grants administered through the Siebel system (c. £299M) and awarded to eligible Research Organisations (ROs); and (ii) funding distributed outside the Siebel system (£160.7M) including strategic partnerships.

During the year a Funding Assurance Working Group (FAWG) was set up to review the framework and a revised Integrated Funding Assurance (IFA) has been implemented. This framework is predicated on establishing appropriate accountability within the Research Organisation in receipt of funding and collating assurance from a range of sources (see pink in Figure 1 – additional information is available on the RCUK webpages).

IFA Framework (Figure 1)



Siebel Grants

The assurance provided through this framework indicates a very low level of current and historic errors for all Research Councils. In particular in his report the Head of Funding Assurance provides Moderate Assurance based upon the programme of work undertaken.

Going forward, through Official Development Assistance (ODA), Global Challenges Research Fund (GCRF) and Newton Fund grants to overseas organisations will increase and they have the potential to become a significant part of the research council's expenditure. A FAWG sub-group is reviewing all aspects of international funding and sub-contracting.

In addition, in December 2016 Cabinet Office officially launched a set of Minimum Grant Standards to promote effective grant making, with 2017 being viewed as a pilot year for embedding these. The Research Councils have mapped the Cabinet Office standards against current policies and procedures and have demonstrated through this assurance framework that we can clearly evidence our compliance.

Non-Siebel funding

Grants to strategically funded Institutes represent the major part of BBSRC's non-Siebel funding:

- Funding to BBSRC Institutes £133.6M;
- Grants to other Government Departments £0.2M; and
- Other strategic funding £26.9M.

I take assurance on these activities primarily through the governance frameworks in place, including:

- Arrangements with BBSRC strategically funded Institutes which are described in the Assurance over strategically funded Institutes section below;
- Programme Board membership for every major BBSRC funded project;
- Regular bilateral meetings between BBSRC staff and Institutes to discuss financial, estates and governance matters as well as any emerging risks and risk mitigation strategies;

- Consortium agreements, Memorandums of Understanding, etc. setting out the rules and relationships for our engagement;
- Inclusion of major projects within BBSRC's internal audit programme; and
- Application of OGC Gateway Review process for all significant programmes.

The assurance provided through this framework indicates a number of funding pressures and by the very nature of the activities they are complex and novel. Nevertheless, I am reassured through the mechanisms described here that they are being managed in an appropriate manner and that there are no major issues that warrant specific reference.

Assurance over strategically funded Institutes

BBSRC achieves assurance over grant regularity for funding provided to its strategically funded Institutes via a number of mechanisms:

- BBSRC is a Corporate Member of the company for each of the 6 Institutes that are independent charities and companies limited by guarantee and attends Members meetings. In addition, BBSRC has an observer role on the trustee board, which enables it to access and oversee the Institutes' financial performance and management and delivery of BBSRC's science and innovation strategies as well as ensuring that the grants are spent in the way that they were intended and are value for money;
- For the 2 Institutes that are part of universities, IBERS (Aberystwyth University) and Roslin Institute (University of Edinburgh), BBSRC sits on relevant advisory committees and in addition holds regular strategic partnership meetings with each university;
- BBSRC conditions of grant give Institute Board of Trustees/university senior management specific responsibilities for the financial management and administration of the Institute and ensures that grant funding is protected and used in line with BBSRC's strategic priorities and plan;
- Annual strategic partnership meetings are held with each Institute's senior management team and members of the BBSRC Executive team which review operational and financial performance as well as discuss strategy;
- Bilateral operational meetings and regular contacts are held between BBSRC Finance and Campus Operations Group and the Institutes at both senior and operational levels to discuss financial, estates, operational, and governance matters, including reviewing of financial performance, as well as addressing risks and issues. Given the Institute's independence the discussions are restricted to matters that relate to BBSRC only. Where necessary, BBSRC undertakes in-depth reviews of Institute finances to gain assurance about the Institutes' financial controls integrity, sustainability, performance and risks. For example, a finance review was undertaken at Babraham Institute in December 2016 and in the previous year at Pirbright Institute in November 2015; and
- Institute Audit Assurance Programme that involves periodic visits to the Institutes to provide assurance that the Institute strategic funding is used and accounted for in accordance with the Institute Grant Conditions; and that adequate control procedures are in place to ensure public funds (and assets) are both protected and used in a regular and proper manner (i.e. in accordance with Managing Public Money requirements).

Specific controls for the Institute Strategic Programme Grants and National Capability Grants include:

- A comprehensive and competitive Institute Assessment Exercise (IAE) is carried out every 5 years, with the most recent taking place in 2016, to determine which research programmes and activities, along with their associated core capabilities (e.g. people, infrastructure, equipment etc.), should be supported;
- Annual monitoring of progress against objectives, with reports reviewed by BBSRC and an external expert panel;
- Annual collection of research detail to enable BBSRC to fulfil public accountability, transparency, corporate reporting and portfolio analysis requirements;
- Annual collection of outcomes data through the researchfish® system;

- Formal mid-term reviews of progress against objectives;
- Final Expenditure Statements (FES); and
- Ex-post evaluation.

Going forward a requirement of the next 5 year IAE funding cycle will be to provide annual expenditure statements (AES) in addition to a FES at the end of the IAE funding period.

UK Shared Business Services Ltd (UK SBS) assurance

UK SBS Ltd (UK SBS) provides processing services in human resources, procurement, payroll, finance and IT to all 7 Research Councils. UK SBS did provide processing services in grants up until 31 December 2016 at which point it was transferred back to the Research Councils.

The UK SBS Executive Director has written to me stating that the Head of Internal Audit (Government Internal Audit Agency) has provided an opinion of Moderate Assurance for both the internal operations within UK SBS and for its customer facing operations.

To provide additional assurance BBSRC has been operating a number of supplementary controls. GIAA has examined the additional controls, the outcomes of which were:

- | | | |
|--------------------------------|---|--------------------|
| ■ Payroll | - | Moderate Assurance |
| ■ Human Resources | - | Moderate Assurance |
| ■ GPC and iExpenses | - | Moderate Assurance |
| ■ Order and payment processing | - | Moderate Assurance |
| ■ Procurement | - | Limited Assurance |

The accepted audit recommendations in these areas will be taken forward in 2017-18. The recommendations in respect of the procurement audit are being taken forward at a cross Council level and will form part of the UK Research and Innovation Transition Programme to ensure that an appropriate level of procurement capacity exists within UK Research and Innovation.

External Audit

The BBSRC Annual Accounts are audited by the National Audit Office who produce an Audit Completion Report.

7. Risks and Issues

Risk Assessment

At 31 March 2017, the BBSRC Risk Register had 43 risks all of which had assigned controls in order to mitigate them to an acceptable level within BBSRC's risk appetite.

The key operational risks identified in BBSRC's Risk Register are:

■ RCUK Change Programme

There is a risk regarding the programme effectively managing change. Actions being taken to mitigate the probability of this risk occurring include; BBSRC providing resource to the programme to assist in delivering effective change; proactive planning for the future; and clear two way communications between both BBSRC and its employees and BBSRC and its community.

■ Research Grants Processing

There is a risk regarding the current cross Research Council grants processing solution. Actions being taken to mitigate the impact of this risk include; BBSRC input to the Business Service Change Oversight Board, established to oversee the project to scope the new grants service requirements; BBSRC representation on the RIFS Policy and Process Working Group; BBSRC representation on the cross Research Council Operations Group which works with UK SBS Ltd on the business as usual functionality of the current solution; continued cross Research Council financial input to support the current solution; UK SBS Ltd support and maintenance of the current solution; a disaster recovery plan owned and managed by UK SBS Ltd for the current solution; and regular updates to the Oracle system to further increase the stability of the current solution.

UK Shared Business Services Ltd (UK SBS)

Future Operations

The BEIS strategy for shared services, including the provision of services for UK Research and Innovation, is still evolving. It has been agreed that the planned transfer of services from UK SBS to other bodies by April 2018 is now not achievable or necessarily desirable and that UK SBS is likely to be delivering a number of services in some form until 2019-20.

The Security and Resilience programme for Oracle 12.0.6 saw the successful update and transfer of databases and applications to a new environment at the end of 2016, notable benefits are to the security and resilience with the security assessment undertaken after the transfer indicating that the systems were well within the best practise threshold. Planning for the proposed Oracle upgrade from 12.0.6 to 12.1.3 is underway. Once completed, this will mean that both the platform and full application stack will be back into full support until 2021, opening the door for further improvements and upgrades if required and providing significant contingency for ongoing service provision for the Research Councils and UK Research and Innovation pending a decision on future direction.

UK SBS highlights its key risks as continued resilience and capacity and capability. UK SBS' ability to maintain service delivery, prepare for and transfer services over the next 2-3 years will be highly dependent on capacity and capability.

Higher Education and Research Act 2017

The ability of BBSRC to continue to deliver its aims and objectives must be seen in the context of the wider change agenda faced by all Research Councils, with the most significant of these being the impact of the Higher Education and Research Act 2017. The anticipated creation of UK Research and Innovation on 01 April 2018 will present significant governance challenges to all of the Research Councils and the risk remains that uncertainty may affect staff and place additional demands on resource. This may in turn make it more difficult to maintain "business as usual" in the transition leading to the new structure unless mitigations are in place. BBSRC is fully engaged in the UK Research and Innovation Transition Programme at both strategic and operational levels and are working collaboratively with BEIS to identify and actively mitigate any risks.

Brexit

The result of the EU Referendum has created uncertainty around the future availability of EU Funding and the wider research and Higher Education ecosystem. This risk is currently being managed at a cross Research Council level through the creation of the RCUK Brexit Co-ordination Network. BBSRC has representation on this group which enables the BBSRC position to be voiced and the collective position to be considered by BBSRC.

8. Conclusion

The Governance Statement represents the results of the review of effectiveness of the system of governance and internal control. I have considered the evidence provided with regards to the production of the Annual Governance Statement and the advice of GIAA and BBSRC Audit Committee. The conclusion of the review is sufficient to satisfy me that the system of governance and internal control is appropriate to BBSRC and its risk profile.

Remuneration Report and Staff Report

Remuneration Report

Council Chair and Council members except Chief Executive

Remuneration Policy

Remuneration rates are the same across the Research Councils. The rates are reviewed each year by the Department for Business, Energy and Industrial Strategy (BEIS). In considering the new rates, BEIS may take into account the increase given to the senior civil service. BEIS consults with the Research Councils and the agreed change is implemented in October.

Appointments are non-pensionable and there is no entitlement to compensation for loss of office. No fee is payable in respect of Civil Servants, employees of Research Councils and other Non-Departmental Public Bodies and Agencies.

