



House of Commons
Science and Technology
Committee

Chairman of the Medical Research Council: Introductory Hearing

Eighth Report of Session 2006–07

*Report, together with formal minutes, oral and
written evidence*

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The Science and Technology Committee

The Science and Technology Committee is appointed by the House of Commons to examine the expenditure, administration and policy of the Office of Science and Innovation and its associated public bodies.

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The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the Internet at www.parliament.uk/s&tcom
A list of Reports from the Committee in this Parliament is included at the back of this volume.

Committee staff

The current staff of the Committee are: Dr Lynn Gardner (Clerk); Dr Celia Blacklock (Second Clerk); Dr Chris Tyler (Committee Specialist); Ana Ferreira (Committee Assistant); Christine McGrane (Committee Secretary); and Jonathan Olivier Wright (Senior Office Clerk).

Contacts

All correspondence should be addressed to the Clerk of the Science and Technology Committee, Committee Office, 7 Millbank, London SW1P 3JA. The telephone number for general inquiries is: 020 7219 2793; the Committee's e-mail address is: scitechcom@parliament.uk

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Report

Introduction

1. At the beginning of the Parliament we undertook, as one of our core tasks, “To scrutinise major appointments made by the Secretary of State for Trade and Industry” within our remit.¹ This is in line with the resolution of the House of 14 May 2002 that its select committees should “consider, and if appropriate report on, major appointments by a Secretary of State or other senior ministers”.² We decided that this would involve a single evidence session with new incumbents a few months after taking up the post. The sessions are intended to be analogous to the Congressional confirmation hearings in the United States, although we have no power to ratify or veto any appointment. Our purpose is to satisfy Parliament that the post has been filled with someone of sufficient calibre, to establish the views and principles that he or she brings to the job, to alert them to our interests and concerns and to heighten awareness of our role in scrutinising each individual’s performance and that of their divisions or organisations.

2. Since July 2005 we have held four such sessions, with Professor Keith Mason, Chief Executive of the then Particle Physics and Astronomy Research Council, Professor Alan Thorpe, Chief Executive of the Natural Environment Research Council, Professor Philip Esler, Chief Executive of the Arts and Humanities Research Council, and Mr Ed Wallis, Chairman of the Natural Environment Research Council. On 20 June 2007, the Committee held a fifth introductory hearing with Sir John Chisholm, the newly-appointed Chairman of the Medical Research Council (MRC). The transcript of the session is published with this Report, together with memoranda received prior to the hearing and written evidence from Sir John which clarifies several points that were unresolved in the oral evidence.

The appointment

3. Sir John Chisholm was appointed Chairman of the MRC in October 2006. His background is in technology business in both the public and private sectors. He has successfully founded and directed companies in the computing and engineering sector. In 1991 he brought together the UK Defence Research Establishments to form DERA, most of which was floated-off and became a commercial entity in 2001 as QinetiQ, with Sir John as chief executive. In 2005 he became its chairman.³

4. We asked Sir John how he was approached for the role of Chairman of the MRC. In oral evidence he said that he thought that the invitation came from Professor Sir Keith O’Nions (Director General of Science and Innovation), but in a subsequent memorandum to the Committee he said that he was approached by the recruitment company Saxton Bampfylde Hever plc.⁴ When asked about the selection process, he said: “as far as I am aware, the

1 Science and Technology Committee, First Report of Session 2006–07, *Work of the Committee in 2005–06*, HC 202, Box 1

2 First Report of the Select Committee on Modernisation of the House of Commons, Session 2001-02, *Select Committees*, HC 224-I, para 34

3 Sir John Chisholm’s biography on www.mrc.ac.uk/AboutUs

4 Qq 2-3, Ev 6

standard procedures and processes were followed”.⁵ **The processes involved in making major public appointments should be transparent and open to scrutiny. We regret that Sir John was unable to give the Committee a clear account of the process by which he was appointed.**

The MRC’s strategic review

5. The Cooksey Review, published in December 2006, looked at the strategic priorities of UK health research, highlighting in particular the importance of translating basic research into health and economic benefits.⁶ The Review proposed new institutional arrangements, which included the creation of the Office for Strategic Co-ordination of Health Research (OSCHR). In response, the MRC launched a strategic review “to examine the impact of the [proposed changes] on the organisation’s role, structures, and operations, while building on its strengths”.⁷ To support the team conducting the review, and to seek to ensure the study was carried out with sufficient objectivity, the consultants Ernst & Young were invited to conduct the review jointly with the MRC.⁸ (The review is hereafter referred to as the Joint Review.)

6. The rationale for selecting Ernst & Young as partners in the Joint Review appears to have been as much convenience as special expertise. A decision was made by MRC executives in December 2006 to conduct the review within a timeframe that enabled the MRC Council to hear recommendations in March 2007.⁹ Contracts worth £145,000 or more are required to be put out to tender unless an applicable framework agreement is already in place.¹⁰ In this case, the MRC wished to avoid the tendering process because of the tight timeframe, and Ernst & Young, which had a applicable framework agreement, were appointed. They were paid £216,412 plus VAT for their contribution to the Joint Review.¹¹ **We are concerned about the informal way in which Ernst & Young was appointed to conduct the Joint Review. Tight timeframes should not preclude proper assessment and clarity about how public money is spent. The MRC should ensure that all such appointments of consultants are conducted more formally and follow existing best practice of open and transparent competition.**

7. The Joint Review made a number of recommendations regarding the institutional structure of the MRC. These included the creation of:

- a) a Translational Directorate to develop translation strategy and create and support knowledge transfer schemes;
- b) a Strategy Advisory Group to shape and integrate scientific strategy development;

5 Ev 6

6 Sir David Cooksey, *A review of UK health research funding*, HM Treasury, December 2006

7 *Review of MRC Role Structures and Operations*, Ernst & Young and MRC, June 2007, p 6

8 Ev 6

9 As above

10 *The Public Contract Regulations 2006* (SI 2006/5); Ev 6

11 Ev 6

- c) a Strategy & Evaluation Directorate to bring together and strengthen the development and evaluation of science and organisational strategy; and
- d) a Strategy Advisory Group to shape and integrate scientific strategy development.

8. These recommendations have not been implemented because the MRC is currently looking for a new chief executive officer (CEO). We welcome the Council's decision to delay discussions about restructuring the MRC until after the new CEO is appointed.

9. The Joint Review also recommended that the MRC Council should be reduced in size from 17 members to 12 members. The rationale for this recommendation is that it should be small enough to ensure that it does not become unwieldy and ineffective at decision-making but big enough to allow an appropriate mix of experience and skills; in the private sector, company boards are typically made up of 9 to 12 individuals.¹² Sir John assured us that the new-look Council would retain effective scientific input and that half the Council will be eminent scientists.¹³

10. We are concerned that the Joint Review did not provide evidence, nor could Sir John produce any evidence when challenged, that the 17-strong Council had been 'ineffective at decision-making'.

11. We welcome Sir John's confirmation that the ratio of scientists to non-scientists will remain 50:50, ensuring that the *relative* quantity of scientific input into the decision-making processes remains the same. However, we are concerned that the removal of two scientists from the Council could result in a reduction in the *absolute* quantity of scientific input. There will still be the same range of scientific and medical issues to cover, and it is imperative that the loss of two scientists does not reduce the Council's breadth of scientific expertise.

Technology translation and basic research

12. The Cooksey Review urged the medical research community to pay greater attention to translating basic research into health and economic benefits. However, concern has been raised in some quarters that increased emphasis on translation may divert funds away from basic research.¹⁴ Sir John told us that "there is no sense in which basic research is downgraded as a result of [the Joint Review]"¹⁵ and he acknowledged the "fundamental importance of basic science and the role the MRC has in furthering basic science."¹⁶ This supports statements he has made elsewhere that the increased emphasis on translation will be supported by increases in funding from the Treasury and that the budget for basic research will not be cut.¹⁷ We applaud the enthusiasm with which the MRC has embraced

12 *Review of MRC Role Structures and Operations*, Ernst & Young and MRC, June 2007, p 47

13 Q 59

14 Ev 2, 4, 5

15 Q 67

16 Q 69

17 'New cash to ease birth of Chisholm's new MRC', *Research Fortnight*, 23 May 2007

Sir David Cooksey's vision for UK medical research and welcome Sir John's assurance that basic research will not be harmed in implementing this vision.

Suitability

13. The MRC is entering a period of change as the Cooksey Review recommendations are put into effect. The new Chairman's career record—in particular his experience in managing change and translating research into marketable products—indicates that he *should* be well suited to a non-executive Chairman's role at this stage in the MRC's evolution. **We note that Sir John assured us that “I am [...] very much a non-executive chairman”.**¹⁸ **We expect the Chairman to fulfil this undertaking, and the MRC Council to ensure that he does.**

14. At our introductory hearing Sir John appeared to us to show a lack of focus and clarity. He was vague about the process of his appointment and evasive when discussing the process of appointing Ernst & Young to help with the Joint Review.¹⁹ He was unable to explain adequately some of the details of the Joint Review, such as how MRC staff and other stakeholders were consulted, his role as chairman of the Steering Group and the reasons for reducing the size of the MRC Council.²⁰ His explanation for the policy decision to increase contingency funding was unsatisfactory and he lacked the necessary knowledge to discuss the MRC's relationship with the other Research Councils.²¹ We do not consider that these shortcomings were resolved fully in his supplementary written evidence.²² **For the reasons set out in this paragraph, we have serious reservations as to whether Sir John is the right person to guide the MRC Executive through the coming period of change.**

Scrutiny of Research Council appointments

15. On 3 July 2007 the Government published a Green Paper on the Governance of Britain which said that Parliament, through its select committees, should play a role in scrutinising some public appointments through pre-appointment hearings.²³ **We are pleased that the Government is taking steps to involve select committees more fully in the scrutiny of public appointments. We believe that pre-appointment hearings with the relevant Select Committee will improve accountability and help ensure that the right people are appointed to key positions. We recommend that Chairpersons and Chief Executives of the Research Councils be included in the proposed list of appointments that should be subject to these hearings.**

18 Q 14

19 Qq 2-3, 23-29, 44-46

20 Qq 33, 47-49, 53-61

21 Qq 82-83, 90

22 Ev 6

23 Ministry of Justice, *The Governance of Britain*, Cm 7170, July 2007, pp 28-29

Conclusions and recommendations

The appointment

1. The processes involved in making major public appointments should be transparent and open to scrutiny. We regret that Sir John was unable to give the Committee a clear account of the process by which he was appointed. (Paragraph 4)

The MRC's strategic review

2. We are concerned about the informal way in which Ernst & Young was appointed to conduct the Joint Review. Tight timeframes should not preclude proper assessment and clarity about how public money is spent. The MRC should ensure that all such appointments of consultants are conducted more formally and follow existing best practice of open and transparent competition. (Paragraph 6)
3. We are concerned that the Joint Review did not provide evidence, nor could Sir John produce any evidence when challenged, that the 17-strong Council had been 'ineffective at decision-making'. (Paragraph 10)
4. We welcome Sir John's confirmation that the ratio of scientists to non-scientists will remain 50:50, ensuring that the relative quantity of scientific input into the decision-making processes remains the same. However, we are concerned that the removal of two scientists from the Council could result in a reduction in the absolute quantity of scientific input. There will still be the same range of scientific and medical issues to cover, and it is imperative that the loss of two scientists does not reduce the Council's breadth of scientific expertise. (Paragraph 11)

Suitability

5. We note that Sir John assured us that "I am [...] very much a non-executive chairman". We expect the Chairman to fulfil this undertaking, and the MRC Council to ensure that he does. (Paragraph 13)
6. For the reasons set out in this paragraph, we have serious reservations as to whether Sir John is the right person to guide the MRC Executive through the coming period of change. (Paragraph 14)

Scrutiny of Research Council appointments

7. We are pleased that the Government is taking steps to involve select committees more fully in the scrutiny of public appointments. We believe that pre-appointment hearings with the relevant Select Committee will improve accountability and help ensure that the right people are appointed to key positions. We recommend that Chairpersons and Chief Executives of the Research Councils be included in the proposed list of appointments that should be subject to these hearings. (Paragraph 15)

Formal minutes

Wednesday 25 July 2007

Members present:

Mr Phil Willis, in the Chair

Mrs Nadine Dorries
Linda Gilroy
Dr Evan Harris
Dr Brian Iddon

Chris Mole
Graham Stringer
Dr Desmond Turner

The Committee considered this matter.

