



HOUSE OF LORDS

Science and Technology Committee

Corrected oral evidence: Financing and scaling UK science and technology: innovation, investment, industry

Tuesday 20 May 2025

11.35 am

[Watch the meeting](#)

Members present: Lord Mair (The Chair); Lord Berkeley; Lord Borwick; Lord Drayson; Lord Lucas; Baroness Neuberger; Baroness Northover; Lord Ranger of Northwood; Lord Stern of Brentwood; Viscount Stansgate; Baroness Walmsley; Baroness Young of Old Scone.

Evidence Session No. 8

Heard in Public

Questions 88 – 99

Witness

I: Sir John Lazar, President at the Royal Academy of Engineering.

USE OF THE TRANSCRIPT

1. This is a corrected transcript of evidence taken in public and webcast on www.parliamentlive.tv.

Examination of witness

Sir John Lazar.

Q88 **The Chair:** We are now starting a second session with our witness Sir John Lazar, president of the Royal Academy of Engineering, chair of the Raspberry Pi Foundation and a partner at Enza Capital.

Sir John, as you know, this inquiry is examining the perennial problems that UK science and technology companies seem to have in getting financing, in scaling up and, indeed, ending up often listing in the US or selling to overseas companies.

Before you talk about your role as president of the Royal Academy of Engineering, it would be helpful for you to tell us about your own experience as an entrepreneur across a range of different companies. What was it that enabled you to build and scale those businesses in the UK? How do you think the landscape for science and technology entrepreneurs has changed since you started? Over to you.

Sir John Lazar: Thank you for inviting me. I am very happy to be here. To give you a little bit of background, I am a software engineer. I had a very long career at a UK software company called Metaswitch. I was there for 28 years. I am an immigrant. I came to the country on a Rhodes Scholarship for postgraduate study. A great man called Ian Ferguson, who founded the company, employed me and got me a visa. So I am an example of somebody who came on a visa to give to this country.

Metaswitch is an amazing story, but the most important point I would flag from it is that we had a strongly global ambition. It was a communications software business where there were global customers, with a strong base in the US and also across the rest of the world. But our engineering was always based in the UK. It was very strongly focused on engineering talent.

The other more recent example I can talk about is Raspberry Pi. I chair the Raspberry Pi Foundation, which is the charity. There is a very interesting structure. The commercial company that builds and sells the computers is a subsidiary of the charity.

We took the commercial company public on the London Stock Exchange in June last year, very successfully, which has raised an endowment of three quarters of £1 billion for the charity. Again, the main thing I would highlight there is that Raspberry Pi is based on UK engineering.

The common thread for me in both cases is astounding engineering, which gave us an edge, and then a global ambition to go and build the business across the world, with the feeling that we could punch our weight.

If I look at my subsequent career, I spent many years until quite recently investing in early-stage technology start-ups coming out of the main UK

accelerators. This was of the order of 50 angel investments. The ones that have been really successful are the ones that have thrived and flourished based on UK engineering and then gone global.

Q89 Baroness Young of Old Scone: You have been around the block and been international for a considerable period. In relation to the climate that you have experienced in different places around the world for this sort of scale-up and investment, where gets it righter than we do, that we could emulate?

Sir John Lazar: That is a great question. The first thing I would talk to is the fact that there is a fantastic ecosystem in the country. We have seen over the last 10 years a huge growth in deep-tech engineering companies starting up in the UK, getting funded at an early stage—we will come on to scale-up funding later—and finding the talent.

A large part of that is because the ecosystem around them has developed. Going back to 2010, things such as SEIS and EIS played a huge role in incentivising people to invest. We have a much stronger ecosystem of all the things that are needed.

That brings me to Silicon Valley. I have spent a lot of time there. When we were at Metaswitch, we raised funding from Francisco Partners and Sequoia Capital. Silicon Valley has lots of things but what stands out is that it is an extraordinarily dense mesh. It is an unbelievably efficient network where there are probably two degrees of separation at any one point. If you need something, you can get to the right person, then the capital crowds in. That is what distinguishes it and has led to other side effects. For example, if you are a spinout coming out of Stanford or Berkeley, you can get a licence agreement from the university probably in a week and you know with complete predictability that it will be a 7% stake. It can do that because it knows that the money will crowd in, that the university will get a relatively small share of a big pie and the dense mesh then strengthens itself.

Regarding what is not working so well here, in a place such as Singapore, which is much smaller and with a different government system, all the different agencies, bodies and funding conduits are joined up. We need to ensure that all the elements of the ecosystem function as a system in a better way.