Remuneration (audited information)

Standard Fee Paid to Council Members (£ per annum)	2016-17	2015-16
Council Chair	16,430	16,430
Council Members who also chair Committees	9,110	9,110
Council Members	6,850	6,850

	Appointments		Remuneration £'000s	
	From	To	2016-17	2015-16
Chair – Professor Sir Gordon Duff FRSE	01/07/2015	30/06/2019	16	12
Deputy Chair and Chief Executive- Professor Melanie Welham FRSB	01/03/2016	31/03/2018	N/A	N/A
Dr Neil Brewis	01/04/2014	31/03/2018	7	3
Dr Belinda Clarke FSB	23/03/2015	31/03/2019	7	7
Professor Richard Cogdell FRS	01/04/2014	31/03/2018	7	7
Professor Margaret Dallman OBE	01/04/2014	31/03/2018	7	7
Professor Carole Goble CBE FREng FBICS CIP	01/04/2013	31/03/2017	7	7
Dr Mike Goosey FRSC	01/04/2011	31/03/2019	7	7
Mr David Gregory	01/04/2010	31/03/2018	9	9
Professor Sarah Gurr	01/04/2012	31/03/2019	7	7
Dr Deborah Keith	23/03/2015	23/03/2019	7	6
Professor Judith Petts CBE AcSS FRGS	01/04/2014	31/03/2018	7	7
Professor Helen Sang FRSB, FRSE	01/04/2014	31/03/2018	7	7
Professor Charlotte Watts FMedSci	18/07/2016	31/03/2019	N/A	N/A

The total emoluments of the Chairman were honoraria of £16,430 (2015-16: £16,430). The Chairman's appointment is non-pensionable and there is no entitlement to compensation for loss of office.

As noted in the policy section above, no fees are payable to Professor Welham.

Committee Chairs and Members

The remuneration of Committee Chairs and Members is set by the Financial Management Group of the Research Councils. Committee remuneration rates are reviewed every two years by the Research Councils' Finance Directors Group. It was decided to maintain the remuneration rates at their current level for 2016-17.

Committee Rates (£ per day)	2016-17	2015-16
Committee Chair	230	230
Committee Members	170	170

Chief Executive and BBSRC Executive Directors

Remuneration Committee

The Chief Executive's remuneration is determined by the Permanent Secretary of the Department for Business, Energy and Industrial Strategy (BEIS). The Permanent Secretary is advised by a Remuneration Committee chaired by the Director General of BEIS Business and Science Group. The Chair of BBSRC Council is consulted.

BBSRC Remuneration Board

The remuneration of BBSRC Executive Directors is reviewed and adjusted annually by the Council Remuneration Board. The Board is chaired by the Chair of Council and other membership comprises the Chief Executive and three Council Members, at least one of whom must have an industry background. Members of the Remuneration Board are listed within the Governance Statement in the Accounts.

Remuneration Policy

Subject to successful performance, the Chief Executive's salary rises by a cost of living increase and a pre-determined incremental increase up to a salary ceiling. In addition, non-consolidated, non-pensionable annual performance related pay may be awarded for performance towards objectives agreed by BBSRC and the Chief Executive.

The BBSRC Remuneration Board reviews performance against a series of objectives, categorised between fundamental, value-added or breakthrough, in determining each Executive Director's annual salary level and any Performance Related Pay award. The Board also take account of public sector pay constraints, relativities, job weight and any special factors. Increases are normally awarded from 1 July annually.

Contractual Policy

Professor Melanie Welham was appointed interim Chief Executive from 1 March 2016 and her appointment has been extended to 31 March 2018.

BBSRC Executive Directors are members of the BBSRC Executive Group. The Executive Directors are on indefinite contracts, similar to the majority of BBSRC staff, with notice periods of three months. Executive Directors' remuneration for 2016-17 is detailed in the table below. No Executive Director is in receipt of benefits in kind.

Employee Name	Start Date	Expired Term	Notice Period
Paul Burrows	01/07/2009	Open ended no Expired Term	13 weeks
Paul Gemmill	15/12/2003	Open ended no Expired Term	13 weeks
Jan Juillerat	01/03/2012	Open ended no Expired Term	13 weeks
David Parfrey	01/11/2008	Open ended no Expired Term	13 weeks
Steve Visscher	01/10/2008	Open ended no Expired Term	13 weeks
Melanie Welham	01/10/2012	Open ended no Expired Term	13 weeks
Amanda Collis	28/09/1998	Open ended no Expired Term	3 months
Karen Lewis	18/04/1995	Open ended no Expired Term	3 months

Remuneration of Senior Employees (Audited Information)

Single total figure of remuneration								
Executive Directors	Salary (£'000)		Bonus Payments (£'000)		Pension Benefits (£'000)		Total (£'000)	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Mr Paul Burrows	85-90	80-85	0-5	0-5	19	28	105-110	115-120
Mr Paul Gemmill	100-105	100-105	0-5	0-5	34	30	140-145	130-135
Ms Janet Juillerat	85-90	85-90	0-5	5-10	23	29	110-115	120-125
Mr David Parfrey	100-105	100-105	5-10	5-10	26	31	130-135	140-145
Mr Steve Visscher** ¹	75-80	75-80	0-5	5-10	N/A	N/A	80-85	85-90
Professor Melanie Welham	125-130	95-100	5-10	5-10	56	37	195-200	140-145
Dr Amanda Collis (from 1 March 2016) ⁴	85-90	5-10	0-5	0-5	130	33	220-225	95-100
Dr Karen Lewis (from 1 March 2016) ⁵	85-90	5-10	0-5	0-5	121	42	210-220	110-115

** Mr Steve Visscher is a member of the RCPS but as at 31 March 2017 and 31 March 2016 he was a deferred member paying no contributions and no pension benefits are calculated

¹ based on a 2.5 day working week for 2016-17 and 2015-16 and no pension benefits are calculated. Full time equivalent salary is £155-160,000 (2015-16: £150-£155,000)

⁴ Dr Amanda Collis full year equivalent salary is £80-85,000 for 2015-16

⁵ Dr Karen Lewis's full year equivalent salary is £80-85,000 for 2015-16

Salary and Allowances

Salary and allowances covers both pensionable and non-pensionable amounts and includes: gross salaries; performance related pay; over-time; allowances and any ex-gratia payments. It does not include amounts which are a reimbursement of expenses directly incurred in the performance of an individual's duties.

Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument. There were no benefits in kind for any of the senior management during the year.

Bonuses

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. The performance related pay awards reported in 2016-17 relate to performance in 2016-17 and the comparative awards reported for 2015-16 relate to the performance in 2015-16.

Fair Pay (Audited Information)

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest-paid Executive Director in BBSRC in the financial year 2016-17 was £155-160,000 (2015-16: £160-165,000). This was 5.16 times (2015-16: 5.3) the median remuneration of the workforce, which was £30,271 (2015-16: £30,191).

In 2016-17, 0 employees received remuneration in excess of the highest paid director (2015-16: 0) Remuneration ranged from £0-156,106 (2014-15; £0-£160,059)

Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

Pension Benefits (Audited Information)

Executive Director	Accrued pension and lump sum at pension age as at 31/03/2017	Real increase in pension and lump sum at pension age	Cash equivalent transfer value as at 31/03/2017	Cash equivalent transfer value as at 31/03/2016	Real increase in cash equivalent transfer value
	£'000	£'000	£'000	£'000	£'000
Mr Paul Burrows	165-170	2.5-5	894	840	17
Mr Paul Gemmill	20-25	0-2.5	396	341	29
Ms Janet Juillerat	35-40	0-2.5	585	541	17
Mr David Parfrey	25-30	0-2.5	505	456	24
Mr Steve Visscher*	N/A	N/A	N/A	N/A	N/A
Professor Melanie Welham (began CE position from 1 March 2016)	10-15	2.5-5	148	102	33
Dr Amanda Collis	75-80	22.5-25	343	233	95
Dr Karen Lewis	90-95	20-22.5	454	332	103

* Mr Steve Visscher is a member of the RCPS but as at 31 March 2017 and 31 March 2016 he was a deferred member paying no contributions and no pension benefits are calculated

Details of Pension Scheme

The employees of the Council are members of the Research Councils Pension Scheme (RCPS) which are defined benefit schemes funded from annual grant-in-aid on a pay-as-you-go basis. The benefits are by analogy to the Principal Civil Service Pension Scheme, except that while the schemes provide retirement and related benefits based on final or average emoluments, redundancy and injury benefits are administered and funded by the Council. The scheme is administered by the Research Councils' Joint Superannuation Service with the associated grant-in-aid managed by BBSRC. The schemes accounts are prepared by BBSRC on behalf of the BBSRC Chief Executive as the accounting officer of RCPS. Separate accounts are published for the pension schemes.

From 30 July 2007, employees may be in one of four defined schemes; either a 'final salary' scheme (classic, classic plus or premium); or a career average scheme (nuvos). Pensions payable are increased annually in line with changes in the Retail Prices Index (RPI). Employees' contributions vary between 1.5% and 8.85% depending on scheme. The employer's contribution is agreed by the RCPS Board of Management on the recommendation of the Government Actuary's Department (GAD) and is set at 26.0% of pensionable pay. Employer contributions are reviewed every four years following a full scheme valuation by GAD. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

The RCPS is a 'by-analogy' scheme to the Principal Civil Service Pension Scheme (PCSPS) and as a result any changes made to the PCSPS, including member contribution rates, are automatically applied to the RCPS. The PCSPS are changing the rates of employee pension contribution rates from 1 April 2017 for the lower pay level in the Classic Scheme and also the actual pensionable salary bands that the contribution rate applies to. Members of the classic, premium, classic plus and nuvos schemes will be affected.

A table of increases by pay band and scheme is provided below.

Annual Pensionable Earnings (full-time equivalent basis) contributions	Classic Scheme		Premium, Classic Plus and Nuvos	
	Current contribution rate	New 2017 rate	Current contribution rate	New 2017 rate
Up to £15,000	3.80	4.60	4.60	4.60
£15,001 - £21,442 (2015-16, up to £21,000)	4.60	4.60	4.60	4.60
£21,423 - £51,005 (2015-16: £21,000-£48,471)	5.45	5.45	5.45	5.45
£51,006 - £150,000 (2015-16: £48,741-£150,000)	7.35	7.35	7.35	7.35
£150,001 and above (2015-16 £150,001 +)	8.05	8.05	8.05	8.05

A Partnership Pension Account was made available to new staff from 1 October 2002, based on the portable Stakeholder Pension introduced by the Government in 2001. This is a defined contribution scheme. The employers pay the RCPS 0.8% of pensionable pay to cover death in service and ill health benefits. The employers pay the balance to the employee's private pension provider.

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age or immediately on ceasing to be an active member of the scheme if they are already at or over pensionable age. Pensionable age is 60 for members of classic, classic plus and premium and 65 for members of nuvos.

Further details about the Research Councils Pension Scheme pension arrangements can be found at the website <http://jsspensions.nerc.ac.uk/>

Cash Equivalent Transfer Value (CETV)

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in the former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Research Councils' pension arrangement and for which the RCPS has received a transfer payment commensurate with the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost.

Real increase in the value of the CETV

The real increase in the value of the CETV reflects the increase effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Compensation for loss of office (audited information)

There has been no compensation for loss of office of senior managers in 2016-17 or 2015-16.