Draft Report (The Role of the Chairman of the Medical Research Council), proposed by the Chairman, brought up and read.

Ordered, That the Chairman's draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 16 read and agreed to.

Resolved, That the Report be the Eighth Report of the Committee to the House.

Ordered, That the Chairman do make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

Several Memoranda were ordered to be reported to the House for printing with the Report.

[The Committee adjourned.]

Witnesses

Wednesday 20 June

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Sir John Chisholm, Chairman, Medical Research Council

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List of written evidence

1	University of Edinburgh	Ev 11
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6	Medical Research Council	Ev 17

List of Reports from the Committee during the current Parliament

The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

Session 2006–07

First Report	Work of the Committee in 2005-06	HC 202
Second Report	Human Enhancement Technologies in Sport	HC 67-I (Cm 7088)
Third Report	The Cooksey Review	HC 204 (HC 978)
Fourth Report	Research Council Institutes	HC 68-I (HC 979)
Fifth Report	Government Proposals for the Regulation of Hybrid and Chimera Embryos	HC 272-I (Cm 7139)
Sixth Report	Office of Science and Innovation: Scrutiny Report 2005 and 2006	HC 203 (HC 635)
Seventh Report	2007: A Space Policy	HC 66-I
Eighth Report	Chairman of the Medical Research Council: Introductory Hearing	HC 476
First Special Report	Scientific Advice, Risk and Evidence Based Policy Making: Government Response to the Committee's Seventh Report of Session 2005-06	HC 307

Session 2005–06

First Report	Meeting UK Energy and Climate Needs: The Role of Carbon Capture and Storage	HC 578-I (HC 1036)
Second Report	Strategic Science Provision in English Universities: A Follow-up	HC 1011 (HC 1382)
Third Report	Research Council Support for Knowledge Transfer	HC 995-I (HC 1653)
Fourth Report	Watching the Directives: Scientific Advice on the EU Physical Agents (Electromagnetic Fields) Directive	HC 1030 (HC 1654)
Fifth Report	Drug classification: making a hash of it?	HC 1031 (Cm 6941)
Sixth Report	Identity Card Technologies: Scientific Advice, Risk and Evidence	HC 1032 (Cm 6942)
Seventh Report	Scientific Advice, Risk and Evidence Based Policy Making	HC 900-I
First Special Report	Forensic Science on Trial: Government Response to the Committee's Seventh Report of Session 2004-05	HC 427
Second Special Report	Strategic Science Provision in English Universities: Government Response to the Committee's Eighth Report of Session 2004-05	HC 428

Oral evidence

TAKEN BEFORE THE SCIENCE AND TECHNOLOGY COMMITTEE

on Wednesday 20 June 2007

Members present

Mr Phil Willis, in the Chair

Dr Evan Harris
Dr Brian Iddon
Linda Gilroy
Chris Mole

Mr Brooks Newmark
Dr Bob Spink
Dr Desmond Turner

Witness: **Sir John Chisholm**, Chairman, Medical Research Council, gave evidence.

Q1 Chairman: Could I welcome this morning Sir John Chisholm, Chairman of the Medical Research Council, to this one-off scrutiny of the role of newly appointed Chairman of the Medical Research Council. Sir John, this is one of our tasks, and a very pleasurable one, which is set by the Liaison Committee to look at new appointments and indeed to get a flavour of what you see is the relevance of the job and what is your vision for the Medical Research Council. Could I start by asking what attracted you to become the chairman of the MRC?

Sir John Chisholm: First of all, I was delighted to be asked to do it.

Q2 Chairman: Who asked you, by the way?

Sir John Chisholm: I think probably Keith O’Nions.

Q3 Chairman: Could it have been somebody else?

Sir John Chisholm: No, I think it was Keith O’Nions. Sorry for my new inexactitude. Put simply, it seems to me that whereas the latter part of the 20th Century was all about electronics and computing, the first half of the 21st Century the opportunities are in biomedical science. That is going to make such a tremendous difference to the world and it was a rare privilege to be asked to play some role in that.

Q4 Chairman: Do you feel your past experience equips you for that role?

Sir John Chisholm: I do not claim any special knowledge of biomedical science but I have encountered some experience of the management and policy making in scientific institutions.

Q5 Chairman: I am interested in how you actually came to be approached for the role. There is a suspicion out in the community that perhaps it is the Treasury who wants a very successful businessman to come and lead the MRC but that is not so. Can we rule that out?

Sir John Chisholm: If that did happen, they did it in a very covert fashion.

Q6 Chairman: We know how it all works. When you took up your new post, what was your mission for the MRC? Your comments within research also

indicated that you had a bit of a mission here. What did you feel you could actually bring? What do you want to achieve?

Sir John Chisholm: I started by saying most of it, which was that it seems biomedical science has the biggest opportunity to contribute to mankind in the next 25 years and the Medical Research Council has an unparalleled record. It is known absolutely globally as a beacon of research.

Q7 Chairman: It did not need you really.

Sir John Chisholm: Probably not but I am delighted to be doing it nonetheless.

Q8 Dr Turner: Your background is very much in engineering as a discipline. How do you think this affects your role as chairman of a biomedical research council, there being quite a lot of difference between the nature of engineering research and development and basic biomedical research? Do you think you bring a useful angle to it?

Sir John Chisholm: I do not want to overstate any particular disciplinary angle I bring to it but it is true to say that a lot of the breakthroughs do come from the intersection between sciences. One of the opportunities that is available in the biomedical field is drawing in particularly information sciences into the biomedical arena as a means of gathering and coherently analysing a vast amount of information; drawing it together using statistical tools but also mathematical modelling tools, drawing in engineering disciplines in sensing what one could do. Imaging is a classic example of that. There is a lot of fruit to be garnered from the intersection between sciences. I do not want to claim that as chairman I have the opportunity or the responsibility to inject that, but it is very interesting for me to see that happen.

Q9 Dr Turner: There is a long tradition, as I understand it, of the MRC, certainly in its intramural activity, of bottom-up direction of sciences as opposed to top-down. How do you feel about that? Would you wish to retain that sort of culture or would you rather prefer a top-down approach.

20 June 2007 Sir John Chisholm

Sir John Chisholm: In the biomedical field where there is so much opportunity for discovery, the knowledge holders are the scientists and therefore most of the invention, most of the discovery and most of the direction is more likely to come from the principal investigators putting forward their propositions. That has been the tradition of the MRC and the evidence is that is the most fruitful way of pursuing the funding of biomedical science.

Q10 Dr Turner: You will continue that tradition?

Sir John Chisholm: Certainly that is the policy of the Council.

Q11 Chairman: I think you rightly opened your remarks this morning by saying how successful MRC has been. It has been an incredibly successful research based organisation in funding and supporting research. What assessment have you made about its effectiveness as an organisation when you arrived? Is it an effective organisation?

Sir John Chisholm: I cannot claim to have myself made such an assessment. As you know, the Council agreed to set up a review of its processes and that was conducted by a joint team of Ernst & Young and the MRC staff themselves and that made certain recommendations.

Q12 Chairman: I will come onto that in a minute but in terms of your first assessment of the MRC, did you feel it was an effective organisation?

Sir John Chisholm: In so far as I have been able to make an assessment, it clearly has been extraordinarily successful. Like every organisation, no matter how successful, there is always the opportunity for improvement.

Q13 Chairman: Your role as chairman, I looked briefly at your incredibly successful past history and you have been very much a hands on chairman. You have been very much involved in not only setting vision and strategy but driving it through. That has been the hallmark—and you can disagree with me if you like—in terms of your professional career. How do you see your role as chairman of MRC? Do you see yourself as executive chairman or how do you see yourself?

Sir John Chisholm: Certainly not as executive chairman, no. Since you mentioned my career, what you would have read in my career thus far is largely as chief executive. I only entered the era of my chairmanship pretty much with the appointment to the MRC.

Q14 Chairman: That is the point I am making. Do you see yourself as an executive chairman rather than as simply a chairman?

Sir John Chisholm: I am clearly a chairman, very much a non-executive chairman. I am chairman of the Council of the MRC. The Council of the MRC is an oversight Council. It has a chief executive who himself runs a management board and therefore the executive function of the MRC is conducted through that route.

Q15 Chairman: You do not see any changes to those relationships?

Sir John Chisholm: Certainly not in those terms, no. The report recommended some clarification of that. Amongst the clarifications was the clarification of the Council becoming more strategic and less executive and that is certainly a direction that I would endorse.

Q16 Chairman: One of the key tasks early on in your chairmanship is to oversee the appointment of a new chief executive.

Sir John Chisholm: To be precise about that, it is not the chairman that makes that appointment.

Q17 Chairman: You oversee it.

Sir John Chisholm: I do not even oversee it. I am a member of the committee that is chaired by the director general of the Research Council.

Q18 Chairman: What is the Council looking for in its new chief executive.

Sir John Chisholm: We have published what are the main terms of reference.

Q19 Chairman: I know that but what are you looking for?

Sir John Chisholm: We are looking for an outstanding individual. If you look through the history of the chief executives of the MRC we have been lucky to have a succession of outstanding individuals and we absolutely aim to keep up that standard.

Q20 Dr Harris: If you hear that you are being seen or regarded as an executive chairman, which you say you do not want to be and you are not supposed to be, would you see that as a failure of what you are trying to do? Would you see it as an outcome to be measured and tried to be improved upon?