Those are two examples of how you create a dense ecosystem. We have spots in the UK that do that exceedingly well. Cambridge is a great example. We have a strong stream of spinouts from the university and a very good angel investing. A venture network then piles in. We must ensure that we make that denser across the whole country.

Q90 Viscount Stansgate: As the Chair has explained, we are here to examine why so many promising science and technology companies either fail to scale or scale and move overseas—often to the US. Based on your own experiences and interactions with entrepreneurs, what are the major factors behind these decisions to leave the UK? Is it always a bad

decision for some companies to leave the UK? More importantly, what can the Government do in practice to incentivise them to stay?

Sir John Lazar: That is a huge question and a good one. It is not just one factor; we are dealing with a bunch of different things which we can work through. I reiterate that we have unbelievably strong R&D in this country and a very good spinout system, which we will talk about. Also, the Government recognise the importance of engineering. That is a great start. We are all waiting for the industrial strategy and hope that there is a strong signal from it around how we join that all up.

It is a complex system and there are many points of friction. This is particularly true of companies doing deep-tech complex engineering. Our direct experience at the Royal Academy of Engineering is that we run an enterprise hub which has been going for 10 years now. It has been recognised by the *FT* as the third best accelerator in the country. It has a particular focus and niche. If you are an engineering company with heavy-duty complex intellectual property, doing deep-tech, you probably have a longer route to market because you need longer-term investment, more access to facilities, more patient capital. Those are the people who naturally come through the enterprise hub and whom we support. They get the benefit of the academy's network and mentoring from the fellows.

I am very aware of companies who wanted to stay but got frustrated. There is an issue with growth capital. Pre-seed through series A, we have good support in this country. Sometimes pre-seed is not so good for heavy-duty engineering. We have a big issue with series B+ growth capital. We do a spotlight on spinout reports, and we do a deep-tech report. Coming through those is a notion that the investors have a lack of patience, tend to be more risk averse and tend to look for slightly quicker returns, with horizons of four to five years on their return when, for those kinds of engineering companies, you need to be more patient.

That is one piece. There is a more cautious climate. We know from our spinouts report that in 2024 about £2.6 billion was given to spinouts but fewer big cheques. Again, companies get funded and then struggle to scale. There is no question that among that growth stage we have a lack of knowledgeable investors. The academy and the Government have a science and technology venture fellowship now. We are trying to bring people in from the venture community to make sure that they are technically trained and can make the decisions about deep tech. At the moment, there is a lack at their end.

It is very palpable for some of the companies coming through the enterprise hub. They genuinely struggle to find investors locally who get what they are doing. A good example is Paragraf, a fantastic company doing scaling-up graphene manufacturing. The CEO is a fellow of the academy. Paragraf has raised more than \$85 million. Except for the early stages, almost all of it has come from overseas. He keeps having to go overseas to get the funding. That is a local success story.

Also, it is not just about funding. It is also around the surrounding infrastructure. If you are a deep-tech company, you will often need a wet lab and a dry lab, access to facilities, consistent internet connections at high speed and access to compute now because you will be doing AI. You will be very concerned about energy pricing, as we have a very high price for energy in this country that we need to solve. You also would like to have a long-term view around stable regulation and, ideally, buying signals from the Government in terms of procurement. I am drawing together a picture of multiple points of friction. It is not one thing. We just need to make the system work better.

Q91 Lord Drayson: You have already touched on the challenges for scale-up capital. As you said, the landscape has improved quite significantly in the UK in the seed and early-stage venture investment. However, the challenges are around series B+ and the £100-million-type round stage. Here we have seen real difficulty in the UK. You were here for some of the earlier evidence. I am interested in what you think the Government should do that would practically move the dial on this?

Sir John Lazar: I listened to the tail end of Sir John's evidence. I agree with some of what he said. We have a number of bodies in this country trying to do the right thing and doing very good work. Take the combination of UKRI, BBB and British Patient Capital. We have different entities that are funded reasonably well, all of which are trying to make a difference in this space but are not always joined up and do not necessarily have a coherent view of how they work together to reduce friction for the companies that I am talking about. That is my point regarding what I strongly hope to see in the industrial strategies that are coming through.

This advice is not new. I sit on the Prime Minister's Council for Science and Technology as a standing member, as president of the academy. It is led by Saul Klein, whom you will all know. The CST has given consistent evidence on this, including a strong letter in October 2024 which we contributed to. I recommend reading the letter. It is good and draws together a lot of these aspects. This is one area where we would like to see more joined-up approaches to how things work together.

