



Department for
Science, Innovation
& Technology

Lord Vallance
Minister for Science,
Research & Innovation
Department for Science, Innovation &
Technology
100 Parliament Street
London SW1A 2BQ

www.gov.uk/dsit

23rd May 2025

Chi Onwurah MP
Chair, Science, Innovation and Technology
Committee
House of Commons
Palace of Westminster
London
SW1A 0AA

Dear Chi,

Subject: Pre-appointment hearing for the Executive Chair of Innovate UK

Thank you for your letter of 8 May following the Committee's pre-appointment hearing with Tom Adeyoola. I appreciate the Committee's endorsement of Tom's appointment as Executive Chair and his vision to clarify Innovate UK's strategy, accelerate grant processes and improve data transparency and impact evaluation. These objectives align with the Government's ambition to drive innovation-led growth and improve public sector effectiveness.

You asked for further clarity on Innovate UK's budget allocation for 2025/26 and the reasons behind the changes compared with previous years. I welcome the opportunity to provide further context.

DSIT has allocated £8.8 billion to UK Research and Innovation (UKRI) over the Spending Review period, sustaining record levels of public investment in R&D. Within this, Innovate UK continues to play a critical role in supporting business-led innovation across the UK.

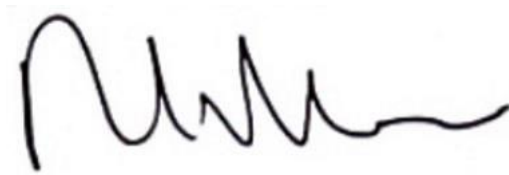
I recognise that there is an apparent decrease in Innovate UK's 2025/26 allocation from published 2024/25. This figure reflects several technical and accounting factors, rather than a reduction in ambition or priority. Whilst Innovate UK's core settlement of £948m is lower than previous years, this is offset by increases and protections outside core funding relating to their role in cross-UKRI delivery of R&D Missions and place-focussed innovation accelerators. Innovate-UK is also expected to receive further funding for the Faraday Battery Challenge from the Department for Business and Trade in 2025/26, where funding was previously provided by DSIT. This means that the final funding flow through Innovate UK this year is expected to be higher than their published allocation.

Individual council budgets, including Innovate UK's, will also vary year to year as specific programmes conclude and new ones begin. This is a natural part of how UKRI prioritises funding to align with strategic goals and deliver maximum impact. Together with the technical and accounting factors, this does mean that year-on-year budget comparisons should be made with caution.

It is right that Innovate UK, like other UKRI councils, has the autonomy to make prioritisation decisions within its overall envelope to best meet the evolving needs of the UK's innovation ecosystem and the strategic direction of the government.

I welcome your Committee's continued engagement with the work of DSIT and UKRI.

Kind regards

A handwritten signature in black ink, appearing to read 'N. Vallance', with a stylized, flowing script.

**Lord Vallance of Balham KCB
Minister for Science, Research and Innovation
Department for Science, Innovation & Technology**