Sir John Chisholm: I certainly do not want to be seen as an executive chairman, that is true.

Q21 Dr Harris: Do you think there is a risk that if you are seen as being too proactive, too active, in the day-to-day running that you might scare off some potentially very good candidates for chief executive because they would want, if they are outstanding individuals, more freedom to do what they need to do in that role?

Sir John Chisholm: I can well imagine that the sort of chief executive we are looking for would want to be a chief executive not reporting to an executive chairman. That is clearly something one has the ability to do with direct communication rather than rely upon reputation.

Q22 Linda Gilroy: The Cooksey recommendations in conducting the internal strategic review, it is going further than what was recommended in Cooksey. Can you give us an insight into what the thinking behind that was?

20 June 2007 Sir John Chisholm

Sir John Chisholm: The Council felt that post-Cooksey it would be useful to look at the way the MRC operated given that Cooksey changed the playing field upon which the MRC was operated. It was a sensible time to look at that.

Q23 Linda Gilroy: You brought in external assistance to conduct the review in the form of Ernst & Young. How did you decide who to bring on board? Why them and how much did it cost?

Sir John Chisholm: I would have to write to you about how much it cost. Being a non-executive chairman, it is not something I follow in any great detail.

Q24 Linda Gilroy: How did you decide that it should be Ernst & Young?

Sir John Chisholm: We took advice.

Q25 Chairman: From whom?

Sir John Chisholm: From, for instance, the director general of the Research Councils.

Q26 Chairman: It was Keith O’Nions who recommended Ernst & Young, not yourself.

Sir John Chisholm: There was a process and so I was asked just now how did we collect them. We took advice and looked for a firm that had relevant experience who would get up and running quickly.

Q27 Linda Gilroy: Were there others in the frame? Was there a formal short listing or a more informal way?

Sir John Chisholm: There were others in the frame and Ernst & Young looked the most credible.

Q28 Linda Gilroy: You had a group of people in charge of this internal review and presumably you looked at a range of options and selected Ernst & Young in a fairly formal way?

Sir John Chisholm: It was not a formal process. It was a process whereby we looked for people who had a solid recommendation behind them and who had relevant experience.

Q29 Chairman: Was anybody else interviewed at all?

Sir John Chisholm: Frankly I do not recall. I would have to write to you to remind myself of that process.

Q30 Linda Gilroy: Given the balance of membership on the steering group, which is 3:1 from MRC and Ernst & Young, how much input did Ernst & Young have into the review and the resulting report?

Sir John Chisholm: They were members of the team.

Q31 Linda Gilroy: Did they take a leading role in shaping how it was looked at or were they there in a more low key advisory capacity?

Sir John Chisholm: I do not want to mislead you and waste your time but my observation of it was when the team came forward and presented its review points there were three review points. They were always joint presentations between the Ernst & Young representatives and those from the MRC.

Q32 Linda Gilroy: They worked as co-partners on it rather than Ernst & Young taking a lead and presenting things and people coming around afterwards.

Sir John Chisholm: Yes. My guess is that because we wanted something done relatively quickly it was important to gather together knowledge holders and the knowledge holders are more likely to come from within the MRC.

Q33 Linda Gilroy: How did you consult the MRC staff and other stakeholders about the changes? How were they brought into the process?

Sir John Chisholm: I would have to gather information to answer that question because I was not actually involved in the study itself. My role was listening to what they had to say.

Q34 Linda Gilroy: The other MRC members and Ernst & Young would have been the ones consulting the staff and stakeholders and you were presented at meetings with the results of that?

Sir John Chisholm: Yes.

Q35 Linda Gilroy: What feedback did you get from that part of the process? We have had some evidence from the MRC five unions hoping for what they refer to, at the end of their letter, as more open consultation and communication in the future, which suggests that perhaps they were not entirely feeling involved in the process of what is a fairly substantial piece of work.

Sir John Chisholm: The study was a study by that team. That was then reviewed by the Council and then the Council decided upon the actions that would follow from that and that was communicated then to the staff.

Q36 Linda Gilroy: What sort of feedback have you had from that?

Sir John Chisholm: I cannot say that the Council has yet reviewed the feedback.

Q37 Linda Gilroy: That has yet to come but you expect that to be an important part of the process of shaping the way ahead?

Sir John Chisholm: Necessarily we need to take staff along with us on all occasions. The chief executive has since been out on a series of communication exercises and I would expect at the next Council meeting to get a report on that.

Q38 Linda Gilroy: One of the key missions of the MRC is public engagement. That does not seem to have been part of the strategic review. How do you envisage that important part of what the Council is committed to taking on about shaping the way ahead. You describe it very eloquently in how you see your mission in the written statement that we have from you. It is a very substantial change in funding with the Cooksey review involving stakeholders and public engagement. Do you see that as an important part of what you are trying to re-shape?

20 June 2007 Sir John Chisholm

Sir John Chisholm: The MRC has long had a tradition of public engagement and public meetings and I would certainly expect those to continue. As I have said, the chief executive has recently been out on a series of public presentation meetings and that is very much part of what the MRC does.

Q39 Linda Gilroy: You are using the word “presentation” rather than “engagement” and that suggests a one-way process rather than a dialogue. I do not have experience of MRC public engagement so I do not know what the historic experience of that is but would you agree that both in terms of staff and in terms of public engagement there should be a conversation which enables you to take their views into account?

Sir John Chisholm: You are quite right to pull me up on my use of the word “presentation”. I think the chief executive, who isn’t here, would probably use a more felicitous term than I did and say that he was involved in public engagement and dialogue.

Q40 Linda Gilroy: Do you see it as part of your role as chairman to be the guardian of how MRC carries out one of its four missions in life, which is public engagement, to see that it should be proper engagement, or would you leave that to the chief executive and the director?

Sir John Chisholm: You are quite right. I will certainly see it as part of my role to ensure that all the things the Council was responsible for actually discharged their duty. I would certainly look forward the chief executive reporting on how he had done it. It is not my job to do that, that is the role properly of the chief executive and the executive team.

Q41 Linda Gilroy: You would accept the role of ensuring that he conducts that in a way that allows proper engagement rather than presentation.

Sir John Chisholm: Exactly. I would certainly expect to be a longstop in the sense of the recipient of any impression from the public or any other bodies who felt that was not being done properly. The chairman acts as a longstop in that way.

Q42 Linda Gilroy: In general you would agree that true consultation means genuine seeking of views before decisions are taken rather than transmitting the understanding of the shape of things to come by the great and the good.

Sir John Chisholm: Yes. Obviously there are areas where public engagement can be a whole lot more effective than others. One of the areas to be reviewed we have been talking about related to the size and shape of the Council. Typically that is not an area where the public get that excited.

Q43 Linda Gilroy: The staff might have some informed views on that?

Sir John Chisholm: Possibly. For instance, the fact that the Council retains very strong scientific credibility is the sort of thing I would expect the staff to be interested in, as indeed the Council is interested in.

Q44 Chairman: Can I ask to go back to the Ernst & Young appointment? Was the chief executive involved in the decision to bring in Ernst & Young?

Sir John Chisholm: Yes, absolutely.

Q45 Chairman: He was involved in the whole process of choosing Ernst & Young.

Sir John Chisholm: Yes. Clearly the Council made the decision and the chief executive was involved in the processes leading up to advising the Council.

Q46 Chairman: It would be very useful if we could have sight of what the process was because it was a highly influential and critical report from the steering group. It would be useful to know how that process of them being chosen came about. You were the chairman of the steering group. In response to Linda Gilroy’s questions, you seem to be a little vague about what your role was as chairman of the steering group.

Sir John Chisholm: I apologise for being vague.

Q47 Chairman: My understanding is there were three members of the MRC and one member of Ernst & Young. That was the ratio on the steering committee and you were chairman. What was your role as chairman of that steering committee? What were you trying to achieve?

Sir John Chisholm: I am sorry about being vague. As it happens, I was out of the country at that time.

Q48 Chairman: You did not actually chair the steering committee?

Sir John Chisholm: I did but at least one of the steering group meetings I attended by telephone.

Q49 Chairman: The only meeting you attended was by telephone.

Sir John Chisholm: No, not the only meeting. I said one of the meetings I attended was by telephone. I happened to be out of the country over the period during which the review was being conducted, therefore my input to it was the report-back sessions when I participated with others as the findings or the progress on the review was discussed.

Q50 Dr Harris: On the joint review, in terms of the outcomes, what do you think the main recommendations are among the many in the joint review, the key ones, as far as you are concerned?

Sir John Chisholm: The topics that the Council has taken forward are the changes to the Council itself, the taking up of recommendations that the Council should take a more strategic role and delegate more to the executive board the operational decisions; secondly, that there should be a clearer strategy process within the MRC; and, thirdly, that the MRC should clarify its process for translation.

Q51 Dr Harris: The speed of implementation and the speed of the review, can you say a few words about that? Would you say it was a leisurely exercise, a moderate exercise, or was it all done in a rush or to a tight timetable and, if so, what was the timescale? What dictated the timescale of the review?

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Sir John Chisholm: What dictated the timescale of the review was the Council had a series of meetings and it is useful to provide the Council with relevant input for particular meetings. There was a two-day strategy discussion in March and it was useful to have feedback from the review by March.

Q52 Dr Harris: Had it not been for the fact that was the back stop, as it were, it might have been possible to conduct the review at a slower pace?

Sir John Chisholm: It might have been. Indeed, the Council who reviewed it in March might have decided that it was not satisfied with what it was achieving from the review and asked for more work to be done. Those are all possible outcomes.

Q53 Dr Harris: The Joint Review recommends that the current Council of 17 members should be cut to 12. What was the rationale for that?

Sir John Chisholm: Effectiveness probably.

Q54 Dr Harris: What was the evidence that 17 tends to be less effective than 12, or is likely, in the case of the MRC, to be less effective than a smaller Council? Is it because the average size of a FTSE 100 company board is between 9 to 12 and therefore 17 is out with the current trends in business?

Sir John Chisholm: I do not think it is a special revelation that smaller groups are more effective than larger groups. The Council you have to remember meets relatively few times per annum, maybe half a dozen times per annum.

Q55 Dr Harris: I was a little confused. As a general rule, is this Committee too large in your view? I know it is in the Chairman's view. Where does that end? Should the Cabinet be 9 to 12? Have you passed that on? What about the Research Councils UK? Is there a magic number from some business guru that I have missed out on, which is possible as I am not a business person?

Sir John Chisholm: I am not here to indulge upon management theory. I am asked by you to explain my understanding of the rationale for the recommendations. I went to observe an MRC Council meeting, the last Council meeting before I took over as chairman, and there were 18 people around the table. The meeting lasted two hours and there were 31 items on the agenda. The dynamics of that is that not many people around the table got an opportunity to engage fruitfully in the discussion. It is an observed fact that if I look at the attendance record historically of the MRC it is not as good as one would want.