Individually, they all do great work. So many of the companies coming through the enterprise hub have benefited from Innovate UK funding. I agree with Sir John that you need to be careful not to create a class of what we call grantpreneurs, who are always going back to Innovate UK for more grants. However, those are life-changing grants for—

Lord Drayson: That is still very much at the early stage, is it? The amount of capital that those funds have is relatively limited.

Sir John Lazar: That is exactly right, but the joining-up of that will create an environment in which companies have the friction removed. We then must do the work to crowd in other capital. The key message is that Mansion House is great, it has moved things along, but we really need the money to flow, and soon. We must find a way to unlock it and for

that money to move into the ecosystem. The Government can help by encouraging corporate venture capital schemes, which can then, as Sir John said, crowd in other private capital to help fund these kinds of growth companies.

Additionally—and this refers back to a point that I made a few minutes ago—from my experience in Africa this is not just about funding. If you are the CEO of a growing company, you are a particular individual. You are a highly ambitious, very resilient and deeply capable person. You need the funding but also an environment which reduces friction in a whole bunch of other ways. I talked about facilities a few minutes ago. The common thread running across all my involvements in Africa and the UK is that each bit of friction, whether regulation, access to funding, the time that it takes for you to apply for the funding from the different bodies, all create friction, which destroys entrepreneurship and energy. This is a talent game. We need to unlock the talented people who are driving these companies and ensure that they have the skilled individuals to surround them and support them on driving growth.

One of the great joys of being president of the Royal Academy of Engineering is that our enterprise hub is active all around the country. In addition to our main base in London, we have hubs in Belfast, Swansea, Glasgow, Liverpool and Newcastle, and we are opening three more across the country. Engineering entrepreneurship is happening all over the country, being spun out of universities everywhere, not just in the golden triangle, and all those people need nurturing.

Q92 Lord Drayson: Regarding the IPO stage, Raspberry Pi was a stand-out success in choosing to list on the London stock market and has performed well there, unlike a number of companies which have delisted from the UK or have chosen not to list in the UK. What is your analysis of why so few companies are choosing to list in the UK? What can be done about improving the attractiveness of London as a place to list?

Sir John Lazar: It is a good question. I have a very partial view. I cannot speak for the other companies as I am not on the inside, but I can talk to the journey that we went on at Raspberry Pi. This was particularly led by Eben Upton, the founder, a fellow of the academy and a remarkable entrepreneur.

We looked closely at the US. Eben and the team did a tour of the US to examine whether that was an option. We felt that as a tech company, we would struggle to stand out above the noise on the US stock market. That was one of the reasons why we had a UK success story. We could make a bigger splash on the stock market here.

Also, there was a received wisdom that we would get a better valuation on NASDAQ, but when we did our homework, we did not believe that. We felt that we could build the case here. We had nothing but astounding support from the London Stock Exchange. Julia and the team were superb. They supported and helped at every turn. With the help of all the advisers, there was a huge appetite for it on the London Stock Exchange

and we were able to build an investment base which included all the blue-chip company investors in London.

It was threading a needle. It was a tightrope, but a very good experience. There is a lot of doom and gloom about this. There are also lots of green shoots. The stock exchange is changing the rules. We need to tell these stories more positively.

- Q93 **Baroness Northover:** You have referred to your involvement in investment in Africa, and I want to ask about the comparisons. As an investor with Enza Capital, which elements of the government support for innovation work well in the UK compared with what you are doing in Africa? As a former Africa Minister, I am very interested in how you have engaged with Africa in early-stage tech companies and the leapfrogging in certain areas in Africa but then sometimes the difficulty in getting capital in. What lessons do you draw for us in the United Kingdom from that international experience?

Sir John Lazar: That is a wonderful question. I have been involved in Africa for a long time. Enza Capital was founded six years ago, but prior to that I spent some years angel investing. Also, the Royal Academy of Engineering has a flagship programme in Africa, the Africa Prize for Engineering Innovation, which has been going for a decade. I was a judge on that for eight years before I became president.

We have had a lot of visibility across those two programmes into early-stage African engineering. The remarkable thing about investments in Africa now is that there are huge headwinds and enormous frictions. You are dealing with 54 countries with their own issues and problems. The common thread that we felt is that there is an extraordinary level of resilience among African entrepreneurs and remarkably good engineering. The trope that you should just take the best of Silicon Valley or European technology and apply it to an African problem did not work for us because African engineers will say, "Yes, fine, but that just doesn't work here". Contextual engineering for your local context, your place, is very important.