Staff Report

On 1st April 2017, BBSRC employed 650 staff; compared to 1,200 on 1st April 2016. The reduction is largely due to the transfer of staff who were previously deployed to work at The Pirbright Institute and Rothamsted Research; the transfers were conducted under the Transfer of Undertakings Regulations (TUPE). Of the 650 staff, 291 were based in BBSRC Swindon Office which includes staff in Joint Service Units hosted by BBSRC on behalf of all of the Research Councils. 8 members of staff were employed overseas

BBSRC's employment policies, strategies and guidance are set out in the BBSRC Employment Code, which can be found on our website: <http://www.bbsrc.ac.uk/about/policies/employment/code>

Staff composition – gender analysis

The gender split for employees at BBSRC Swindon Office as at 31 March 2017 is shown in the table below.

Pay Bands	Headcount		FTE	
	Male	Female	Male	Female
Directors (PC1 & PC2)	7	5	6.30	5.00
Senior Managers (Bands F & G)	29	12	28.41	11.50
Other employees (Bands B to E)	66	172	67.72	159.84
Total	102	189	99.17	175.56

Sickness Absence

The sickness absence data for BBSRC Swindon Office is shown in the table below

	2014 -15	2015-16	2016-17
Total days of absence	2216	1515	1,656
Frequency of absences lasting longer than 28 days	12	8	15
Total days of long term absence	826	356	914
Average days of sick absence per person at BBSRC Office	6.67	5.08	6.34

Staff related costs (Audited Information)

BBSRC hosts a number of Joint Service Units (JSUs) on behalf of all of the Research Councils. The costs of these Joint Services Units (JSUs) are recharged to all of the Research Councils, including BBSRC. Figures below show the net of BBSRC Office and the JSUs recharges (2016-17: £2,538K, 2015-16: £2,648K) by BBSRC.

Staff costs comprise:

			2016-17 £'000	2015-16 £'000
	Permanently employed staff	Others	Total	Total
Wages and salaries	7,451	16	7,467	8,124
Social security costs	819		819	654
Other pension costs	1,979		1,979	2,033
Sub total	10,249	16	10,265	10,811
Less recoveries in respect of outward secondments				
Total net costs	10,265	16	10,265	10,811

No staff costs have been capitalised in 2016-17 or 2015-16

During 2016-17, BBSRC spent £1.265M (2015-16: £974,000) on professional fees as reported in note 4.1 to the financial statements

Superannuation

The employees of the Council are members of the Research Councils Pension Scheme (RCPS). For further details, please see page 40.

For 2016-17 employers' contributions of £1,979K were payable to the RCPS (2015-16: £2,033K) at 25.6% (2015-16: 25.6%) of pensionable pay, based on the salary bands.

The last actuarial valuation undertaken for RCPS was at 31 March 2006 and was completed in 2008-09. An actuarial valuation as at 31 March 2010 was initiated but not completed due to HM Treasury suspending all public sector pension scheme valuations whilst reform policies were being developed. HM Treasury concluded their reform policy which enabled the Government Actuary Department to start the process of completing a revised scheme valuation. This valuation will be as at 31 March 2012 in accordance with HM Treasury revised scheme valuation directions. The conclusion of the scheme valuation is directly linked to the reform of the RCPS and therefore future employer contribution rates will be established once the scheme reforms are implemented; which is expected in April 2018.

Further details about the Research Councils pension scheme arrangements can be found at the website <http://jsspensions.nerc.ac.uk/>

Staff numbers (Audited Information)

		2016-17	2015-16
	Permanently employed staff	Others	Total
Administrative	202.4		202.4
UK Paid Joint Services staff	61.3		61.3
Overseas Paid Staff	3.6		3.6
Temporary Agency Staff		4.0	4.0
Total	267.3	4.0	271.3

Reporting of Civil Service and Other Compensation Schemes - Exit Packages (Audited Information)

Exit package cost band	Number of departure agreed at BBSRC institutes		Number of other departures agreed at BBSRC Swindon office		Total number of exit packages by cost band	
	2016-17	2015-16	2016-17	2015-16 Re-stated	2016-17	2015-16 Re-stated
Less than £10,000	5	12	-	1	5	13
£10,000-£25,000	11	28	2	5	13	33
£25,000-£50,000	12	30	3	4	15	34
£50,000-£100,000	14	17	5	3	19	20
£100,000-£150,000	-	2	-	-	-	2
£150,000-£200,000	-	-	-	-	-	-
More than £200,000	-	-	-	-	-	-
Total number of exit packages	42	89	10	13	52	102
Total cost (£)	1,622,922	2,856,906	479,743	446,892	2,102,655	3,303,798

There were no compulsory redundancies in 2016-17 or 2015-16

Redundancies and other departure costs have been paid in accordance with the provisions of the Research Councils Compensation Scheme which is in analogy to the Civil Service Compensation Scheme. Exit costs are accounted for in full in the year in which departure is agreed. Where the BBSRC has agreed early retirements, the additional costs are met by BBSRC and not by the Research Councils Compensation Scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

As at 31 March 2017, BBSRC employed 359 staff at BBSRC strategically funded institutes. Whilst their direct salary costs are paid by the institutes, BBSRC is liable for any exit costs for these staff.

The 2016-17 figures do not include costs of £360,115 which relates to revised payments for exit packages agreed in 2015-16

Employee Engagement

BBSRC participated in the eighth annual Civil Service People Survey (CSPS) in October 2016; this provides an effective means of getting feedback from staff on a number of areas including My work, Organisational objectives and purpose, My manager, My team, Learning and development, Inclusion and fair treatment, Resources and workload, Pay and benefits, and Leadership and managing change.

- The response rate was 91 % and BBSRC achieved an increase in the engagement index from 68 % to 70 %.
- All 9 engagement themes saw increases, most significantly in Leadership and managing change. Other areas which showed an improved response included Learning and development, Inclusion and fair treatment, Resources and workload, and Pay and benefits.

BBSRC continues to focus on providing effective leadership in the context of a changing landscape as we prepare to move into UK Research and Innovation. Mechanisms for communicating with staff include the quarterly Chief Executive talk to all staff, regular updates through the Bulletin, regular teams meetings and informal huddles (including with the CE).

Learning and Development

BBSRC Swindon Office continue to offer a range of learning and development activities through a number of modules, which includes training courses accessed through the RCUK Core catalogue delivered by UK Shared Business Services. In addition to the core suite of offerings, key strategic priorities for learning and development were identified in 2016 by the Office Management Group which includes:

- Performance Management;
- Wellbeing; and
- Change.

In light of these strategic priorities, a range of training courses were offered throughout 2016-17 including:

Performance Management

- Appraisal training for line managers;
- Performance Management;
- SMART objective training; and
- Manager as a coach.

Change

- Living with change; and
- Change Management.

Well Being

- Introduction to mindfulness; and
- Stress Awareness for Managers.

BBSRC, along with other Research Councils collectively organised a World Mental Health Day on 10 October 2016 for employees, aimed at building individual and organisational awareness around mental health in the workplace.

BBSRC continues to support employees with specific development needs relating to their current role or as part of career progression through Sponsorship Awards. These fund high value formal qualifications, which are considered through an open competition on a bi-annual basis where individual cases are evaluated to ensure consistency and effective training budget, spend; return on investment is monitored.

Equality, Diversity and Inclusion

BBSRC recognises that diverse ideas, experiences, background and perspectives are fundamental to successful science and innovation. BBSRC is committed to embedding equality and diversity in the way we operate and the way we work with our partners and stakeholders, sharing best practice and considering how we can use our position as an opinion leader in the biosciences to influence culture change.

BBSRC published its 2014-2017 Equality and Diversity Strategy in November 2014 where we set our vision that “BBSRC aims to embed diversity in all we do as an investor, employer and partner fully reflecting the communities in which we work in order to ensure we are accessing the best input, talent and perspectives”. Associated with this strategy, we also published an action plan (<http://www.bbsrc.ac.uk/documents/equality-diversity-inclusion-action-plan.pdf>), which outlines in more detail the activities we planned to do to implement the strategy, split into four broad themes:

- Leading by Example;
- Challenging bias and ensuring fair and inclusive funding processes;
- Leading and supporting change in our research community; and
- Employer responsibilities.

Significant progress has been made for providing leadership in Equality and Diversity (within biosciences) and achieving improved diversity in the membership of BBSRC council, advisory and peer review bodies. Equality and Diversity has been successfully embedded within business as usual activities, in particular was the refreshment of the Equality and Diversity pages on BBSRC website, to provide a single point of access to all of BBSRC’s Equality and Diversity activities as a partner, investor and employer.

BBSRC now publishes data on who applies for, and is recruited onto, our Council, Boards, Panels and Committees. All staff have attended unconscious bias awareness training.

BBSRC is a partner in Change 100, a programme of summer internships for students and graduates with disabilities. This programme benefits both the intern (who gets the experience of work) and BBSRC (with access to highly talented people and also demonstrating our commitment to people with declared disabilities). One intern was supported through the programme during 2016-17.

Health, Safety Biosafety and Security (HSBS)

BBSRC realises that an effective environment for scientific research is healthy, safe and secure, where a positive safety culture is encouraged, legislative compliance is achieved and all stakeholders are engaged. Strong and comprehensive health and safety management underpins all work carried out in BBSRC. This is achieved by ensuring staff work in a comfortable environment, and are aware of their responsibilities with regard to their own and colleague’s health, safety and security.

BBSRC has seen significant and comprehensive improvements in health, safety and biosafety management in recent years. The outcome has been a continual reduction in the rate of accidents coupled with improvements to the outcome of health and safety audits.

There are also improvement areas which the Executive Group continues to work on around which include, proactively engaged in supporting and partnering HSBS activities. A robust system for risk assessment is in place for all hazardous activities, suitable and sufficient control measures are implemented and key risks are escalated to an appropriate level.

During 2017, a revised system of audits will be introduced that retains the oversight of health and safety procedures but introduces a deeper analysis of how well those procedures are put into practice. There is a desire from everyone within BBSRC to meet good practice in all HSBS areas.

RIDDOR Reported Incidents

It is a legal requirement to report certain incidents and ill health at work. The number of RIDDOR Reportable Incidents has decreased from 5 in 2014-15 to 3 in 2015-16 and 2016-17. A summary of the data from the last 3 years can be found below.

RIDDOR Reportable Incidents	2014-15	2015-16	2016-17
RIDDOR reportable accidents	1	2	2
RIDDOR cases of occupational disease	1	0	0
RIDDOR Dangerous Occurrence	3	1	1
Overall total	5	3	3

Professor Melanie Welham

Interim Chief Executive and Accounting Officer

Date: 29 June 2017

Parliamentary Accountability and Audit Report

I can confirm that for the financial year ended 31 March 2017, neither I nor my staff authorised a course of action, the financial impact of which is that transactions infringe the requirements of regularity as set out in Managing Public Money, and that Treasury approval has been obtained for all novel, contentious or repercussive transactions relating to 2016-17

Long term expenditure trends have been included in the performance report on pages 18 to 20. During 2016-17 there have been no losses or special payments (2015-16 £nil)

As at 31 March 2017, there are no material remote contingent liabilities that require disclosure under parliamentary reporting requirements, in addition to those reported under IAS 37 in the financial statements.