Q56 Dr Harris: 17 people do not always turn up so on average there might only be 12?

Sir John Chisholm: I do not have the average figure. It is true that the attendance is not as good as we would want. That is usually an indicator that the meeting could be better organised.

Q57 Dr Harris: Could it be an indicator that the scientists on the Committee are doing science. It is an international business. I would never criticise you

for being abroad. I know you are not criticising these Council members for being abroad. Could it be the case that in order to retain a critical input of advice from active scientists that you have to have a given number on the Committee and you have to allow them to be active otherwise you get a bunch of retired scientists who might not be in touch.

Sir John Chisholm: You make that speculation and we could discuss that.

Q58 Dr Harris: We should discuss it.

Sir John Chisholm: I do not have further and better evidence than that which was considered by the review board and they came up with their recommendation which the Council considered and was convinced by.

Q59 Dr Harris: Will the Council include the funding board chairs, will it include representatives of the MRC research institutes and will it include a member from the universities? Since I mentioned one vested interest we should mention the others.

Sir John Chisholm: Half the Council will be eminent scientists.

Q60 Dr Harris: That is six-ish.

Sir John Chisholm: Certainly six including the chief executive. In amongst those six you want a mixture of experience which covers the field so far as the important constituents, so far as one can. Certainly you need experience of chairing a board and you need experience from the university sector. We have not done this process of selecting that group yet so I cannot tell you what the answer is but the Council is aware of the need. Indeed, when we discussed this at the Council the points you are making were certainly made. It is important to keep a balance so the Council as a whole is well informed with the appropriate experience.

Q61 Dr Harris: I asked you about the research councils, institutes and universities, those two stakeholders or vested interests, depending on your perspective. Would there be people on the Council from that perspective or would that be down to good fortune from that point of view?

Sir John Chisholm: We have not selected who the Council members are going to be and no decisions have been made one way or the other. The important thing is to have a good representative group, not representative in the sense of representing a sectorial interest but representative in the sense of having experience they could bring to the Council discussions.

Q62 Dr Harris: In proposing two new directorates, one on translation and another on strategy and evaluation, and then also the strategy advisory group, is that a streamlining of the existing system in structural terms or is it necessary, from your perspective, to add structural complexity in order to streamline and so on?

Sir John Chisholm: I think what you are quoting from there is the recommendation in the Review. The Council, when it considered the

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recommendations in the review, decided that in so far as dealing with issues of translation, it would be better to wait until the appointment of the next chief executive is made for the chief executive to come forward with recommendations as to how he would like to organise the MRC.

Q63 Dr Turner: Can I return briefly to the question of the Council. In reducing from 17 to 12 you have taken off five scientists but you still have the same number of administrators. You have changed the balance of the scientific input into Council. Will you take that into account when you appoint a new Council.

Sir John Chisholm: I want to make sure I have understood your question.

Q64 Dr Turner: The ratio of scientists to administrators.

Sir John Chisholm: What we need to make sure is that we have appropriate scientific input, which means half the Council should be eminent scientists.

Q65 Dr Turner: Input or influence? They can be quite different.

Sir John Chisholm: The scientists clearly speak with immense authority at the Council.

Q66 Dr Turner: The main question I want to address is the nature of the MRC future programmes. Ernst & Young's report is written in management speak so it needs a little translation. I would like to know exactly what is meant by research with a purpose and how it is conceived as relating to translational research in terms of the Ernst & Young thinking and your thinking.

Sir John Chisholm: Of course the report by the team, which we call the Ernst & Young report, was written by them so you have to ask them exactly what they mean. I can tell you what I believe it means, which perhaps is a useful thing. I interpret that as one of the significant and important features of biomedical research is that it has an output which is of enormous importance to the world, which is health. The purpose that is related there is not the purpose of a specific piece of research but the purpose of the research as a totality, the research into an area which ultimately has an enormous benefit for mankind.

Q67 Dr Turner: I think my problem is that the report as written seems to almost regard translational research output from a rather mechanistic point of view whereas in reality it is rather a slippery animal and is much more complicated than that. I want to be assured, and possibly others, that there is no question of downgrading the importance of basic research in the MRC's activity. That has been the feed stock for the translation process to date and if you have not got that feed stock you have not got anything to translate.

Sir John Chisholm: I am delighted to do that, which is to assure you categorically that there is no sense in which basic research is downgraded as a consequence of this report.

Q68 Dr Turner: That is very good to hear. Can you tell us how your translational board within the MRC is going to relate to the MRC's and the National Institute of Health Translational Research Board. Why do you need a separate one within MRC do you think?

Sir John Chisholm: As I said a moment ago, that is part of the issues that the Council parked and said let us wait until we have a new chief executive and wait and see how the OSCHR is going to define the roles of the things for which it has responsibility.

Dr Turner: You are not anticipating that for the moment.

Q69 Chairman: If in fact the new chief executive of the MRC comes from a clinician background, would that not indicate a fear that Dr Turner is raising that in fact the emphasis may shift towards translational rather than basic research within the organisation? Is it a possibility that an eminent scientist who is an eminent clinician could be chief executive?

Sir John Chisholm: First of all, I want to go back to my categorical statement that the MRC Council in all the debates that I have participated in has been absolutely clear of the fundamental importance of basic science and the role the MRC has in furthering basic science. There has never been any question about that. I cannot imagine the selection committee which I am participating on selecting anyone who was not similarly committed to basic science.

Q70 Dr Turner: Turning to the future of the NIMR, which has been the subject of some debate, I could not help noticing that in an interview with you published in *The Biochemist* you took exception to the criticism in our report of the MRC's capacity for project management. Perhaps I could remind you why we said that. It was because the MRC spent £28 million on buying the NTH site to move NIMR and went through the whole process of the task force but at no point had it done a feasibility study or proper costings. When the feasibility study was finally done and when it was properly costed the whole thing turned out to be totally impossible. That was why we criticised project management. You are now looking at the British library site in concert with UCL and Cancer Research UK which is possibly an exciting prospect but can you assure the Committee that before going any further with such suggestions—and perhaps you could tell us where it has got to—the proper feasibility studies will be carried out?

Sir John Chisholm: I am at a disadvantage in talking about the purchase of the NTH site. It preceded me and I have not researched that in immense detail. All I would say is it is useful to have it, so to speak, as a card in the game we are trying to play. Let us wait until the story is fully played out before coming to a conclusion as to whether things that were done were wise or not wise. I would also say that in so far as I have reviewed what has been done thus far, not doing studies is not one of the criticisms I would bring out. It seemed to me that this whole story has been a wealth of studies of one sort or another. I do not need to explain to this Committee how difficult this whole process has been. I do not think it is useful

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to go into a long debate as to why it has been so difficult. What I would say is that what is now emerging is a very exciting vision. There is a lot of difficulty in making it happen but it really is a very exciting vision. If we can pull it off I think it will be something that we will all be very proud of.

Q71 Dr Turner: I am seeking to establish whether you have the information to tell you whether you can accommodate what is needed on the site in terms of the current research power of NIMR and whether it can be done at a cost that the Treasury will not quail at because if the Treasury did, it would be stopped in its tracks again.

Sir John Chisholm: I do not know the answer to those questions. There are teams working on that at the moment. As I said a moment ago, there are a lot of challenges to be overcome and amongst those are exactly the points you are alluding to.

Q72 Dr Turner: You are not going to fall into the trap that the MRC put itself into in the previous attempt?

Sir John Chisholm: I do not know which one of the traps you are referring to; there seems to be quite a choice. The people involved were all committed and capable people. It is more complicated now because it is now working in partnership with highly independent bodies and therefore, if you forgive me, I will not say much about that because I have to take account of their views.

Q73 Dr Turner: Can we concentrate on how you think this will improve the MRC's capacity to participate in translational research given of course that one of the problems of operating on a Central London site in any event is not just the capital costs but the inbuilt 25 per cent more higher running costs of an institution on the site in Central London as opposed to on the periphery of London.

Sir John Chisholm: The policy of the Council, which has been its policy for some time, has been that so far as possible institutes should exist in the community, including academic and clinical facilities. That is not a policy that I have generated; it pre-dated me by some way. In so far as I scrutinise that, it looks to me entirely consistent with the policies that most major funders have. When you are not little Johnny out of step, just doing what other people say is the right policy, that does give you some confidence that you are on the right track. It is not a surprise to me that the Council has been vigorous in saying this is what we want to do with a critical new investment. The question then is where? One of the things you are trying to create is a critical mass attractor. If you get lots of good people together, other good people want to come and join it, other investors want to be part of that same scene. It is the Cambridge effect, if you like, or the Silicon Valley effect. The potency of that attractor effect is probably a lot more important than premium on the land. If you can get that effect going, the potency, the efficiency, you get out of getting that critical mass of excellent people together is so large that you can afford to pay more for the land that you stand on. That is why so many people

invest in Boston or the Silicon Valley despite the fact it is a whole lot more expensive doing that than in Texas or other parts of the United States.

Q74 Dr Turner: Are you able to tell us anything, any hint, of the timescale that you are working on in respect of the British Library site?

Sir John Chisholm: I am a little reluctant to be too specific on that subject for the reason that if I was it might affect the viability of the project. If you do not mind, I would prefer not to be very specific.

Q75 Dr Turner: You are aware of the potential pitfalls and difficulties.

Sir John Chisholm: I have read some of the documents and I am more than aware of the pitfalls involved.

Q76 Chairman: Finally on that section, have you actually got a price on the British Library site? Do you know what it is going to cost? What are DCMS asking for it?

Sir John Chisholm: DCMS, as I understand it, are going to auction it so it will be a market price.

Q77 Chairman: Do you know when that auction will take place?

Sir John Chisholm: I do not have a date for it right now.

Chairman: Is it imminent?

Dr Turner: Do you have any back-up plans if you do not win the auction?

Q78 Chairman: Will it be by the end of the year do you think?

Sir John Chisholm: I believe it will be by the end of the year.

Chris Mole: Is there a back-up plan?

Q79 Chairman: I would not like to play poker with you.

Sir John Chisholm: I do apologise. I am in a difficult situation.

Chairman: We do understand that and that is perfectly fine.

Q80 Chris Mole: The Joint Review has made a number of comments about the balance between the intramural and extramural research funding. Do any of the strategic and structural changes at the MRC, and between the MRC and government and research institutions, affect that balance at all?

Sir John Chisholm: I do not think any of those things affect that balance. The issue of the balance has been one that has been a topic of policy discussion at the Council for decades and remains one. The Council's policy remains that the demand role of funding should be used as the main vehicle but when the demand role of funding is not going to achieve the strategic purpose that it is looking for it is prepared to invest in a specific strategic investment.

Q81 Chris Mole: Has part of that debate included a look at the relative efficacy of the intramural and extramural programmes? Can you expand a bit

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more on why the default position therefore is to go extramural and are you planning to identify the knowledge on the relative efficiency of the different sorts of sources of research?