Those are the two things that have underpinned the investments. Regarding leapfrogging, we have the example of mobile money in Africa, which is a big leapfrog. The interesting example right now, which I think is a lesson, is that I am seeing a lot of African companies thinking about AI and how they can use it to turbocharge problem solving. Putting aside national security concerns, DeepSeek showed that you could innovate under constraints without necessarily needing to spend \$1 trillion on high-end compute. I am seeing African companies piling in to think that through.

To bring that back to the UK, place-based views are super-important. There is a danger that we just focus on how to drive growth for high-end unicorn companies. Those scalable companies are incredibly important. I am fully behind finding the UK's success stories from these huge growth companies. However, we need to be very careful not to take our eye off

the ball. We have remarkable engineering around the country building on the engineering capability that has developed over the years in that particular region.

Academies map those skills. We know where they are. We have built our hubs around them. We also enable people to be scrappy and to innovate under constraints to make the most of the engineering that we have in this country and to back and support it.

A good example is AI growth zones. We fully support the fantastic *AI Opportunities Action Plan*. We will be building these growth zones. I was heartened to hear the Secretary of State make the point recently that we should think about the growth zones as hubs and clusters where we crowd in support for small and medium businesses around the country who are innovating under constraint. That means that you want this growth not just to be full of high-end compute for large companies. I hope that answers the question; that is the kind of lesson that I take from it.

Q94 Lord Stern of Brentford: I reflect on the remark that you made at the beginning. Many of us are delighted and grateful that you came here as an immigrant. To use an adjective that the Prime Minister used last week, you have made an incalculable contribution to life in the UK, so thank you.

You have written rather elegantly about looking beyond unicorns and thinking about zebras, gazelles and mice. It makes the point very powerfully that there are lots of different kinds of companies, not simply VCs, that become unicorns. What implications does that observation have for the approach of Government and its partnerships with the private sector?

Sir John Lazar: Thank you for your comment; I really appreciate that. Picking up on the question from Baroness Northover, there is an interesting heterogeneous level of entrepreneurship and innovation happening around the country. It is important that we focus on big growth and on crowding in scale-up financing. We have got 700 companies in this across the country, mapped by people such as Saul Klein, which are scaling up.

I was brought up in a company, Metaswitch, which was profitable from the first year. There are ways of growing which are not just about VC and scale-up financing. You can build successful, scalable businesses which have different funding sources, which focus on building profit early, that sometimes use a bank loan. We must ensure that we are encouraging our banking system to do sensible working capital finance for small businesses that mostly are just looking for the right talent to come into the company. We need a stable, long-term regulatory environment and a joined-up system which reduces friction.

We all want to see the growth companies and I fully support that, but there are different models. People are building social entrepreneurship

models. I spent many years as an adviser for a wonderful organisation, UnLtd, which has massive charitable impacts across the country but operates with a very entrepreneurial model. There are lots of models for how we think about growth. If each of those companies gets a 10% bump in productivity and employs two, five or 20 more people, we will see groundswell growth and productivity improving across the country. More than anything, that needs a strong place-based approach. There are good signals coming from the Government around this. There is a very good unit in the Cabinet Office looking at place-based work. CST is looking at supporting the Government on place-based work. From an academy point of view, we believe very strongly in that.

Lord Stern of Brentford: Could you add a little about what we should understand by place-based work? What actions are involved, if you look at it that way?

Sir John Lazar: I will speak from a Royal Academy of Engineering point of view. There is a broader picture here. A couple of years ago, the academy did a fantastic piece of work, *Engineering Economy and Place*. We are refreshing that data. It is a great report because it is full of data. It looks at the engineering legacy across every region of the country, mapping strengths, weaknesses, whether that is now pure legacy, whether people are managing to parlay that legacy into a more entrepreneurial future, and so on.

We found remarkable strengths. If you go to up to Teesside and look at biochemistry, there is a huge amount happening; it is the same if you go to Derby and look at aerospace. These are linked to university clusters. A lot of spinouts are coming from those universities, outside the golden triangle. From an academy point of view, we have tried to map that, then look at the ecosystem of partners and players in that space, including metro mayors, local council and local funding.

