



Department for  
Science, Innovation  
& Technology

Rt Hon Michelle Donelan MP  
Secretary of State  
Department for Science,  
Innovation and Technology  
100 Parliament St,  
London,  
SW1A 2BQ

8 March 2023

Rt Hon Greg Clark MP  
Chair,  
Science and Technology Committee,  
House of Commons,  
London,  
SW1A 0AA

Dear Greg,

Thank you for your letter regarding the return of £1.6 billion of funds to the Treasury as part of the Central Government Supplementary Estimates 2022-23.

The government's position has always been one of openness to discussions on research collaboration, and following the announcement of the Windsor Framework, we welcome the EU's recent remarks, following two years of delays. The EU have not yet made any proposals to address the financial terms of UK association and we are now over 2 years into a 7-year programme. We continue to be ready to work swiftly and constructively together on a range of issues including UK association.

I understand your concerns about the importance of increases to R&D budget to the science & innovation community, and what this means for the UK government's vision of Science Superpower and Innovation Nation. This is why the Government is committed to investing £20 billion per annum in R&D by 2024/25 and R&D spending is rising 30% in cash terms from 21/22 to 24/25- the largest-ever increase over a spending review period.

The funding put aside in the Spending Review for association to Horizon Europe was always based on the way that Horizon works; we pay a lot upfront, and money then pays out to researchers over a longer period of time. The surrender reflects the fact that we have been unable to associate in the financial year 2022/23 and at this stage of the year, if we were to associate, any cash payment would take place next year. As is usual practice, departmental underspends are returned to the Exchequer at Supplementary Estimates to ensure spending plans are taut and realistic. Any funding required for association in future years will be made available once there is clarity on UK association to EU programmes.

Supporting the science & innovation community through this period of uncertainty has been a priority of my new department, and this is why, despite the delays to association, we have kept funding flowing to UK researchers and businesses. To the end of February 2023, awards have been made totalling £882m through the Horizon Guarantee, which is delivered by UKRI. This guarantee was extended on [6<sup>th</sup> March 2023](#) until the end of June 2023, and will ensure that eligible, successful UK applicants will continue to be guaranteed funding.

This guarantee is delivered in addition to a package of £684m of direct funding which the UK government invested in [UK science, fusion](#) and [Earth observation](#) in November 2022.

I will continue to put the interests of businesses and researchers across the UK first so they can take forward ground-breaking research and drive forward innovation with their

international partners. In all circumstances I am confident we will have a great offer for international S&T collaboration, building on our global strengths.

Yours sincerely,

A handwritten signature in black ink that reads "Michelle Donelan". The signature is written in a cursive style with a prominent flourish at the end of the last name.

**RT HON MICHELLE DONELAN MP**

Secretary of State for Science, Technology and Innovation