Sir John Chisholm: What I can tell you is what I have been told and relates to the evidence I have seen, and that is that the efficiency in terms of the bibliometric output of the Institute is very good. What you have called the intramural units is good. Of course, you would expect that because that is what they are specifically for; so it is good news that that is good, and that justifies the level of expenditure that we put through that process. However, it is something that we have to keep looking for because we have to make sure that the money is being allocated in that way for good reason.

Q82 Chris Mole: The other thing in this area is contingency funding. How do you determine that balance between contingency and other funds, and why are you currently planning to increase the contingency fund?

Sir John Chisholm: The Council feels that it should be able to respond to new needs as they arise. The new need could be that something particularly exciting has been discovered and we should be able to increase funding in a particular area, or some new health challenge emerges and we should respond to it. Bird flu—that sort of thing.

Q83 Chris Mole: You did quite well out of the bird flu, so why do you feel that you need to extend it further?

Sir John Chisholm: Frankly, I am not the right person to ask as to how we were able to respond so well under bird flu. Colin Blakemore, if he was here, would give you a very good story on that. I am embarrassed that I cannot tell you exactly how that was done, but it was done well, I agree. It is exactly that sort of thing which we need to be able to do quickly, and we need to make sure that we are not so locked up in commitments that, when an unexpected opportunity arises, we cannot respond to it.

Q84 Chris Mole: Is it that you have evidence that you expect there will be more unexpected incidents of that sort? Always expect the unexpected!

Sir John Chisholm: It is hard to answer that question, frankly. I do not know what to expect of the unexpected.

Chairman: I expect we do not either!

Q85 Dr Iddon: Sir John, what do you expect will be the biggest impacts on the work of the MRC of the creation of the Office for Strategic Co-ordination of Health Research, OSCHR?

Sir John Chisholm: Clearly OSCHR's principal role is to advise the Government on the allocation of resources. That is why OSCHR is so important to us, because OSCHR will be advising and has already advised the Government in relation, for instance, to the Comprehensive Spending Review.

Q86 Dr Iddon: Are you expecting to work much more closely with the other part of OSCHR—the NIHR?

Sir John Chisholm: The vision that the Cooksey Report came up with is something which we absolutely sign up to. There is a huge opportunity in the UK to use the power of our absolutely world-class basic research, alongside the health system we have in the UK, which has coherence and scale, and to put these things closer together and to leverage that resource. That is a huge opportunity we have. Mechanistically, it was more difficult. The creation of the NIHR should make that easier.

Q87 Dr Iddon: Obviously, colleagues in the National Health Service who do applied research would say that they just cannot do enough of it because they cannot get the funding. Do you think that the creation of OSCHR will dilute basic research—the very question that Dr Turner asked you earlier—because there will be an increased demand from the National Health Service to do their applied research?

Sir John Chisholm: If you are asking me the question, do I think basic research would be diluted because the National Health Service want more money to do applied research, my answer to that is no, I do not think that will happen.

Q88 Dr Iddon: I guess that if the NHS consultants and their technicians feel that they are short of money, there should be an increased demand on the Comprehensive Spending Review to increase the resources of OSCHR.

Sir John Chisholm: I am not going to be drawn into a debate upon the Department of Health's budget. All I will say is to repeat what is said in the Cooksey Report and which has been repeated by John Bell several times: that there will be no dilution of the basic research and the funding of the translational research. If it needs more funding, then the more funding will come from a different place.

Q89 Dr Iddon: The creation of OSCHR brings you much closer, we hope anyhow, to the NHS R&D systems in England, but will it bring you much closer to the equivalent systems in the devolved governments?

Sir John Chisholm: The creation of NIHR will not do that, but we are certainly working on building upon the very good relations we already have with the devolved governments, particularly in Scotland. I think that we have some very beneficial relationships in Scotland right now.

Q90 Dr Iddon: The Joint Review was a bit critical—in fact more than a bit critical—of your relationships with other Research Councils. Indeed, we talk to people from the other Research Councils quite a lot in this Committee, and I think that members of the Committee would agree that we have picked up that criticism too, separately from the Joint Review picking it up. Do you accept that criticism and, if so,

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what are you going to do about working much closer with the other Research Councils—who have something to offer to you, obviously?

Sir John Chisholm: I am sorry, of course, and I deeply regret if there is valid criticism of the MRC. I would have to come back to you as to what the specific answers to that are, because it is not a subject that I have been deeply engaged in thus far. I have my first meeting collectively with the other councils coming up in a couple of weeks' time, so I will perhaps be better informed after that.

Q91 Dr Iddon: Do you think the time has come to look at where the headquarters of MRC lie? You are very London-centric, of course. There is a bit more outside London which the other Research Councils engage with, and there is criticism of the MRC being a bit aloof from the central Research Council core in Swindon. Have you any comments to make on that criticism?

Sir John Chisholm: It is not one that has been made to me particularly forcefully, I would have to say. It is not totally unknown to me, but it has not been made to be particularly forcefully. I am sure the new chief executive would review that when he gets appointed, because it is an obvious thing to review. However, there are benefits also for being in London.

Q92 Dr Harris: Do you accept that, in principle, if you prioritise something then, relatively speaking, you must de-prioritise something or everything else?

Sir John Chisholm: It is not always a zero-sum game, but I do accept the principle that prioritisation has gains and losses.

Q93 Dr Harris: When you say in your article in *Research Fortnight*, "... there will be an increased emphasis on research translation in future" and "We will increase our commitment to developing research findings for application in new therapies", do you accept that, relatively speaking—even if it is in the context of growing budgets—there will be a relative decreased emphasis on non-translation and a relative non-increase in commitment to other research, such as basic research, or at least a perception of that?

Sir John Chisholm: I am always reluctant to get too engaged in discussing perceptions separate from reality.

Q94 Dr Harris: Good. Then let us stick to the reality.

Sir John Chisholm: The reality is that I do not expect the basic research to be negatively impacted in any way.

Q95 Dr Harris: It would be fair to say, therefore, that there will also be an increased emphasis on basic research and you will increase your commitment to basic research, in exactly the same way?

Sir John Chisholm: No, what I have said is I do not expect the basic research to be negatively impacted in any way. What I hope—I have now moved on from "expect" to "hope"—is that the greater attention that we put on to translation will be so

successful that the case for more investment in basic research will be even stronger, and both sides will therefore benefit.

Q96 Dr Harris: Everyone wins.

Sir John Chisholm: I think that is a real possibility because, as I said earlier on, I think this really is the area where more good can be done than any other area of science.

Q97 Dr Harris: My final question—and I am grateful for the indulgence of the Chairman—is to ask you about this issue of extramural research being the default option. In response to the question from my colleague, you said that, bibliometrically, the institutes do the intramural research very well. I am curious as to why the default option should be extramural research. In your answer, can you address this point? "MRC's traditional ability to pick outstanding scientists and give them long-term support through its intramural programme has produced some of the best basic and applied medical research in the post-war period." Professor Sir David Weatherall goes on to say that he thinks it is "absolutely vital that intramural programmes continue to form a major part of the work of the MRC". If you accept those two points, is that not at risk from making something else the default option?

Sir John Chisholm: No, because despite the fact that we have had the default option being extramural research, as I said earlier on, the MRC continues to invest strategically in units in institutes where that cannot be done through the extramural programme.

Q98 Dr Turner: Can I follow that question up? There is this possibility outstanding that, if NIMR cannot be successfully moved to a new site in London, the MRC's existing policy is that the institute should be broken up—so that there is a potential threat.

Sir John Chisholm: I do not think the MRC's policy can be described as that the NIMR should be broken up.

Q99 Dr Turner: But to all intents and purposes?

Sir John Chisholm: The policy at the moment is to have a world-class institute, based upon the sciences of the NIMR. That is the policy. The policy is to invest hugely in that, in renewing it for the 21st century.

Q100 Dr Turner: I appreciate that, Sir John, but the Council has been pretty specific in saying that, if that cannot be achieved, the Mill Hill site will close anyway and, by implication, the scientists and departments currently at Mill Hill would be distributed amongst universities, presumably.

Sir John Chisholm: The Council has not come to any view in my hearing of what would happen in those circumstances, which we do not envisage. What the Council intends to do is to make a major investment in the NIMR. It is planned around a location in London at the current time.

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Q101 Chairman: Could I finally say to you, Sir John, that there was an existing business plan, and I presume that you will need a new business plan to put before the Treasury in order to make the British Library site come to fruition. Is that correct?

Sir John Chisholm: We are working on the new vision, yes.

Q102 Chairman: The new vision, once it is complete, will then require a business plan to put before the Treasury, in order to get the funding to buy the site. Is that right?

Sir John Chisholm: Yes. I am not going to go through the exact timing.

Q103 Chairman: No, I am not asking you to do that.

Sir John Chisholm: But in principle you are right.

Q104 Chairman: It is really picking up on Dr Turner's point about the existing proposal. Is that scrapped now? The last time you were before the Committee we were told that there was a business case which was being put to the Treasury on the Temperance Hospital site, and that there was a zero default option with the existing NIMR site at Mill Hill. What has happened to those? Are they just shelved now? Are they scrapped, or what?

Sir John Chisholm: A case was built up for the investment at the NTH.

Q105 Chairman: Yes, and that had gone to the Treasury.

Sir John Chisholm: No.

Q106 Chairman: It never went to the Treasury?

Sir John Chisholm: It had not reached that stage, but it had been passed through the Council, who were prepared to support it.

Q107 Chairman: I understand that, and it had gone to the Office of Science and Innovation, on its way to the Treasury. What has happened to it?

Sir John Chisholm: It is in abeyance at the moment; because, after that, the larger vision emerged.

Chairman: I understand that. I just wanted to know whether it is dead.

Chris Mole: In limbo.

Q108 Chairman: You will never really resurrect that, will you?

Sir John Chisholm: I never say "never". We reached a certain stage with it. Then a new and more interesting opportunity arose and we are pursuing that. We have not gone back to rake over the NTH proposal. It reached the stage it reached, and that is where it is.

Chairman: On that note, we thank you very much indeed, Sir John, for giving us your time this morning.

MEMORANDUM 1

Submission from the University of Edinburgh

1. The University of Edinburgh places a very high value on our strategic partnership with the Medical Research Council, which currently includes integration into our research strategy of two MRC Units (Human Genetics Unit and Human Reproductive Sciences Unit) and two MRC/University Centres.

2. The University is aware that the Chairman of the Medical Research Council has been particularly interested in ensuring that the MRC's growing partnership with NIHR in England is also mirrored by comparable partnerships with the NHS R&D systems in the devolved administrations. Since the MRC has a UK-wide remit, the Science and Technology Committee may wish to explore this issue further with Sir John Chisholm, noting that this is an area in which much new good work is being done very rapidly.