Professor Melanie Welham

Interim Chief Executive and Accounting Officer

Date: 29 June 2017

The Certificate and report of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements of Biotechnology and Biological Sciences Research Council for the year ended 31 March 2017 under the Science and Technology Act 1965. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration and Staff Report and the Parliamentary Accountability disclosures within the Accountability Report that is described in that report as having been audited.

Respective responsibilities of the Council, Accounting Officer and auditor

As explained more fully in the Statement of Responsibility of Council and Chief Executive as Accounting Officer, the Council and the Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Science and Technology Act 1965. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Biotechnology and Biological Sciences Research Council's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Biotechnology and Biological Sciences Research Council; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Performance Report and Accountability Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate and report.

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on regularity

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Biotechnology and Biological Sciences Research Council's affairs as at 31 March 2017 and of net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Science and Technology Act 1965 and Secretary of State directions issued thereunder.

Opinion on other matters

In my opinion:

- the parts of the Remuneration and Staff Report and the Parliamentary Accountability disclosures within the Accountability Report to be audited have been properly prepared in accordance with Secretary of State directions made under the Science and Technology Act 1965; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Remuneration and Staff Report and the Parliamentary Accountability disclosures within the Accountability Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Sir Amyas C E Morse
Comptroller and Auditor General

Date: 6 July 2017

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Statement of Comprehensive Net Expenditure for the period ended 31 March 2017

	NOTES	2016-17 £'000	2015-16 £'000
Income			
Income from sale of goods and services	3	27,657	23,754
Total Operating Income		27,657	23,754
Operating Costs			
Staff Costs	4.6	10,265	10,811
Other Operating Costs	4.1	5,634	7,210
Depreciation, Amortisation and Impairments	4.2	11,464	30,148
Provision expense	4.3	(165)	2,585
Research and development Grants	4.4	446,018	444,537
Notional UK SBS service charges	4.1	1,812	2,199
Other operating expenditure	4.5	(422)	(367)
Capital Grant in Kind	8	22,226	-
Total Operating Costs		496,832	497,123
TOTAL OPERATING EXPENDITURE		469,175	473,369
Finance income		3	21
Net expenditure for the year		469,172	473,348
Other Comprehensive Expenditure			
Items which will not be reclassified to net operating costs:			
Net (gain)/loss on Revaluation of Property, Plant and Equipment	5	(36,184)	(95,878)
Net (gain)/loss on Revaluation of Assets held for sale	8	(145)	-
		(36,329)	(95,878)
Total Comprehensive Expenditure for the period ended 31 March 2017		432,843	377,470

All activities are regarded as continuing.
The notes on pages 54 to 74 form part of these accounts.

Statement of Financial Position as at 31 March 2017

	NOTES	31 March 2017 £'000	31 March 2016 £'000
NON-CURRENT ASSETS			
Property, Plant and Equipment	5	426,632	449,390
Intangible Assets		3	11
Financial Assets	6	8,882	8,538
Non Current Receivables	7	155	350
TOTAL NON-CURRENT ASSETS		435,672	458,289
CURRENT ASSETS			
Assets Classified as Held for Sale	8	43,227	18,710
Trade and Other Receivables	7	17,207	13,781
Cash and Cash Equivalents	9	4,544	10,731
TOTAL CURRENT ASSETS		64,978	43,222
TOTAL ASSETS		500,650	501,511
CURRENT LIABILITIES			
Trade and Other Payables	10	(31,823)	(34,095)
Provisions	11	(2,016)	(4,511)
TOTAL CURRENT LIABILITIES		(33,839)	(38,606)
NON-CURRENT ASSETS LESS CURRENT LIABILITIES		466,811	462,905
NON-CURRENT LIABILITIES			
Provisions	11	(859)	(1,100)
TOTAL NON-CURRENT LIABILITIES		(859)	(1,100)
ASSETS LESS LIABILITIES		465,952	461,805
TAX PAYERS' EQUITY			
General Reserve		(7,628)	1,916
Revaluation Reserve		473,163	458,480
Gates Reserve		417	1,409
TOTAL TAXPAYERS EQUITY		465,952	461,805

Professor Melanie Welham
Interim Chief Executive and Accounting Officer

Date: 29 June 2017

The notes on pages 54 to 74 form part of these accounts

Statement of Cash Flows for the period ended 31 March 2017

	NOTES	31 March 2017		31 March 2016	
		£'000	£'000	£'000	£'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Net Operating cost for year	SOCNE	(469,172)		(473,348)	
Adjustment for non cash transactions	SOCNE	33,104		32,366	
Notional UKSBS Charge	SOCNE	1,812		2,199	
(Increase)/Decrease in Trade and Other Receivables Excluding those for Property, Plant and Equipment	7	(3,231)		11,264	
Increase/(Decrease) in Trade and Other Payables Excluding those for Property, Plant and Equipment	10	(2,272)		(10,031)	
Use of provisions	11	(2,573)		(1,681)	
Capital Grant in Kind		(22,226)		-	
NET CASH OUT FLOW FROM OPERATING ACTIVITIES			(464,558)		(439,231)
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments to Acquire Property, Plant and Equipment				-	
Receipts from disposal of Property, Plant and Equipment				-	
Receipts from disposal of assets held for sale		23,193		224	
NET CASH INFLOW FROM INVESTING ACTIVITIES			23,193		224
CASH FLOWS FROM FINANCING ACTIVITIES					
Grant in Aid received from BEIS		435,178		447,976	
Other movements					
NET CASH INFLOW FROM FINANCING ACTIVITIES			435,178		447,976
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS IN THE PERIOD			(6,187)		8,969
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD			10,731		1,762
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD			4,544		10,731

The notes on pages 54 to 74 form part of these accounts.

Statement of Changes in Taxpayers' equity for the period ended 31 March 2017

		General Reserve	Revaluation Reserve	Bill & Melinda Gates Reserve	Total Reserves
		£'000	£'000	£'000	£'000
NOTES					
Balance at 1 April 2015		(4,585)	391,222	2,463	389,100
Grant In Aid from BEIS		447,976			447,976
Net Expenditure for the Year	SOCNE	(473,348)			(473,348)
Transfers between Reserves-movements on fixed assets		28,620	(28,620)		-
Transfers between Reserves		1,054		(1,054)	-
Gains /Losses Recognised in the Statement of Comprehensive Expenditure	SOCNE	-	95,878	-	95,878
Notional UK SBS service charges		2,199			2,199
Movement on reserves					
Balance at 1 April 2016		1,916	458,480	1,409	461,805
Grant In Aid from BEIS		435,178			435,178
Net Expenditure for the Year	SOCNE	(469,172)			(469,172)
Transfers between Reserves-movements on fixed assets		992		(992)	-
Transfers between Reserves		21,646	(21,646)		-
Gains/Losses Recognised in the Statement of Comprehensive Expenditure	SOCNE		36,329		36,329
Notional UK SBS service charges	SOCNE	1,812			1,812
Movement on reserves					-
At 31 March 2017		(7,628)	473,163	417	465,952

The Notes on pages 54 to 74 form part of these Accounts.

The sum of the gains/losses recognised in the Statement of Comprehensive Net Expenditure is shown in the Statement of Comprehensive Net Expenditure as the net gain/loss on revaluation of Property, Plant and Equipment and net gain/loss on revaluation of Assets Held for Sale.

The balance of £417K (2015-16: £1.409M) for the Bill and Melinda Gates Reserve relates to a ring fenced bank account balance.

1. STATEMENT OF ACCOUNTING POLICIES

The principle accounting policies applied in the preparation of these financial accounts are set out below. The policies have been applied consistently unless otherwise stated.

1.1 Basis of Accounting

i) These financial statements have been prepared in accordance with the Accounts Direction issued by the Secretary of State for the Department for Business, Energy and Industrial Strategy (BEIS), pursuant to Section 2(2) of the Science and Technology Act 1965.

These financial statements have been prepared in accordance with the 2016-17 Government Financial Reporting Manual (FReM). The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where the FReM permits a choice in accounting policy, the accounting policy judged to be the most appropriate to the particular circumstances of BBSRC for the purpose of giving a true and fair view have been selected. The particular policies adopted by BBSRC are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

As required by Section 393(1) of the Companies Act 2006, the Accounting Officer has provided assurance that these statements give a true and fair view of the assets, liabilities, financial position and the comprehensive net expenditure of BBSRC.

ii) Going Concern

BBSRC is dependent on funding from BEIS to meet liabilities falling due within future years. In March 2016 BEIS published The Allocation of Science and Research Funding 2016-17 to 2019-20, which shows continued funding for BBSRC for this period. On the basis of this publication, BBSRC has no reason to believe that future funding will not be forthcoming and therefore the accounts are produced on a going concern basis. Confirmation of the 2017-18 allocation was received from BEIS in March 2017 detailing the BBSRC ring-fenced budgets.

The Higher Education & Research Bill received its first reading in May 2016 setting out the government's intention regarding the research council's future, with the creation of a single executive non-department public body operating at arm's length from Government – UK Research and Innovation (UKRI). The Bill states the Government will ensure the seven research discipline areas continue to have strong and autonomous leadership, and that UKRI will incorporate the assets, liabilities and functions of the seven Research Councils, Innovate UK, and HEFCE's research funding. The names and brands of the Research Councils and Innovate UK will be retained amongst a number of other protections. The bill received royal assent on the 27th April 2017. On the strength of this information, the accounts have been prepared on a going concern basis.

1.2 Measurement Convention

These financial statements have been prepared under the historical cost convention modified to include the fair value of property, plant and equipment, intangible assets, investment properties and financial instruments to the extent required or permitted under IFRS as set out in the relevant accounting policies

The Financial Statements are presented in pounds sterling and all values are rounded to the nearest thousand pounds (£'000), except where indicated otherwise.

1.3 Adoption of new or amended standards effective in 2016-17

The following revised standards and interpretations have been applied by the Council from 1 April 2016

IAS16 (property, plant and Equipment) and IAS 36 (intangible assets) regarding clarification of acceptable methods of depreciation and amortisation.

Changes to the FReM and IFRS

There have been no changes to the FReM within 2016-17 applicable to these financial statements.

Effective for Future Financial Years

In accordance with FReM these accounts apply EU adopted IFRS and interpretations in place on 1 January 2016. These accounts have not applied the new IFRS 9: Financial Instruments, IFRS 15: Revenue from contracts with Customers or IFRS 16: Leases, Financial reporting Standards that have been issued but are not yet effective (IFRS 9 and IFRS 15 are anticipated to be adopted in the 2018-19 FReM) and the adoption date of IAS 16 is anticipated to be 2019-20 but is not yet endorsed by EU.

1.4 Non-Current Assets

i) Intangible assets

Intangible assets are recognised for items costing £10,000 or more. They are carried at fair value less any subsequent accumulated amortisation and any subsequent accumulated impairment loss.

Intangible assets are normally amortised over the following periods:

- Software licences – 5 years
- Website costs – 3 years

ii) Property, Plant and Equipment

Property, plant and equipment is carried at fair value or depreciated historical cost which is used as a proxy for fair value.

Capitalisation thresholds for property, plant and equipment is £10,000 or more.