We have also looked at where our fellows are based and worked out where we think that we can make a difference. This led to the formation of the hubs in Swansea, Glasgow and, more recently, Liverpool and Newcastle. It is grounded, it is very contextually driven, looking at where the engineering is happening and then trying to build the partnerships with everybody who is interested, including the British Chambers of Commerce, which has thousands of companies across the country desperately trying to think about growth and productivity.

Q95 **Baroness Walmsley:** A couple of times this morning you have mentioned the enterprise hub and the academy's enterprise committee. Can you tell us a bit more about that work? What support do companies need most? Are there more opportunities for Government to collaborate with the national academies? Can you give some examples of where that has worked well.

Sir John Lazar: As I said, the enterprise hub was formed 10 years ago. It is a unique package. We have a particularly strong position with heavy-duty engineering companies and complex intellectual property, which in

many cases have been spun out. We have supported a lot of spinouts—about 10% of UK spinouts over that period. There are four programmes at various stages going all the way from very early-stage ideation through to scale-up. Those will work.

Because the academy is a charity, we do not take a stake. It is all grant-based. With our enterprise hub, we have awarded £11 million in grant funding over the period. You then come through a very intensive programme, lasting between eight months and a year, the centrepiece of which is having an academy fellow as your mentor and your support. I have mentored a number of companies that have come through. It has been a joy and wonderful to work with them.

There is also a whole bunch of other support that we do. We have an entrepreneur's handbook which provides the entrepreneurs with the kind of support that I was alluding to earlier on how you negotiate a complex landscape, how you get through it, providing all that support.

Because we have had hundreds of awardees coming through, there is a very good longitudinal awardee excellence community that has been built up in the academy, in which they all talk to each other and get support on an ongoing basis. That is at the heart of it. The Government have been hugely supportive. A lot of the funding for the enterprise hub has come from our major sponsor, DSIT. We have had very strong support from the Government on the Science and Technology Venture Capital Fellowship, trying to more technically train the VC community. The Government have funded that for us to work jointly with Imperial on delivering that programme.

There is strong awareness from our key government departments on the importance of the enterprise hub. Taking a slightly bigger picture, there is ensuring that we nurture the skills base within the country. There is a whole topic there. Sir John talked about this as well. We are particularly heartened by the recent announcement that we will be getting a 10-year view on some of the funding for long-term innovation, which is a big breakthrough and to be celebrated.

Q96 Lord Lucas: You started off by hymning the networks in Silicon Valley and Singapore. When I have tried to interface with the various institutes of engineering, I have felt that we have not so much a network but a heap. You spend a long time burrowing through to find the bit that you want and find that it is not connected to anything else. On the idea that we could emulate Singapore, I spent 30 years trying to get two government departments to work together. I cannot recall an instance of success. If we are to build a network here, what does it look like and what will the matrix of a modern network be? Is it still meeting physically or is another opportunity coming up which would be a successful base for the sort of network that you are looking for?

Sir John Lazar: I will start with the last bit. I do not think that it is just a physical network but a network on many levels. Silicon Valley just functions as this remarkably fast network over the aether. Your

characterisation is in some ways correct, but there are elements of the network that are working very well. If you are an early-stage company looking for funding in London or spinning out in Cambridge, Oxford or even in some of the other hubs around the country, there are very good networks that will connect you to the right place. Elements of this work well.

I share your concern about the rest of the network. It should be possible to join it up better, but we really struggle to do that well. I gave the example of making sure that all the various funding bodies have a global view of what we are trying to do as a country, how we join ourselves up, how we complement each other. That is just not happening efficiently enough. We are all singing from the same hymn sheet. We must find a way to cut through that and have the Government support us on that, but it is entirely down to the Government. It is a country effort that we must sort out. Industrial strategy is a good start, but we cannot pin everything on that either.

Q97 Lord Borwick: Many of the start-ups that have succeeded have been in financial services, insurance and at the scientific end of life sciences. What are the challenges for engineering companies, other than the obvious one of our electricity costs? So much of engineering—metal bashing and foundries—is utterly dependent on electricity costs. It is hopeless to suggest that we can make a great success out of a foundry now in the UK, is not it?

Sir John Lazar: The energy cost is a real issue. I am 100% supportive on that. It is a key message that would be very helpful for us all to be banging the drum on. We need to take that one head-on. I am not an expert on energy, though there are people in the room who are. I do not have a cut-through on that, but every small company that I talk to raises that issue. It is a big issue in terms of building data centres in the country and attracting people to build them. Why would they do it when the price is among the highest in the world?