May 2007

MEMORANDUM 2

Submission from Weatherall Institute of Molecular Medicine

EXECUTIVE SUMMARY

Considering the increasingly broad scope for medical research, and following the recommendations of the Cooksey Report, it seems appropriate for the Medical Research Council (MRC) to review its role in funding medical research. The MRC, as the major source of government funding for medical research, has, with its unique mix of intramural and extramural research support, been extremely successful in maintaining a balanced mixture of basic biomedical research and translational and clinical research in the UK over many years. Through its intramural programmes it has been able to identify outstanding scientists and provide them with long-term support to develop research programmes of the kind and complexity that are not amenable to short term funding. Yet, at the same time, the Council has been able to fund and encourage work in fields directly applicable to day to day clinical practice, particularly through the excellence of its clinical trials and epidemiological studies. If, given the recent reorganisation of the relationship between the MRC and the Department of Health, and after consideration of some of the recently developed opportunities for both basic and clinical research, the MRC decides that its programme requires revision, it is absolutely vital for the future of research in the UK that the current balance between intramural and extramural research is retained intact; it has been, and will remain, one of the major reasons for its remarkable output of internationally recognised research based on, at least by international comparisons, small amounts of funding. By some relatively simple organisational changes, particularly involving the Department of Health's future role in research, and interactions between the major medical charities and industry, it should be possible to define the future role of the MRC while, at the same time, not endangering those features that have made it so successful in the past.

1. The background to this short submission is that for many years I ran research groups, first in Liverpool and then in Oxford, that were supported by the MRC and medical charities. I was able to establish the first Institute in the UK, or globally, for the application of the new technology of molecular and cell biology directly to clinical practice, and, after my retirement, was invited to spend a year at the National Institutes of Health in Washington, the American equivalent of the MRC, to advise on their international programmes. My recent work for the World Health Organization has enabled me to observe the mechanisms of funding in many other countries and contrast and compare them with those of the MRC and British charities.

2. Funding for medical research in the UK comes from a wide variety of sources, a fact which, though healthy, does present difficulties for developing overall strategies. The principle government funding is through the MRC, the Department of Health, and the Universities. A great deal of funding also comes through the major charities, notably the Wellcome Trust and the smaller specialist charities, and, to a smaller extent, from the pharmaceutical industry. More recently, and in recognition of its excellence in the field, funding has been obtained from large international agencies such as Gates for work in medical research related to the developing countries. The UK's role in this latter field, which has been grossly underestimated, will be the subject of a report later this year from the Academy of Medical Sciences. A modest amount of funding has also been available through the European Community.

3. Given the heterogeneous sources of funding, and the fact that many of them are earmarked for particular areas of research, it has been left largely to the MRC and The Wellcome Trust to develop a balance of intramural and extramural research activities across broad fields extending from the very basic biological sciences through to work that has immediate applicability in the clinic and community. While there have been inevitable criticisms of bias towards the basic science end of medical research on the part of both bodies, the fact is that they have both been able to maintain an extremely good balance between these extremes. The MRC's intramural programme, as evidenced through the work of the Laboratory for Molecular Biology in Cambridge and its various units in different parts of the country, has been quite outstanding and is viewed with not a little envy by those who direct the various Institutes of the NIH in the USA. The MRC's traditional ability to pick outstanding scientists and give them long-term support through

its intramural programme has produced some of the best basic and applied medical research in the post-war period. It is absolutely critical that, through pressures of short term objectives, these intramural programmes continue to form a major part of the work of the MRC, an approach that is also followed with great success by The Wellcome Trust. Overall, both these bodies, backed up by the smaller charities, have established a reasonable balance between basic biological research and clinical and epidemiological research and, in particular, have developed the training capabilities for this work to continue to flourish in the UK.

4. While the recent initiative of the Government and Department of Health to fund several centres of excellence for translational research is extremely encouraging, the current difficulties of the National Health Service undoubtedly reflect problems in long-term planning of the provision of health services which require special areas of research expertise which should come under the auspices of the Department of Health as part of its long-term planning strategy. If the NHS is not to continue to be reformed almost weekly on an ad hoc basis, the Department must develop a clearly defined in-house programme of its own research which will be complimentary to that of the MRC, though will differ to some degree in its technology and objectives. Major reforms in health care require long-term strategic planning with scientifically-based pilot studies, programmes which are eminently suited to the NHS. There are some exciting new possibilities for health-care research including outcomes research, technology for analysing patients appreciation of risk factors, and a whole variety of highly practical approaches to improving healthcare both in the hospital and community that should be developed as part of a strategic R&D programme within the NHS. In short, the Department of Health should be persuaded to take advantage of the many new areas of healthcare research that are becoming available and develop its own internal R&D strategy based on research programmes of this kind. Given the new committee structure that has been established following the Cooksey Report it should be possible to monitor the balance between earmarked health-service research of this type and the much broader aspects of medical research required of the MRC and the major charities. It is clear from long discussions in the USA, Canada and other countries that this approach has not yet been followed in any country satisfactorily, but, because of the existence of a government health service like the NHS, the UK has a great opportunity to evolve a national R&D programme based along these lines.

5. It is vital therefore that there is absolute clarity about the different roles of an R&D research programme in the Department of Health and the broader roles that are required of bodies like the MRC and the large medical charities. But it is also vital that, in reviewing the future of the MRC, its central role in maintaining a balance between the basic and applied aspects of medical research is maintained while, at the same time, continuing its ability to support unusually outstanding individuals through its intramural programmes. Since it is also vital that both the MRC and the major charities maintain and expand their activities in international health, as outlined in the recent report by Lord Crisp, they cannot be expected to also develop the critically important programme of health care research that is currently required to underline the work of the Department of Health and the NHS. There is an urgent need for a complete review and forward planning of R&D within the NHS.

6. There is no doubt that from an international viewpoint, and from the ability of at least two British universities to remain in the top five of the international league table for success in medical research that, despite a very limited budget compared with the USA, this country has been extremely successful in both basic biological and applied medical research over the last 50 years. There is no question that much of this success rests with the work of the MRC and it is vital that any changes that are made do not detract from its continued ability to identify and encourage the work of particularly gifted scientists. Modern medical research, and work of this type for the foreseeable future, reflects a complex continuum from fundamental questions about how health care is organised and delivered in the community, through large clinical trials, and work in the ward and basic science departments, to applications that come from totally unrelated fields in the physical sciences. Increasingly, a body will be required to oversee the complex balance between these different inputs; the MRC has done this well in the past and should be encouraged to continue to do so in the future.

May 2006

MEMORANDUM 3

Submission from MRC Trade Unions

CHAIRMAN OF THE MEDICAL RESEARCH COUNCIL: INTRODUCTORY HEARING: SIR JOHN CHISHOLM

I am co-chair of the MRC 5 unions and on behalf of the national trade union side would like to welcome Sir John Chisholm as chair of the MRC.

We have a good working relationship with MRC management and Human resources and have worked in partnership on a number of major issues over the last few years. Given the amount of change the MRC is now engaged in, including RC UK projects, a new SSC for all Research Councils and a new structure following the Cooksey report, we will continue to engage with the MRC constructively. It would be helpful to know whether Sir John intends to lead on major MRC initiatives together with the new CEO.

Sir John will be aware of the continuing issue of NIMR and we very much hope that the future of this world class Institute can be secured as soon as possible given the unfortunate history of this project.

Finally, a major concern for all colleagues in the MRC is that of consultation and communication. We have a good agreement on negotiation, consultation and information but this agreement is not always understood or adhered outside the centre. We hope Sir John will agree that true consultation means genuine seeking of views before decisions are taken and that communication with colleagues both through their representatives, the recognized MRC trade unions, and from Directors to their staff, (as well as from the centre to Units) is paramount.

We look forward to more open consultation and communication in the future.

May 2006

MEMORANDUM 4

Submission from Guy Dodson

The object of the evidence session is to discuss the role and responsibilities role of the new MRC Chair, Sir John Chisholm.

My interest in the enquiry stems from my long association with the MRC, particularly through 11 years jointly at the NIMR as Head of the Structural Biology Division and as a member of the Structural Biology Laboratory at York University. I am profoundly conscious of the outstanding role the MRC has had, and continues to have, in bio-medical research in this country and abroad.

Following the evolution of Research Council arrangements over the last period of time, the Chair appears now to be a critically influential post in the MRC in relation to its policies, organisation and priorities.

My comments relate how the Chair, the Council and the executive operate together; how independent scientific input comes to them, is assessed, disseminated and used.

[i] THE ROLE OF THE MRC CHAIRPERSON

[a] *The Chair and MRC strategy and ethos*

One has had the understanding that in matters of strategies the CEO has in the past answered to the Director-General of the Research Councils. However the role of the Chair recently has been one of increased involvement in directing the MRC's activities. Indeed it seems he was responsible for a major restructuring of the MRC's administrative organisation, an exercise incidentally carried out with consultants.

I am not aware of any discussions on this clear change in the Chair's management roles.

This is in striking contrast to the relationship between Chair and Council seen before the late 1990s in which the Chair assumed a more advisory role—and the present office of CEO was called the Secretary. In this role the Chair could bring experience in the world outside research to inform social and political issues that were relevant to MRC and could bring a neutral and sympathetic perspective on the complex institutional and personal factors that crop up in any organisation, especially one with a medical character. It seems to me this independent interface between the CEO/executive and Council is important, and that this can be provided via the Chair. In the past I believe this disinterested nous and general interest served the MRC well.

Is this change in culture a good thing or a bad thing? Obviously the more committed intelligence and management experience that can be brought to the MRC's deliberations the better. My worry however is that the research culture the MRC has so successfully created and maintained is based on traditions that are distinctly not corporate and require genuine insight into the nature of research practice. In particular there was the understanding that the MRC scientific staff and Head Office staff share the same beliefs about the value of fundamental research.

There is no doubt that there are real and established difficulties in managing research with its uncertain but potentially enormous promises of advance and benefit. For biomedical research these issues are even more consequential, the funding investment, mostly public funding, is immense, the public and government sensitivity to improving and extending medical treatment and providing health care to escalating standards generated further tensions. Under these pressures it is imperative to retain the culture that produces the best and most original research. There is a genuine tension here and it is not obvious to me that the present monolithic corporate-like structure is best qualified to solve it.

As a final thought it seems to me an independent interface between the CEO/executive and Council is important, and this can be provided by the Chair.

My fundamental question is:

- Given his active role in MRC strategies, how will the new Chair inform himself sufficiently on the scientific issues in deciding MRC strategy?

Additional questions that need addressing are:

- Does the Chair have a view on the roles institutes and units on the one hand and universities on the other, should play in the MRC research strategy. Does he agree with the Select Committee's recent conclusions (below):¹

“We have received no evidence to support the view expressed by Lord Sainsbury in January 2006 that basic research should increasingly be done in universities, rather than separate research institutes. We believe that links between RCIs and universities at all levels should be actively encouraged but that each case should be judged on its merits and the form of each institute should follow the needs of the science. (Paragraph 32)”.