Freehold land and buildings are revalued on an existing use basis or, where not applicable, on a depreciated replacement cost basis for specialist properties using professional valuations.

For furniture, fixtures and fittings, where an asset pool is maintained replacements on a one-to-one basis are charged directly to the Statement of Comprehensive Net Expenditure (SoCNE) in the year of replacement. Major enhancements or additions to the pool are capitalised as assets.

Property, plant and equipment may have component parts with different useful lives. In accordance with the provisions of IAS 16 Property, plant and equipment, each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The Council owns land and buildings which are leased to a number of funded institutes, all of whom are constituted as companies limited by guarantee and as registered charities and who prepare separate audited accounts. Additions to these assets may be funded wholly or in part from sources other than BBSRC.

Where funded institutes carry out development funded by sources other than BBSRC that results in a material change in the value of the Council's owned assets, this is disclosed as a fixed asset valuation addition within the Property, Plant and Equipment note, with the contra to Reserves.

Any capital funding provided by BBSRC to funded institutes in the form of capital grants is included within Research Grants in the SoCNE. Where these contributions result in a change in value of BBSRC's owned assets, this is also disclosed as a fixed asset valuation addition in the Property, Plant and Equipment note based on the construction costs during the year up to the Statement of Financial Position date, with the contra to Reserves.

iii) Impairments

Intangible and PPE assets are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the SoCNE based on the amount by which the carrying amount exceeds the recoverable amount.

The recoverable amount is the higher of fair value less costs to sell, and value in use. Value in use is assumed to equal the cost of replacing the service potential provided by the asset.

Any reversal of an impairment charge is recognised in the SoCNE to the extent that the original charge, adjusted for subsequent depreciation, was previously recognised, with any remaining amount recognised in the revaluation reserve.

iv) Revaluation

Increases in the carrying amount arising on revaluation are credited to the revaluation reserve.

Losses on revaluation that offset previous increases of the same asset are charged against the revaluation reserve to the extent the gains previous recorded. The excess is then charged to the SoCNE.

On de-recognition, the cumulative gain or loss previously recognised in the revaluation reserve (or another equity reserve if permitted) is recognised in the SoCNE.

In the opinion of BBSRC, there is no material difference between the historic cost of equipment, fixtures and fittings and their current cost. Accordingly these assets have not been revalued and this position is kept under review.

v) Depreciation

Assets under Construction are not depreciated until the asset is brought into use.

Property, plant and equipment is depreciated at rates calculated to write it down to the estimated residual value on a straight line basis over the estimated useful lives.

Freehold land is not depreciated and other property, plant and equipment assets are depreciated over the following periods:

Replacement Cost buildings	-	up to 60 years
Agriculture buildings	-	up to 60 years
Dwellings	-	up to 60 years
Plant and equipment	-	3 to 5 years

Increased depreciation charges arising from revaluation are matched by annual transfers from the revaluation reserve to the general reserve. On disposal of a revalued asset, that element of the revaluation reserve that becomes realised as a result is also transferred to the general reserve.

1.5 Investment in Joint Ventures and Associates

Investments in joint ventures and associates are accounted for using the equity method of accounting. Under this method of accounting, an equity investment in an associate or joint venture initially recorded at cost and is subsequently adjusted to reflect the investors' share of net profit or loss of the associate or joint venture.

1.6 Non-Current Assets Held for Sale

Non-current assets held for sale are measured at the lower of carrying amount and fair value less costs to sell and are not depreciated.

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, the asset is available for immediate sale in its present condition, management are committed to the sale and completion is expected within one year from the date of classification.

1.7 Derivatives and Financial Instruments

As the cash requirements of BBSRC are met through grant-in-aid provided by BEIS, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non- financial items in line with BBSRC's expected purchase and usage requirements and BBSRC is therefore exposed to little credit, liquidity or market risk.

The Council recognises and measures financial instruments in accordance with IAS 39 Financial Instruments: Recognition and Measurement as interpreted by the FReM.

Trade receivables

Trade and other receivables are classified as loans and receivables are initially recognised and carried at original invoice amount. Subsequently, an estimate for doubtful debts is made when collection of the full amount is no longer probable and is offset against the original invoice amount.

Bad debts are written off when identified.

Trade and other payables

Trade and other payables are recognised in the period in which related money, goods or services are received or when a legally enforceable claim against the Council is established or when the corresponding assets or expenses are recognised.

1.8 Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits.

1.9 Employee Benefits

Under IAS 19 Employee Benefits, an entity is required to recognise short-term employee benefits when an employee has rendered service in exchange for those benefits. Included in the financial statements under other accruals is an accrual for the outstanding employee holiday and flexitime entitlement at the year end on an undiscounted basis.

1.10 Pension Scheme and Retirement Costs

The employees of the Council are members of the Research Councils Pension Scheme (RCPS) which is a defined benefit scheme funded from annual grant-in-aid on a pay-as-you-go basis. The benefits are by analogy to the Principal Civil Service Pension Scheme, except that while the schemes provide retirement and related benefits based on final emoluments, redundancy and injury benefits are administered and funded by the Council.

The RCPS is a multi-employer scheme and the Council is unable to identify its share of the underlying assets and liabilities. As permitted by paragraph 34(a) of IAS 19, the Company has recorded the pension contributions payable for the period as its charge to the SoCNE.

As such annual contributions to the RCPS are charged to the SoCNE in accordance with actuarial recommendations so as to spread the cost of the pensions over the employees' expected working lives.

Liabilities for the payment of future benefits are the responsibility of the RCPS and accordingly are not included in these Financial Statements.

1.11 Provisions

Provisions are recognised and measured in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. Where the time value of money is material, provisions are discounted to present value using HM Treasury's real discount rates.

1.12 Contingent Liabilities

Contingent liabilities, including letters of comfort and financial guarantees, where obligations due cannot be measured reliably are not recognised as liabilities in the Financial Statements but are disclosed by way of a note in accordance with IAS 37.

1.13 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. The cost of the lease and any lease incentive are charged to the SoCNE over the lease term on a straight-line basis unless another systematic basis is more appropriate.

BBSRC holds no finance leases.

1.14 Foreign Currencies

The Council applies IAS 21 The Effects of Changes in Foreign Exchange Rates and transactions that are denominated in a foreign currency are translated into sterling at the rate of exchange ruling on the date of each transaction, except where rates do not fluctuate significantly, in which case an average rate for a period is used. Monetary assets and liabilities denominated in foreign currencies at the Consolidated Statement of Financial Position date are retranslated at the rates of exchange ruling at that date. The translation differences are recognised in the SoCNE.

1.15 Value Added Tax

The Council is partially exempt from income and corporation tax by way of their Crown exemption.

Value Added Tax (VAT) is accounted for in the Accounts, in that amounts are shown net of VAT except:

- Irrecoverable VAT is charged to the Consolidated Statement of Comprehensive Net Expenditure, and included under the relevant expenditure heading; and
- Irrecoverable VAT on the purchase of an asset is included in additions.

The net amount due to, or from, HM Revenue and Customs in respect of VAT is included within payables and receivables on the Consolidated Statement of Financial Position.

1.16 Ownership of Equipment Purchased with BBSRC Research Grants

Equipment purchased by an institution with research grant funds supplied by the Council belongs to the institution and is not therefore the equipment of the Council. Such equipment is excluded from these financial statements.

1.17 Grant-in-Aid

Grant-in-aid for revenue purposes is recognised as a financing flow and thus credited to the General Reserve.

1.18 Research Grants

The majority of research grants and fellowships are paid by the Council on an instalment basis in accordance with an agreed payment profile. Where the profile indicates an unclaimed and/or unpaid amount exists at the Statement of Financial Position date, such sums are accrued in the Financial Statements. Future commitments at the Statement of Financial Position date are disclosed in Note 12.

1.19 Deferred Income

The Council receives funding for collaborative projects to support BBSRC's research. The majority of this funding is received from the UK public sector. Some of the funding may involve payment for the collaboration a number of years in advance of the accounting period to which it relates. Where there is a variance between work done in the accounting period and received funding, income will be deferred if the contract or agreement includes key conditions relating to the repayment of surplus funds.

1.20 Income Recognition

Operating income is shown net of trade discounts; value added tax and other taxes. Revenue is recognised when goods are delivered and title has passed and services in the accounting period in which the service is rendered.

1.21 Insurance

As a public body BBSRC does not generally insure. However, BBSRC has decided with the agreement of BEIS that risks relating to certain commercial contracts entered into by the Council should be commercially insured. Insurance premiums are charged to the SoCNE.

1.22 Critical Accounting Estimates and Judgements

The Council makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year.

The preparation of Financial Statements requires management to make judgements, estimates and assumptions. These affect the reported amounts of assets and liabilities; the disclosure of contingent assets and liabilities at the date of the Financial Statements; and the reported amounts of revenues and expenses during the reporting period.

Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances at the reporting date.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

Estimates

The useful life of each of the Council's items of property, plant and equipment and intangibles is estimated based on the period over which the asset is expected to be available for use. Such estimation is based on experiences with similar assets and practices of similar businesses. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence or legal or other limits on the use of an asset. An increase in the estimated useful life of any item of property, plant and equipment and intangibles would decrease the recorded operating expenses and increase non-current assets.

Judgements

Impairments:

IFRS requires that an asset impairment review be performed when certain impairment indicators are present. Property, plant and equipment, intangible assets and financial assets are subject to an annual impairment test or whenever there is a strong indication that the asset will be impaired. Management is required to make estimates and assumptions to determine the future cash flows to be generated from the continued use and ultimate disposal of these assets in order to determine the value of the assets. While the Council believes that the assumptions used are reasonable and appropriate, these estimates and assumptions can materially affect the financial statements. Future adverse events may cause the management to conclude that the assets are impaired and may have a material impact on the financial condition and results of operations of the Council.

Investment properties

Properties that BBSRC subleases to other Councils are not deemed to be investment properties. In its capacity as host of the Joint Building and Office Services unit (JBOS), BBSRC leases buildings for administration space on behalf of the Research Councils and recovers the full cost from them.

Assets leased to BBSRC strategically funded institutes are deemed not to be investment properties as the assets are provided to fulfil the BBSRC business principle to further science. If the assets were not provided to the institutes, BBSRC would incur additional grant expenditure to fund the institutes' rent of properties commercially. Accordingly the asset is held for the business of sponsoring research rather than for capital appreciation.

1.23 Capital and Reserves

The Council has three reserves: the General Reserve, the Revaluation Reserve and the Bill and Melinda Gates Reserve. The General Reserve is used to account for accumulated surpluses. The Revaluation Reserve is a specific reserve used only to reflect the unrealised balance of cumulative indexation and revaluation adjustments to fixed assets. Increases in valuation are credited to the revaluation reserve.

Losses on revaluation are debited to the Revaluation Reserve to the extent of the gains previously recorded and then to the Statement of Comprehensive Net Expenditure. The Gates Reserve is a restricted reserve created for funds from the Bill and Melinda Gates Foundation. This reserve is ring-fenced for use on specific grant applications from 2012 to 2019.

1.24 BBSRC – Sponsored Institutes

BBSRC's scientific remit requires research that is most appropriately delivered at mission-orientated institutes with specialist facilities, alongside that conducted in university research departments, and new multidisciplinary and 'virtual' centres.