I have talked about many of the different issues with deep-tech companies. One is funding. It is about not just funding but thinking holistically around the kind of facilities that those companies need. Energy is one, but access to lab facilities, conduits and so on are all important.

There is a particular piece of work that we need to do on continuing the work of making the spinout pathway easier. We had a very good piece of work led by Irene Tracey a couple of years ago. The Government responded very well to her report. We have seen TenU standardising spinout terms. The average stake that the universities are taking is dropping, but it is still a process that is very laborious for many companies. It takes too long. It builds cap tables which do not allow those companies to thrive and attract venture money and growth money further down the line.

There is ongoing work that we need to do to reach the point where we have that streamlined spinout story that Silicon Valley has got. I would strongly push us to keep driving that forward and making that an easier experience for engineering companies, deep-tech companies in particular, to make progress.

Lord Borwick: Are there examples of engineering companies that have grown enormously despite the electricity burden that they carry?

Sir John Lazar: Many companies in the enterprise hub are still fighting in the UK. I can point to a number of them. I am particularly interested in the AI world. We are launching a programme at the academy called "practical AI", asking how we get AI to apply to the boring stuff—which in my view is the interesting stuff. How you improve engineering supply chains? How do you improve the construction industry? How do we improve transport? Those companies are fighting and growing. It is just another piece of friction for them.

We have some great examples of companies that have stayed in the country. There is an amazing company, Pureaffinity, which uses absorbent media to deal with toxic substances. It has raised a bunch of money here, a lot of it in grant funding. It is still here. It is beginning to look overseas for its funding, but it is based in the UK—it has stayed.

Q98 **The Chair:** What role should universities have in nurturing entrepreneurial careers for researchers?

Sir John Lazar: That is a fantastic question. We are already in a different place from where we were 15 years ago. We have a much more able spinout regime within the country. We just need to keep making that more efficient and nurturing it. It struck me when I was in Silicon Valley that there is a much more porous interface between the universities and the entrepreneurial community. We have a programme at the academy around industrial fellowships, trying to give academics secondments into industry and vice versa. This is something that as a country we need to think more generally about. How do you make it easy for an academic to spend time in industry and not destroy their academic career when they come back? This is happening well in some universities but not so well in others.

The tech transfer offices within the universities need to get better and more professional in how they deal with things. Some of that is around just ensuring that they have the training and the understanding of what it is like to be a venture company and what it is like to spin out.

There then needs to be a surround for entrepreneurs who, in many cases, were academics. How do they become better entrepreneurs? The academy, in supporting 10% of spinners, plays a huge role. There are other fantastic programmes. Cambridge has a very good programme, "Founders at the University of Cambridge", which you have probably heard about. I have seen this happening in other parts of the country too.

It is a package of things, but some of that is just around the outlook of creating an environment where it is perfectly normal for an academic to spend time in industry or starting a company and then making their way back into research when they need to.

Q99 Baroness Neuberger: You have heard me ask this question to Sir John Kingman. You have talked a lot about the outlook of universities and about energy prices. If you were in the position of having to write a report from this committee, what would be your key recommendations that Government can do something about?

Sir John Lazar: We must find a way to get the capital flowing. First, I hope to see us all putting our weight behind Mansion House and moving it from a very good starting position to somewhere where the capital flows. I want to see that as part of a joined-up ecosystem. This is where your support would be very helpful, in supporting the Government through the industrial strategy and other means, and the missions to join it up. Secondly, let us make sure that BBB, BPC, Innovate UK and all the other bodies that are flowing here are joined-up and make it easy to crowd-in other investment.

Thirdly, do not put all the eggs into the hyperscale basket. Let us celebrate the heterogeneity in the country and support a scrappy “innovate under constraints” approach as well as a hyperscale approach. Fourthly, there are energy prices. Fifthly, the skills agenda is still vital. We must find a way to nurture and grow our skills from within the country. Some of the comments that Sir John made previously I 100% agree with. There is a real issue at the moment around not enough local students doing STEM PhDs. We must find a way to maintain our R&D base to maintain our lead and then, in a judicious way, attract top talent where we need it. That is important.

I hope and believe that the industrial strategy will understand our technological strengths as a country which can be world-leading and nurture and drive those in a holistic way.

Baroness Neuberger: That is a pretty good list.

The Chair: Thank you. You have been incredibly informative. We appreciate it very much. As I said, it is nice to have an engineering perspective delivered to our committee.

Sir John Lazar: Thank you for your fantastic set of questions.

The Chair: That concludes this session.