2. What exactly is the nature of the CEO/Chair relationship and what sort of person is being sought to replace Blakemore. Given the Chair's lack of experience in bio-medical research it is imperative the new CEO is able to inform the Chair on all the research perspectives—basic, applied and clinical.

[ii] ON THE COUNCIL STRUCTURE

[a] *MRC Council*

The MRC website site states:

“The MRC Council directs and oversees corporate policy and science strategy, ensuring that the MRC is effectively managed, and taking major policy and spending decisions. It provides guidance on ethical concerns, appoints directors and key staff in MRC research units and institutes and makes appointments to our research boards”.

Will this policy change under the new arrangements.

Quote from MRC Statement to Stakeholders May 2007:

“We will work with Department of Trade and Industry (DTI) to agree templates for a membership of 12 (including the Chair and CEO—the minimum specified in the Charter). The intention will be to retain essential input from “user” members and to observe the requirement of the Charter that at least half of the members should be appointed by reasons of their qualifications in science. The Council's advisory system will require the re-establishment of a new strategy and planning advisory group, an Interim Strategy & Planning Group (ISPG), supported by the executive. We will also take the opportunity to streamline delegation from the Council to the CEO and Executive Board so as to facilitate speedy and informed decision taking while ensuring the Council has the time and the knowledge to perform its governance role”.

This means less informed input to Council from its members about research and MRC research in particular, and its related developments. The load on the previous number of scientists was hugely demanding. A reduced number of Council scientists, I estimate from 9 (probably a voting majority) to 6 (perhaps a voting majority), will aggravate the problems they face. This reduction seems to me wholly unjustified and ill-advised and one hopes its workings will be monitored in some way.

In spite of its apparent down-grading, Council will still, I hope, have the crucial job of examining proposals from the MRC's executive critically. With this and its other responsibilities, Council needs to have knowledge, experience and authority across the scientific and medical research being carried out internationally and nationally. It is especially important that the MRC is thoroughly informed about the research and scientific issues in its institutes, units and centres and universities. If Council is to fulfill its responsibilities it must be informed as broadly as possible, and to be able to assess Head Office and executive proposals thoroughly and critically. Six scientists may not be enough.

[b] *Composition of Council*

(i) The composition of Council should reflect the MRC's research experience and organisation. In this context the presence of all Board Chairs on Council is essential.

(ii) The absence on Council of representatives from the MRC's directly funded research institutes and units is anomalous and leaves the Council without the benefit of the experience, informed views and perspectives on many important strategies these individuals offer. I consider that some of the serious complexities the MRC has experienced on several major issues over the last 10 years occurred partly because of this imbalance on Council.

I understand there is a view that the presence of Directors or senior MRC scientific staff directly funded by MRC on Council is considered a conflict of interest. One might also argue however that a University representative whose Department or laboratory is in receipt of MRC funds is also in conflict. In both cases however these are the people who generally have most to offer the MRC.

It is critically important that experienced scientists from both the University and the Institute and unit sectors contribute to Council and, particularly, help to inform the Chair.

¹ Science and Technology Committee, Fourth Report of Session 2006-07, Research Council Institutes HC 68-I.

[C] HIGH LEVEL STRATEGY GROUPS AND CONSULTANTS

(i) Is the appearance in the current rearranged MRC administration of new high level advisory and strategy committees, apparently acting above Council, telling us something about the capacity of previous Councils to cope with some of the major strategic questions it faced. There is no doubt that the existing Council failed to apply robust critical review of executive proposals, failures that the MRC has paid dearly for. Nonetheless, these newly inserted “strategy” groups create some confusion about the role of Council in discussing an defining the MRC’s strategies. Moreover, they diminish the chances of executive-planned strategies being given healthy and essential critical analysis by Council.

Consultants have been increasingly used by the MRC over the last 5 years. They were used for instance in developing the renewed MRC Council and Head Office structure. The time-scale of the exercise was astonishing, and maybe explains the use of consultants in this case, but not why there was a need for so much rush.

The use of consultants worries me enormously. I am not convinced they come up with independent or improved solutions—and they are expensive. I worry that the MRC, by following this practice, appears so enfeebled and so short of confidence that it cannot, when necessary, undertake its own reviews, involving of the scientific community.

The questions that I consider need answers are:

- Can the Chair explain the basis for reducing the number of scientists on the new MRC Council?
- What are his views on having MRC scientists on Council?

[III] TRANSLATIONAL RESEARCH

[a] *Translation of Research*

What exactly is translational research. The concept is driving major strategies.

The translation of research funded by public money into wealth is an understandable and proper concern. The difficulty is that the concept of “translational” research seems to have an identity of its own. It is we are told one of the key drivers for the proposed move of NIMR to central London and it figures centrally in the MRC’s recent reorganisation of its administration and research priorities (May 2007).

The definition of translational research is elusive; indeed Professor Blakemore, refreshingly, admits confusion.

The Scientist, May 11:

“But Blakemore admitted there is still confusion in all sectors of the science community over the precise definition of translational research. “I’m not sure that we have a complete understanding of what it is, even here at the MRC,” he told *The Scientist*. “The science community is confused and so we’ll have to do some education on what translational research really is.”

This is a remarkable statement. It is extraordinary to me that so much has been committed to in the name of translational research: the relocation of NIMR and now the reorganisation of MRC administration and the redefinition of its priorities. One knows of the pressures to account for public investment but the translation of research into practical benefit and wealth is a complex equation with many essential factors, not least the size and diversity of the country’s manufacturing capacity. It really is essential to identify the problem from a broader basis than research output and its directly generated wealth, before deciding what is responsible for the supposed deficiency.

[b] *The present status of translational research*

In my view the MRC institutes are doing considerable research that is translatable. This is partly a result of their mult- and inter-disciplinary culture, linked to the very best fundamental research. I worry that the MRC does not have a “picture” of the scale, scope and character of research translation at least in the UK. If they have they should release it and discuss it.

Another quote below from the May statement from the MRC reveals the (perhaps belated) attempts of the MRC to define the issue. In this context the undertakings we have had to maintain present levels of support for basic research need to be watertight:

“A recent MRC workshop helped to clarify the pathways and process of research translation across the MRC portfolio. One size does not fit all. An expanded team in MRC Technology and in MRC will now work closely with the MRC research community to develop robust and effective strategies for translation in the different areas of our research portfolio, and to identify the structures and interventions that are likely to be helpful in ensuring delivery in future. Council will

keep under review the need for a new translational directorate separate from MRCT (as recommended in the joint review) and will await a recommendation from the new CEO once appointed.

We will continue strengthening support for innovative clinical research and training in areas such as experimental medicine, biomarkers, imaging, and genotype/phenotype studies; and will build new links between research and users in these areas.

We also wish to expand the support available in medical research for development gap/follow on funding; for highly goal-oriented clinical research, and for academic-industry collaborations. Detailed plans will be developed in consultation with OSCHR and other Research Councils, and announced later.”

It seems to me that the Chair, like the community, needs still to find a useful definition for translational research and then to define the practicalities of why there is this failure or, perception of failing, in the process. I realise the MRC is examining some of these issues now. This leads to the question:

- The Chair’s views on translational research and where the current discussions on the translational research are taking us.

June 2007

MEMORANDUM 5

Submission from the Royal Academy of Engineering

1. *MRC’s mission and Chairman’s role under the new arrangements*

Following the implementation of the recommendations in the Cooksey Review, clarification would be welcome with regard to the mission of the MRC and the role of its Chairman under the new arrangements.

2. *Basic research, translational research, clinical applications and commercial exploitation: is there a relation?*

Sir David Cooksey has published a report recommending actions aimed at shifting emphasis from basic research (for which the UK can claim excellence) to the translation of Research & Development into health and economic benefits for the UK. However, analysis of the US experience (National Institute of Health) shows little evidence of a direct correlation between investment in basic research and exploitation suggesting that actions aimed at increasing health and economic benefits do not necessarily need to involve changes that affect basic research. It is clearly recognised in the US that basic research is a vital investment for government both for the skilled people and the knowledge it generates. However, innovation strategy for wealth creation is about providing goods and services that add value to what people do, rather than artificially trying to push scientific research into commercial exploitation. It is therefore feared that the basic MRC research capability may be weakened and that no real commercial benefit will be gained as a consequence of the changes being implemented. Further, international experience shows that in the area of healthcare, the conversion of basic research into products is most effectively done by the transfer of the intellectual property know-how etc. arising from basic research to commercial organisations. Hence, it is important not to combine the roles of basic research and commercial exploitation in a research council like the MRC.

It would be desirable for the Chairman to clarify if and how the new emphasis on translational research will affect basic research and what repercussions are envisaged. Furthermore, Sir John should clarify the extent to which, in his opinion, basic research should be driven by an agenda where wealth creation is the priority.

3. *Role of the Office for the Strategic Coordination of Health Research (OSCHR)*

The Cooksey Review also recommends the creation of an intermediate body (Office for Strategic Coordination of Health Research) which will arbitrate on MRC and DH research funding arrangements. It is feared that this will add another level of administration into the process and a further dilution of basic research.

It would be desirable for the Chairman to clarify the remit of the Office, how this is expected to coordinate the health research agenda, what objectives and timelines have been set.

4. *Co-ordination of MRC policies with those of other agencies to advance biomedical and health research in the UK*

It would be desirable for the Chairman to clarify his role in the oversight of policy papers emerging from professional and academic bodies, and in helping co-ordinate MRC with other agencies. In their report on Systems Biology The Royal Academy of Engineering and the Academy of Medical Sciences have explicitly sought MRC's efforts in joining forces with the BBSRC and the EPSRC aiming at fostering interdisciplinary medical engineering advances.

In light of the recent emphasis on translational research and return on research investments, it would be worth exploring how well the MRC is working with the other Research Councils (BBSRC and EPSRC in particular) to advance biomedical and health research in the UK.

5. *Translational research and biomedical technologies*

Nowadays, biomedical research and medicine rely significantly on technology and its integration with clinical practice. Biomedical engineers are key players in this area and instrumental in translating application from bench to bed side. However, because of its highly interdisciplinary nature, biomedical engineering is one of the areas that often fall "in between the cracks" and, consequently, its impact has often been underestimated.

In light of the emphasis that the MRC is placing on translation, it would be desirable to invite Sir John to describe if, how and to what extent biomedical engineering will figure in the MRC health agenda. This issue is tied to 4 and can be discussed in the context of interdisciplinary research and collaboration among Research Councils.

June 2007

MEMORANDUM 6

Supplementary evidence from the Medical Research Council following the oral evidence session with Sir John Chisholm on 20 June

1. YOUR APPOINTMENT

(a) *Who approached you about taking up the post of Chairman of the Medical Research Council? (See Q2–3 of the uncorrected transcript of oral evidence.)*

Saxton Bampfylde Hever plc.