1.25 Currency Risk

BBSRC mitigates the risk of foreign exchange rate movements on its foreign currency transactions through the use of forward contracts. The agreed cost of the contracts is fair valued using the mid-market rate ruling at the period end and the difference is credited to the reserves.

2. REPORTING BY OPERATING SEGMENT

BBSRC reports its expenditure by operating segment in accordance with IFRS 8 Operating Segments. The primary format used for segmental reporting is grant expenditure, where the key funding data is split between research funding, training, administration, and other, which reflects BBSRC's internal management structure and reporting. BBSRC's assets and liabilities are shared across all the operating segments, and therefore it is not possible to separately identify which segment they relate to.

Research

BBSRC funds, promotes and supports high quality basic, strategic and applied research relating to the understanding and exploitation of biological systems. To advance knowledge and technology (including the promotion and support of the exploitation of research outcomes) which meets the needs users and beneficiaries (including the agriculture, bioprocessing, chemical, food, healthcare, pharmaceutical and other biotechnology related industries), thereby contributing to the economic competitiveness of the United Kingdom and the quality of life.

In March 2011, the Research Councils UK (RCUK) published a report detailing plans to drive efficiency in research funding, in response to the Wakeham Review conducted by Sir William Wakeham and published in June 2010. All savings made in research funding remain within the ring-fence and are reinvested within science and research. The savings achieved to date are therefore included within the Research figures below. These are also reported within the Annual Report at the front of this document. Further details, including the RCUK report, can be found on the RCUK website.

Training

BBSRC supports post graduate training to help ensure the flow of highly qualified people into research careers and seeks to optimise the quality, volume and style of postgraduate and postdoctoral training to the needs of academia and industry and other user communities.

Office

The costs for the administration of the BBSRC office. In previous years, this included BBSRC's share of the costs associated with UK SBS. For 2013-14 onwards, BEIS covers BBSRC's share of the UK SBS costs and BBSRC's administration budget has been reduced accordingly.

Office costs do not equate to BBSRC's administration budget, as there are some office costs which are divided between programme and administration budgets (e.g. staff costs, which are classified on the basis of the role of the team).

Segmental analysis of net operating expenditure for the year ended 31 March 2017

At 31 March 2017

	Research £'000	Training £'000	Office £'000	Other £'000	Total £'000
Research Grants	324,110	-	-	-	324,110
Capital Grants	70,970	-	-	-	70,970
Postgraduate Awards	-	43,986	-	-	43,986
Fellowships	-	6,952	-	-	6,952
Staff Costs	-	-	10,265	-	10,265
Other Operating Costs	-	-	5,634	-	5,634
Depreciation, amortisation and impairment	-	-	-	11,464	11,464
Movement in provisions	-	-	-	(165)	(165)
Notional charge for UK SBS services	-	-	-	1,812	1,812
Other	-	-	-	(422)	(422)
Capital Grant in Kind	-	-	-	22,226	22,226
Total Operating Expenditure	395,080	50,938	15,899	34,915	496,832

At 31 March 2016

	Research £'000	Training £'000	Office £'000	Other £'000	Total £'000
Research Grants	323,878	-	-	-	323,878
Capital Grants	75,008	-	-	-	75,008
Postgraduate Awards	-	39,055	-	-	39,055
Fellowships	-	6,596	-	-	6,596
Staff Costs	-	-	10,811	-	10,811
Other Operating Costs	-	-	7,210	-	7,210
Depreciation, amortisation and impairment	-	-	-	30,148	30,148
Movement in provisions	-	-	-	2,585	2,585
Notional charge for UK SBS services	-	-	-	2,199	2,199
Other	-	-	-	(367)	(367)
Total Operating Expenditure	398,886	45,651	18,021	34,565	497,123

3. INCOME

	2016-17 £'000	2015-16 £'000
Current Grants from EU	381	636
Current grants from private sector companies	1,963	1,123
Fee income	529	595
Income from other government departments	24,347	20,947
Miscellaneous income	437	453
Total	27,657	23,754

4. OPERATING EXPENDITURE

4.1 PURCHASE OF GOODS AND SERVICES

	2016-17 £'000	2015-16 £'000
Travel and Subsistence	779	1,022
Accommodation and office equipment	938	994
Staff severance costs	405	977
Professional fees	1,265	974
Miscellaneous other costs	272	846
Conferences and Seminars	702	768
Staff Training and other staff costs	474	664
Council fees and Honoraria	305	285
Internal Audit	154	274
IT Costs/Support Costs	119	178
Professional subscriptions	138	120
External Audit	85	85
Finance and HR services (UK SBS)	(2)	23
Total	5,634	7,210

Ownership of UK SBS transferred from the Research Councils to BEIS on 6 March 2013. From 1 April 2013, the cost of UK SBS's services to BBSRC ceased to be a monthly charge and instead was deducted from BBSRC's allocation. In order to accurately reflect the cost of using UK SBS's services in the annual accounts, the charge has been shown as a notional cost on the Statement of Comprehensive Net Expenditure and has been written back to the General reserve.

4.2 DEPRECIATION AND IMPAIRMENT CHARGES

	2016-17 £'000	2015-16 £'000
Depreciation	10,105	13,703
Amortisation of intangible assets	7	11
Impairments	1,352	16,434
Total	11,464	30,148

Impairments are high in 2015-16 compared to 2016-17, following a full impairment review in the 5 year valuation exercise in 2015-16, that highlighted several assets across our sponsored institutes where there has been a change in the use of the asset or the assets are due for planned demolition. Depreciation is lower in 2016-17 due to a change in the depreciation life of assets following the 5 year valuation in 2015-16. Impairments in 2016-17 are again for assets across our sponsored institutes where there has been a change in the use of the asset or the assets are due for planned demolition.

4.3 PROVISIONS EXPENSE

	2016-17 £'000	2015-16 £'000
Provisions expense- early departure	1,335	2,567
Provision movement	(1,500)	18
Total	(165)	2,585

Provision expense for early departure is the amount provided for (£1976K) and amount released (£634K and 7K) in year for annual compensation payments and staff restructuring in Note 11, provisions for liabilities and charges.

4.4 RESEARCH AND DEVELOPMENT

	2016-17 £'000	2015-16 £'000
Grant expenditure:		
Research Grants	324,110	323,878
Capital Research Grants	70,970	75,008
Postgraduate Awards	43,986	39,055
Fellowships	6,952	6,596
Total	446,018	444,537

4.5 OTHER OPERATING EXPENDITURE

	2016-17 £'000	2015-16 £'000
Profit on disposal - assets held for sale	(78)	(29)
Share of profits of joint ventures and associates	(344)	(338)
Total	(422)	(367)

During 2016-17 dwellings at several of the sponsored institutes that was surplus to requirements was sold with a profit on disposal of £78K (2015-16: £29K)

4.6 STAFF NUMBERS AND RELATED COSTS

	2016-17 £'000	2015-16 £'000
Wages and Salaries	7,467	8,124
Social Security Costs	819	654
Other Pension Costs	1,979	2,033
Total Costs	10,265	10,811

For further information on staff costs and numbers, please see the staff report on page 44 and 45.

5. PROPERTY, PLANT AND EQUIPMENT

	Land £'000	Buildings £'000	Dwellings £'000	Plant & Equipment £'000	Assets Under Construction £'000	Total £'000
Cost or Valuation						
At 1 April 2016	92,528	308,806	36,057	304	40,489	478,184
Valuation changes	-	21,341	96	-	-	21,437
Valuation additions*	1,590	3,710	-	-	1,313	6,613
Disposals	-	-	-	(11)	-	(11)
Impairment	-	(1,387)	-	-	-	(1,387)
Reclassification	(38,945)	22,737	(4,841)	-	(26,533)	(47,582)
Revaluation	7,044	15,932	7,204	-	-	30,180
At 31 March 2017	62,217	371,139	38,516	293	15,269	487,434
Depreciation and Impairment						
At 1 April 2016	-	(28,560)	-	(234)	-	(28,794)
Provided during the year	-	(9,513)	(561)	(30)	-	(10,104)
Valuation changes	-	(21,341)	-	-	-	(21,341)
Disposals	-	-	-	11	-	11
Impairment	-	35	-	-	-	35
Reclassification	-	-	-	-	-	-
Revaluation	-	(1,170)	561	-	-	(609)
At 31 March 2017	-	(60,549)	-	(253)	-	(60,802)
Net Book Value						
At 31 March 2017	62,217	310,590	38,516	40	15,269	426,632
At 31 April 2016	92,528	280,246	36,057	70	40,489	449,390

5. PROPERTY, PLANT AND EQUIPMENT (cont...)

2015-16	Land	Buildings	Dwellings	Plant & Equipment	Assets Under Construction	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation						
At 1 April 2015	64,696	373,173	35,348	345	30,300	503,862
Additions	-	-	-	-	-	-
Valuation additions*	-	-	-	-	17,259	17,259
Disposals	-	-	-	(36)	-	(36)
Impairment	-	(60,863)	(706)	-	-	(61,569)
Reclassification	(11,243)	4,095	(4,684)	(5)	(7,070)	(18,906)
Revaluation	39,074	(7,599)	6,099	-	-	37,574
At 31 March 2016	92,528	308,806	36,057	304	40,489	478,184
Depreciation and Impairment						
At 1 April 2015	-	(101,043)	(29)	(233)	-	(101,305)
Provided during the year	-	(13,297)	(371)	(35)	-	(13,703)
Disposals	-	-	-	36	-	36
Impairment	-	45,135	-	-	-	45,135
Reclassification	-	-	-	(2)	-	(2)
Revaluation	-	40,645	400	-	-	41,045
At 31 March 2016	-	(28,560)	-	(234)	-	(28,794)
Net Book Value						
At 31 March 2016	92,528	280,246	36,057	70	40,489	449,390
At 1 April 2015	64,695	272,131	35,319	112	30,300	402,558

*Where Institutes carry out development that results in a material change in value of the Council's owned assets, this is disclosed as a fixed asset valuation addition.

Fair value measurement of Land and buildings

Valuation process

The land and buildings were professionally valued as at 31 December 2015 by external valuers, GVA Grimley Limited, in accordance with the RICS Valuation-Professional Standards UK January 2014 (revised April 2015). All of the valuations are on a Fair Value basis where Fair Value is determined using Depreciated Replacement Cost, Existing Use Value or Open Market Value depending on asset type or use, as detailed below

For properties that are owner occupied and are of a non specialised nature, the basis of valuation is Fair Value, assuming ongoing operational use. For properties which are either owned but not occupied or have been declared surplus, these are also valued on the basis of Fair Value. In this context, Fair Value is generally taken to be the equivalent of Market Value. For properties which are owner occupied but are of a specialised nature where few, if any, open market transactions involving a continuation of the existing use occur then the Depreciated Replacement Cost (DRC) basis of valuation is appropriate in assessing Fair Value. DRC is used where there is no active market for the asset being valued – that is where there is no useful or relevant evidence of recent sales transactions due to the specialised nature of the asset.

All assets are owned.

6. FINANCIAL ASSETS

	31 March 2017	31 March 2016
	£'000	£'000
Balance at 1 April	8,538	8,200
Revaluations	344	338
Balance at reporting date	8,882	8,538

	PBL	NRP LLP	BBT	RBL	Total
	£'000	£'000	£'000	£'000	£'000
Valuation/cost as at 31 March 2015	868	833	6,516	(17)	8,200
Share of JV net (expenditure)/income at 1 April 2016	(64)	(89)	478	13	338
Share of JV net (expenditure)/income at 31 March 2017	804	744	6,994	(4)	8,538
Net Book Value at 31 March 2017	720	631	7,571	(40)	8,882

In addition to the above investments, BBSRC also has an interest in Rainbow Seed Fund (RSF), Leaf Systems International Ltd and an interest in the UK Shared Business Services (UK SBS) as detailed below.

Plant Bioscience Ltd (PBL)

110 ordinary shares at 10p each, representing one third of the issued share capital of Plant Bioscience Ltd. Plant Bioscience Ltd is incorporated in England and Wales. www.pbltechnology.com

Norwich Research Partners Limited Liability Partnership (NRP LLP)

BBSRC's investment of £833k in the NRP LLP is an equal share of a £2.5M capital investment made by the three landowners of the Norwich Research Park (NRP) in 2011-12, i.e. BBSRC, John Innes Foundation, and the University of East Anglia. The NRP LLP was formed between the NRP Partners – which consists of the three landowners, together with the Norfolk and Norwich University Hospital, the John Innes Centre, The Sainsbury Laboratory, and the Genome Analysis Centre (now Earlham Institute) – to formally collaborate in delivering and leveraging on the economic benefits that will be derived from the government's £26M capital investment in the facilities and infrastructure on the Park through:

- a) transforming the NRP into a world-leading centre for research and innovation in life and environmental sciences, creating 5,000 new jobs in the Norwich area within the next 10 years; and
- b) contributing to the Government's growth agenda, particularly in the area of bio-economy which is essential in creating economic growth and formulating effective responses to pressing global challenges.

Babraham Bioscience Technologies Ltd (BBT)

BBSRC currently holds 25% of shares in Babraham Bioscience Technologies Ltd, with a nominal value of £6.6M, with the Babraham Institute holding the remaining 75% shares. This equity stake in BBT will ensure that £50M government investment to date in the Babraham Research Campus facilities and infrastructure, and in any future developments, will deliver benefits i.e. economic growth and job creation in line with expectations.

Additionally this will:

- a) increase in the impact of bioscience in the UK for the widest possible economic and societal benefit to the UK, enabling the UK economy and society to benefit from public investment in bioscience research; and
- b) create a vibrant and sustainable Campus that attracts the best people and companies, and delivers the best possible impact from bioscience for the UK, by bringing together leading bioscience research, life-science based businesses, and a variety of research-led and other facilities that will enable the commercialisation of research and the achievement of academic excellence.

Roslin BioCentre Ltd (RBL)

49 Ordinary Shares at 100p each representing 49 per cent of the issued share capital of Roslin BioCentre Ltd fully paid. Roslin BioCentre Ltd is incorporated in Scotland. www.roslinbiocentre.co.uk

Leaf Systems Ltd

30 ordinary shares at 100p each, representing 30% of the issued share capital (with voting rights) of Leaf Systems Ltd. Leaf Systems Ltd is incorporated in England and Wales and was launched in January 2017, following construction of the government funded £5M transitional facility at Norwich for producing high value protein in plants.

Rainbow Seed Fund (RSF)

The Rainbow Seed Fund is a £24M independently managed evergreen venture capital fund, established in 2001 by the Office of Science and Innovation (the predecessor to BEIS), to invest in technologies developed from publically funded research (www.rainbowseedfund.com). In 2013-14, BBSRC provided a capital grant of £10M (to support specific investments in Synthetic Biology) and a further £1M (2014-15) and £0.5M (2016-17) to support further investments in commercialisation of technology and services from publicly funded research and innovation campuses, ultimately supporting the Government's industrial strategy for improved productivity and economic growth.

UK Shared Business Services Ltd (UK SBS)

BBSRC has one Non Government Department (NGD) share in UK SBS with an initial cost of £1 being the nominal value of the NGD share. BEIS holds one Government Department (GD) share carrying 51% of the votes, UK SBS holds one share carrying 5% of the votes, and all other stakeholders, including BBSRC, each own one NGD share with the combined voting value of all the NGD shares being 44%.

7. TRADE RECEIVABLES AND OTHER CURRENT ASSETS

	31 March 2017 £'000	31 March 2016 £'000
Amounts falling due within one year		
Trade Receivables	4,986	9,310
Other Receivables	2,529	332
Prepayments and Accrued Income	9,692	4,139
	17,207	13,781
Amounts falling due after one year		
Other Receivables	155	350
	155	350
Total Receivables	17,362	14,131

8. ASSETS HELD FOR SALE

	2016-17 £'000	2015-16 £'000
1 April 2016	18,710	-
Valuations changes	(95)	-
Revaluation	145	-
Reclassification	47,582	18,905
Disposal	(23,115)	(195)
At 31 March 2017	43,227	18,710

The 2016-17 opening balance consists of several assets that have been identified as qualifying to be transferred to the Homes Communities Agency (HCA) under the model for the statutory transfer of sites to the HCA, within the financial framework that has been agreed with Treasury for central Government land for 2016-17. All of these assets were transferred within the year and their valuation basis is detailed separately below. The transfer value was £22.2M.

Several new assets at sponsored institutes have been identified during 2016-17 that are surplus to requirements: These are non HCA assets held for sale and are expected to be sold within the next 12 months.

Valuation of HCA assets held for sale in 2015-16

Houghton and Wrest Park. Valuation date 31 December 2015

Lambert Smith Hampton prepared the valuation on the basis of Market Value (MV) which is defined in the Valuation – Professional Standards January 2014, published by The Royal Institution of Chartered Surveyors, as:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

The Pirbright Institute Compton Site. Valuation date 31 December 2015

DTZ Debenham Tie Leung Limited prepared the valuation in accordance with the appropriate sections of the RICS Professional Standards ("PS"), RICS Global Valuation Practice Statements ("VPS"), RICS Global Valuation Practice Guidance – Applications ("VPGAs") and United Kingdom Valuation Standards ("UKVS") contained within the RICS Valuation - Professional Standards 2014, (the "Red Book"). It follows that the valuation is compliant with International Valuation Standards.

The value of the property has been assessed in accordance with the relevant parts of the current RICS Valuation - Professional Standards 2014. In particular, we have assessed Market Value in accordance with VPS 4.1.2. Under these provisions, the term "Market Value" means "The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

9. CASH AND CASH EQUIVALENTS

	31 March 2017 £'000	31 March 2016 £'000
Cash as at 1 April 2016	10,731	1,762
(Decrease)/Increase in cash in the year	(6,187)	8,969
Cash as at 31 March 2017	4,544	10,731

The following balances at 31 March were held at:

The Government Banking Service (GBS)	4,131	9,326
Commercial banks and cash in hand	413	1,405
Total	4,544	10,731

10. TRADE AND OTHER PAYABLES AND OTHER CURRENT LIABILITIES

	31 March 2017 £'000	31 March 2016 £'000
Amounts falling due within one year		
VAT	103	58
Other taxation and social security	0	(1)
Trade Payables	18,659	7,553
Other Payables	6,510	8,033
Accruals and Deferred Income	6,551	18,452
Total	31,823	34,095

11. PROVISIONS FOR LIABILITIES AND CHARGES

PROVISIONS

	Annual Compensation Payments £'000	Staff Restructuring £'000	Other Provisions £'000	Total 31 March 2017 £'000	Total 31 March 2016 £'000
At 1 April 2016	1,481	2,630	1,500	5,611	4,707
Amount provided in year	-	1,976	-	1,976	3,021
Amount released in year	(7)	(634)	(1,500)	(2,141)	(436)
Amount expended in year	(577)	(1,996)	-	(2,573)	(1,681)
Total Provisions At 31 March 2017	899	1,976	-	2,875	5,611

Analysis of expected timing of cash flows

	31 March 2017				31 March 2016			
	Annual Compensation Payments £'000	Early departure costs £'000	Other Provisions £'000	Total £'000	Annual Compensation Payments £'000	Early departure costs £'000	Other Provisions £'000	Total £'000
	Not later than one year	40	1,976	-	2,016	381	2,630	1,500
Later than one year and not later than five years	859	-	-	859	1,100	-	-	1,100
Later than five years	-	-	-	-	-	-	-	-
Total non current liabilities	859	-	-	859	1,100	-	-	1,100
Total	899	1,976	-	2,875	1,481	2,630	1,500	5,611

Annual Compensation Payments (ACP) are payments to early retirees in advance of their pension entitlements under the Research Councils Pension Schemes.

Staff Restructuring comprises provisions for HR Legal cases and staff restructuring costs across BBSRC sites.

Following the payment of the final compensation lump sum, provision for on-going annual compensation payments (ACP) associated with the specific institute restructuring programme is transferred from the major restructuring provision to the ACP provision.

Other provisions are for clean up costs at BBSRC sites.

12. CAPITAL AND OTHER COMMITMENTS

Total minimum payments in respect of capital and lease commitments

	2016-17 £'000	2015-16 £'000
Contracted capital commitments	225,291	165,365
Minimum future payments under:		
- Operating leases	12	58
Total	225,303	165,423

12.1 CONTRACTED CAPITAL COMMITMENTS

The majority of capital expenditure funded by BBSRC is on contracts let by BBSRC funded institutes. Capital commitments as at 31 March 2017, for which no provision has been made, are as follows:

	2016-17 £'000	2015-16 £'000
Authorised for contracts to be let, subject to full business case	225,291	164,465
Funding approved in principle:		
- BBSRC contribution to capital equipment for strategically funded institutes	-	900
Total	225,291	165,365

Capital commitments for 2016-17 are £59.9M higher than 2015-16 due to the construction of the Quadram Institute and High Containment Large Animal Facility at Norwich Research Park and Pirbright Institute respectively.

12.2 COMMITMENTS UNDER LEASES

BBSRC has one annual operating lease commitment under non cancellable agreements as shown below.

	2016-17 £'000	2015-16 £'000
Obligations under operating leases comprise		
Buildings:		
- Not later than one year	50	46
- Later than one year and not later than five years	100	12
Total	150	58

This is a lease held by UK Research Offices (UKRO) in Brussels as office accommodation. The lease is a 9 year lease, commencing 1 June 2011 with a break clause every 3 years. The rental amount is €55k per annum.

On 12 August 2015, BBSRC granted a 99 year lease to Imperial College of Science, Technology and Medicine for undeveloped land on the Babraham Research Campus. As a result of granting of this lease Imperial College has begun construction of a 50k sq. ft. facility to support spin-out and scale-up companies and maximise the impact of research from universities. In accordance with the provisions of IAS 17 this lease will be classified as an operating lease and will form part of BBSRC's land and buildings valuations.