(b) *What was the selection process? (Q5–6)*

The selection process for Research Council Chairmen/women is run by the OSI. As far as I am aware, the standard procedures and processes were followed.

2. THE JOINT MRC/ERNST & YOUNG REVIEW (HEREAFTER, THE JOINT REVIEW)

(a) *Why was Ernst & Young chosen to assist MRC in conducting the Review? Who selected them? (Q23–26, 44–45)*

(b) *You said that the selection of Ernst & Young was an informal process (Q28). Which other companies were considered? (Q27–29)*

(c) *The Committee would like to see copies of correspondence and records relating to the process of selecting Ernst & Young and rejecting the services of the other companies. (Q46)*

Speed was one of the first considerations in planning the review, and this led to the selection of Ernst & Young.

On the day the Cooksey report was published (6th December) I met with Colin Blakemore and senior executives from MRC head office. They were already of the view that given that the review had been announced the previous spring and expectations for delivery were high MRC needed to be able to concentrate on moving forward within the new vision for medical research. They proposed that decisions on the governance and strategic planning arrangements, and any other changes needed, should be taken at Council's 2-day meeting in March. Some of the change issues—such as those relating to top level governance and strategy—had been raised by the CEO before the Cooksey review, and then put on hold until the Cooksey review was over. I agreed that whatever was needed should be done without delay.

I undertook to ask for advice from Sir Keith O’Nions of the OSI as to who would be a suitable consultant, for whom appropriate contractual terms already existed, to back up our internal team and insure the study was carried out with sufficient objectivity. The thinking was that a consultant recommended by Sir Keith would help avoid any suggestion that the study was too internally focused. Sir Keith undertook to consult within OSI as to the experience with various consulting firms and responded to me a few days later with a recommendation for Ernst & Young, although I had discussed with colleagues the merits of some other firms in the meantime there seemed little point in ignoring Sir Keith’s advice.

The Chief Executive, Colin Blakemore, the Executive Director, Nick Winterton, and I met with Ernst & Young on the 14th. The executive took forward the arrangements with Ernst and Young after the meeting.

(d) *How much did the overall process of the Joint Review cost? (Q23)*
How much was paid to Ernst & Young?

The Joint Review cost £306,135. This includes the payment of £216,412 fees for Ernst & Young, plus VAT and £51,851 of MRC staff time (including employers NI and pension costs).

Is there a threshold fee at which consultancy appointments have to be put out to tender? How much is it?

EU competition law requires that any contract with a value of £145k or more should be advertised in the OJEU Journal unless it is awarded under an existing framework agreement. An applicable framework agreement was in place for consultancy services from Ernst & Young.

The final payments to Ernst & Young took into account some further work that had to be negotiated with them because:

- Initial consultation plans proved unworkable because of the diary commitments of key stakeholders, and a slower and more time-consuming programme was adopted.
- The work schedule, the themes addressed, and the conflicting demands on the time of MRC staff, meant that we had to ask Ernst and Young to allocate very substantially more time to writing up the final report than in the original contract.

(e) *The Committee would like details of the key dates and of attendees at the Steering Group meetings relating to the Joint Review. (Q47–49)*

4 meetings were Initially arranged:

29/1/2007 Colin Blakemore (CB), Nick Winterton (NW), John Chisholm (JC), Harry Gaskell (HG) and project team members.

15/2/2007 CB, NW, JC via teleconference, HG and project team members.

8/3/2007 CB via teleconference, NW, JC, HG and project team members.

22/3/2007 CB, NW, JC, HG and project team members.

An additional meeting was arranged as follows:

14/3/2007 JC, HG, and project team members.

15/3/ 2007 CB, NW, HG and project team members.

What was your role on the Steering Group? (Q47)

Like other members of the Steering Group—Colin Blakemore and Nick Winterton—I was concerned to ensure that the review would be thorough, effective, and credible. As Chairman of Council, I tended to put more emphasis on questions of high level role and governance, and I also highlighted issues which I thought Council members would want to see addressed—such as evaluation.

When I was present in person, I acted as chair in these meetings, although the meetings naturally took the format of the team reporting their work and being questioned by MRC executives and myself.

(f) *What were the key stages in the consultation between the Review Group and MRC staff and other stakeholders? What feedback has the Council received from staff and stakeholders on the proposed changes? (Q33–37)*

The key parts of the consultation process were:

- All MRC Unit and Institute Directors were sent a joint letter from Colin Blakemore and me on 18th January, altering them to the review, and were invited to discuss the core questions at the annual MRC Director’s Conference a week later.
- The review team interviewed nearly fifty individuals representing MRC’s UK stakeholders, Council members, and senior scientific and executive staff.
- MRC Head Office staff were briefed on the review and invited to submit views.

- The team also participated in a pre-arranged workshop on Translational research in February 2007, which involved over forty UK and international participants.
- The review was highlighted on MRC’s website, and people were invited to submit their views on the key questions.
- MRC union side gave their views on the review issues at MRC’s Employee Representations Forum before Council’s March meeting and MRC officers have had Informal meetings with union side officers to keep them Informed.

We have had some feedback on the changes being considered by Council from discussions with MRC Directors and senior scientists. Views on the scale of change, and the means of achieving it needed varied, but there was a lot more consistency about what MRC should not change. Common themes were:

- That MRC needs to take care, in any change, not to lower its standards of scientific rigour and innovation.
- That stronger efforts in translational research should not be at the expense of fundamental medical science.
- That improvements in evaluating the outcomes of MRC’s research should not lead to micro-management of research that would stifle creativity.

Council shared all of these views, and took them into account in agreeing how it would respond to the report.

3. CHANGES TO THE BOARD

(a) *In your oral evidence on the rationale for reducing the size of the Council, you said it was “effectiveness probably” (Q53), but did not provide evidence that smaller groups are more effective than larger groups (Q54). What was the rationale? On what evidential basis did the Joint Review assert that the most effective size for the MRC Council is 12 members?*

The review team provided evidence that smaller groups can be highly effective in governing large and complex enterprises, but did not claim to have shown that smaller is necessarily better.

The rationale for change comes from Council’s needs and circumstances, rather than any golden rule:

- the report recommends reducing the stakeholder representation functions of Council, and instead seeking more in-depth engagement in other forums. This removes one of the drivers for a larger body.
- the report also recommends that Council members should not normally chair Boards. Again, the idea of having a certain number who had this role (four in the past, more recently six), and then at least two others who were more independent, also forced MRC to have a large Council.
- finally, Council expects to devolve more, and to have more in-depth discussion of a smaller set of issues. The experience of the review team, and indeed my own experience, is that smaller committees find it easier to achieve detailed scrutiny and shared ownership of complex decisions.

(b) *The Committee would like details of attendance for the last 12 months of the Council meetings. (Q55-58)*

As set out in it the MRC’s Charter, Council membership should consist of a Chair, a Chief Executive and Deputy Chair, and not less than 10 nor more than 18 other members, at least half of whom shall be appointed by reason of their qualification in science. Membership of the MRC’s Council can be categorised as follows; Scientific, Health Department and Lay (Finance, Industry and Law), attendance for each of these categories is shown below for the last two Council sessions. These tables do not include the Chair or Deputy Chair (who have a 100% attendance for this period), or observers who attend meetings.

ATTENDANCE 2005–06

Meeting date	Scientific	*Health Depts	Industry	Lay		Total
	(8)	(3)		Finance	Law/Ethics	
			(2)	(2)	(1)	(16)
May 2005	8	0	1	2	1	12
July 2005	7	0	0	2	1	10
October 2005	8	1	2	2	1	14
December 2005	8	1	0	1	1	11
February 2006	7	0	1	2	0	10
March 2006	6	2	2	2	1	13
% Attendance	92%	22%	50%	92%	83%	73%

* Health Department representation changed for Northern Ireland and for Scotland during this session, which caused some disruption to attendance.

ATTENDANCE 2006–07

Meeting date	Scientific (8)	Health Depts (3)	Lay			Total number attending Total (16 to 31-07-06, then 15)
			Industry (2)	Finance (2 to 31-07-06, then 1)	Law/Ethics (1)	
May 2006	7	1	1	2	1	12
July 2006	7	2	1	2	1	13
October 2006	7	2	2	1	1	14
December 2006	8	1	1	1	1	12
*January 2007	6	0	2	1	1	10
March 2007	8	2	2	1	1	14
% Attendance	90%	44%	75%	100%	100%	82%

* The January meeting was arranged at short notice to replace the scheduled February meeting. Consequently attendance was affected.

(c) *How will you ensure a high level of scientific input with a smaller council? (Q59–60)*

The detail of how Council membership will be made up, and the profile of expertise sought, is for discussion at our meeting in July. However, all our discussions have taken as a given that half of the members of the smaller Council will still be appointed by virtue of their scientific expertise. The other half will, of course, also include a few people with a scientific research background / such as people involved in industry R&D.

Council decided that it must still include people with recent experience in running Boards. But until recently, six of the scientific Council positions were tightly linked to Board Chair roles—which are very demanding. Removing this link will widen the pool of scientists who might be willing to serve on Council.

(d) *What is the process and timescale for the appointment of the new board and criteria for selection? (Q61)*

Appointments to the Research Councils are made by the Minister of State for the Department of Innovation, Universities and Skills, DIUS. The appointments process is managed in accordance with the Commissioner for Public Appointments (OCPA) “Code of Practice for Ministerial Appointments to Public Bodies”. An Appointment Panel, comprising the Council Chair, Chief Executive, an independent OCPA representative and a senior DIUS official submits recommendations to DIUS for approval by the Minister.

An annual round of appointments to the Research Councils is organised by the Science Innovation Group (formerly Office of Science and Innovation). This usually commences in October. This round may be supplemented by competitions for individual or groups of posts as necessary.

Appointments to the MRC’s Council are usually for a period of up to four years; the maximum allowed by the Royal Charters of the Councils. Members are eligible for reappointment for further period of up to four years. Members of Council are part-time and are expected to spend some 20 days each year on Council business.

The MRC’s Council will consider a paper on Governance in the MRC, including proposals for Council membership, in July 2007. This discussion will inform the preparation of the criteria and specification for the positions proposed and will be submitted to SIG for consideration and Ministerial approval to commence recruitment.

4. COLLABORATION

(a) *The Joint Review was critical of MRC’s relationship with the other research councils (Q90). Do you think the criticism is fair? What action does MRC plan to take? What is the rationale for staying in London rather than moving to Swindon to be near the other Research Councils? (Q91)*

There have been criticisms of the MRC because of the way we used to allocate funds for research and the difficulties this has presented in the past for some joint collaborations. However there have now been a number of examples eg the successful National Prevention Research Initiative where this issue has been successfully addressed. The rationale for keeping a core of headquarters posts in London is in part related to the importance of engagement with the other major funders of medical research who are all London based. Support functions have been rationalised with the other Research Councils at Swindon in order to maximise efficiency gains.

July 2007