As at 31 March 2017, BBSRC has entered into an 'agreement for lease' with BioMed Realty for a 99 year lease (with an option to extend to 175 years) at undeveloped land on the Babraham Research Campus. The granting of this ground lease will be subject to BioMed Realty receiving planning consent for the construction of two new buildings, consisting of approximately 108,000 sq.ft of integrated laboratory and office facilities that will enhance the campus offering and providing additional space for growing bio-science based companies on the site. This ground lease will be classified as an operating lease, in accordance with the provisions of IAS 17, and will therefore be included within BBSRC's land valuation.

12.3 FUTURE GRANT COMMITMENTS

	31 March 2017 £M	31 March 2016 £M	31 March 2015 £M
2015-16	-	-	260.1
2016-17	-	269.3	202.9
2017-18	258.2	200.3	128.8
2018-19	174.2	230.9	143.9
After 2018-19	178.0	-	-
	610.4	700.5	735.7

13. CONTINGENT LIABILITIES

13.1 CONTINGENT LIABILITIES DISCLOSED UNDER IAS 37

BBSRC has the following contingent liabilities under IAS 37:

Basis of recognition	Description
Unquantifiable	The former BBSRC sponsored Roslin institute transferred to the University of Edinburgh on 13 May 2008. BBSRC agreed to provide indemnity for any potential costs that arise as a result of past actions of the institute and indemnity for any fall in grant income of the Neuropathogenesis Unit as a result of the transfer. The proportion of settlement BBSRC will fund declines on an annual basis and is limited to claims up to May 2023.
Quantifiable	<p>As part of a Sale Agreement relating to a previous BBSRC site, BBSRC agreed to indemnify the purchaser against contamination resulting from dangerous substances. The indemnity was over a 10-year period commencing in 2013-14 and was capped at £3M.</p> <p>As at 31 March 2016, BBSRC employed 902 staff at BBSRC strategically funded institutes. Whilst their direct salary costs are paid by the institutes, BBSRC is liable for any exit costs for these staff. The date and number of staff to take exit packages in any one year is unknown, however if all staff were to take exit packages, the maximum liability is estimated at £31M with the amount declining on an annual basis up to March 2025.</p>

14. RELATED PARTY TRANSACTIONS

The BBSRC is a Non-Departmental Public Body sponsored by the Department for Business, Energy and Industrial Strategy (BEIS).

For the purposes of IAS 8, BEIS and its partner organisations are regarded as related parties. During the year, the BBSRC has had various material transactions with BEIS and entities for which BEIS is regarded as the parent department, including: Arts and Humanities Research Council, Economic and Social Research Council, Engineering and Physical Sciences Research Council, Medical Research Council, Natural Environment Research Council, Science Technology and Facilities Council, Innovate UK, UK Space Agency, the Higher Education Funding Council of England.

BBSRC also had a number of related transactions with the UK Shared Business Services Ltd (UK SBS), as set out in the notes to these accounts.

The accounts provide disclosure of all material transactions with those who are recognised as key management personnel as per IAS 24 'Related Parties'. This is taken to be those members of staff who are included under Executive Directors' remuneration in the Remuneration Report and all Council members.

During the year BBSRC did not undertake any **material** transactions with any Directors, however during the year, the following material payments with Council members' organisations took place in respect of research and training grants funded by the BBSRC:

	Awards	£
Professor Carole Goble CBE, FEng, FBCS, CITP	2	250,748
Professor Helen Sang FRSB, FRSE	1	202,043

The following Council members held positions on the governing bodies or Boards of sponsored research institutes and other related parties as follows:

Professor Richard Cogdell FRS	Roslin Institute
Dr Belinda Clarke FSB	JIC, BI & Norwich Research Park
Professor Margaret Dallman OBE	The Pirbright Institute
Professor Sir Gordon Duff FRSE	St Hilda's College, Oxford University; Imperial College, London; Trinity College, Dublin
Mr David Gregory	Roslin Institute
Professor Carole Goble CBE, FEng, FBCS, CITP	Elixir
Professor Sarah Gurr	North Wyke
Dr Deborah Keith	JIC
Professor Judith Petts CBE, AcSS, FRES	NERC

The following Council members related parties held positions at organisations which receive funding from BBSRC:

Council member	Relationship	Organisation
Professor Margaret Dallman OBE	Husband	Imperial College, London
Professor Judith Petts CBE, AcSS, FRES	Husband	University of Westminster
Professor Carole Goble CBE, FEng, FBCS, CITP	Husband	University of Manchester
Professor Helen Sang FRSB, FRSE	Husband	University of Edinburgh

Registers of interest for Council, Boards and Committees can be found on BBSRC's website at www.bbsrc.ac.uk
None of the related parties were involved in awarding grants to the related bodies disclosed.

The following BBSRC staff held positions on the Governing Bodies or Boards of related institutes and centres:

Mr Steve Visscher	Norwich Research Partners LLP
Mr Zahir Sachak	Colney Innovations Ltd and RocRE
Mr David Parfrey	BBT Limited, Leaf Systems Ltd, CFH Facilities Ltd, AEIC Ltd
Ms Janet Juillerat	The Pirbright Institute
Dr Karen Lewis	The Rainbow Seed Fund, PBL Ltd
Mrs Victoria McMyn	The Rainbow Seed Fund

BBSRC sponsors 6 research institutes, which conduct long-term, mission-orientated research using specialist facilities that are in line with BBSRC's priorities. BBSRC provides Strategic Programme Grants to the institutes to fund specific research programmes. The sponsored institutes have separate charitable status and an independent governing body oversees the institutes' activities.

	Grants		Receivables (Including loans)		Payables		Major Provision in Year	
	16-17 £M	15-16 £M	16-17 £M	15-16 £M	16-17 £M	15-16 £M	16-17 £M	15-16 £M
Transactions with BBSRC-Sponsored Institutes:								
Babraham Institute*	16.15	14.70	0.03	1.76	-	0.63	-	-
The Pirbright Institute*	23.56	31.70	0.02	2.33	-	1.14	1.50	1.50
Institute of Food Research*	41.09	26.20	-	0.17	-	0.37	-	-
John Innes Centre	29.03	30.10	-	0.14	-	2.27	-	-
Rothamsted Research	20.84	19.40	0.04	0.14	-	0.50	-	-
The Earlham Institute (formerly The Genome Analysis Centre)	9.66	10.80	-	-	-	-	-	-
	140.33	132.90	0.09	4.54	-	4.91	1.50	1.50
Transactions with former BBSRC-Sponsored Institutes:								
Institute of Grassland and Environmental Research	4.47	4.60	-	-	-	0.77	-	-
Roslin Institute	18.84	28.80	-	-	-	-	-	-
	23.31	33.40	-	-	-	0.77	-	-
Transactions with other related parties:								
Babraham Bioscience Technologies Ltd	3.00	6.50	-	-	-	-	-	-
Norwich Research Partners Limited Liability Partnership	2.94	0.00	-	-	-	-	-	-
Rainbow Seed Fund	0.50	-	-	-	-	-	-	-
Leaf Systems Limited	1.32	-	-	-	-	-	-	-
	7.76	6.50	-	-	-	-	-	-
Total	171.40	172.80	0.09	4.54	-	5.68	1.50	1.50

*Institutes occupying BBSRC-owned estate at peppercorn rents.

	Receivables		Payables	
	16-17	15-16	16-17	15-16
	£M	£M	£M	£M
	(see Note 7)		(see Note 10)	
Non-Institute:				
Within the WGA Boundary:				
Other Research Councils	14.32	4.15	4.59	2.04
Other Government Organisations	0.37	1.53	0	0.63
Research Councils' Pensions Schemes	2.58	1.24	6.51	8.06
Non-WGA:				
Other Debtors (including Universities)	-	2.67	11.24	17.68
	17.27	9.59	22.34	28.41
BBSRC-sponsored institutes & other related parties	0.09	4.54	9.48	5.68
	17.36	14.13	31.82	34.09

15. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

As the cash requirements of BBSRC are met through Grant in Aid provided by BEIS, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with BBSRC's expected purchase and usage requirements and BBSRC is therefore exposed to little credit, liquidity or market risk.

Currency Risk

The Council's exposure to foreign currency risk was not significant during the year

16. EVENTS AFTER REPORTING PERIOD

On the 27 April 2017 the Higher Education & Research Bill received royal assent. This forms the basis of the formation of UKRI.

In accordance with the requirements of IAS10 'Events After the Reporting Period', events after the Statement of Financial Position are considered up to the date on which the Accounts are authorised for issue, and this is interpreted as the same date as the date of the Certificate and Report of the Comptroller and Auditor General.

Acronyms

AHRC	Arts and Humanities Research Council	IBERS	Institute of Biological, Environmental and Rural Sciences
ARC	Advanced Training Partnership	IBTI	Integrated Biorefining Research and Technology Club
BBR	Bioinformatics and Biological Resources	IFR	Institute of Food Research
BBSRC	Biotechnology and Biological Sciences Research Council	INRA	Institut National de la Recherche Agronomique
BI	Babraham Institute	JIC	John Innes Centre
BEIS	Department for Business, Energy and Industrial Strategy	JBOS	Joint Building Operations Services
BRIC	Bioprocessing Research Industry Club	MRC	Medical Research Council
BSBEC	BBSRC Sustainable Bioenergy Centre	NAO	National Audit Office
CIDLID	Combating Infectious Diseases in Livestock for International Development	NC3R	The National Centre for the Replacement, Refinement and Reduction of Animals in Research
CIRC	Crop Improvement Research Club	NDPB	Non-Departmental Public Body
CPD	Continuing Professional Development	NERC	Natural Environment Research Council
DBT India	Department of Biotechnology of the Indian Ministry of Science and Technology	NFU	National Farmers Union
Defra	Department for Environment, Food and Rural Affairs	NRP LLP	Norwich Research Partners Limited Liability Partnership
DfID	Department for International Development	ODA	Official Development Assistance
DRINC	Diet and Health Research Industry Club	OECD DAC	Organisation for Economic Co-operation and Development's Development Assistance Committee
DSTL Laboratory	Defence Science and Technology Laboratory	OOB	Operation Oversight Board
EMS	Environmental Management System	PBL	Plant Bioscience Ltd
ESRC	Economic and Social Research Council	PI	Pirbright Institute
EPSRC	Engineering and Physical Sciences Research Council	RBL	Roslin BioCentre Ltd RCUK Research Councils UK
FAP	Funding Assurance Programme	RELU	Rural Economy and Land Use Programme
FoF	Follow on Fund	RI	Roslin Institute
FSA	Food Standards Agency	RRES	Rothamsted Research
GCRF	Global Challenges Research Fund	RSO	The Royal Society of Edinburgh
GFS	Global Food Security	SCRI	Scottish Crop Research Initiative
GIAA	Government Internal Audit Agency	sLoLas	Strategic Longer Larger grants
HEFCE	Higher Education Funding Council for England	STFC	Science and Technology Facilities Council
HEI	Higher Education Institution	TGAC	The Genome Analysis Centre
HSE	Health and Safety Executive	TSB	Technology Strategy Board
		UK SBS	UK Shared Business Services Ltd
		WT	Wellcome Trust

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