



Department for  
Science, Innovation  
& Technology

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Dame Chi Onwurah (Chair)  
House of Commons Science, Innovation and Technology Committee

Dear Chi,

I welcomed the opportunity to appear before the Science, Innovation and Technology Committee earlier this month. As agreed during the session, I am writing to provide further information and clarification on some of the points raised, specifically:

1. How DSIT will measure success against my priorities, including global leadership in priority areas such as Life Sciences, AI, and Quantum
2. How the department will translate R&D investment into growth, including what metrics will be used to measure success. How levels of private sector investment linked to public sector AI investment will be measured, and examples of those measures
3. Further detail on the US/UK life sciences deal, which had been agreed the previous day
4. Detail on DSIT's role with Science Education Centres, and how we are working with DCMS and DfE to provide funding to keep them in operation
5. What DSIT is doing to combat the spread of disinformation
6. Detail on algorithmic transparency in the Online Safety Act and relevant Ofcom powers
7. DSIT activity to improve government data management to support the roll-out of digital ID
8. A definition of sovereign AI capability, our assessment of the current state of sovereign AI capability in the UK, and how to measure and track it

I hope that these responses answer your queries. I look forward to working with you and the Committee to progress His Majesty's Government's science, innovation and technology agenda.

Yours sincerely,

Rt Hon Liz Kendall MP  
**Secretary of State for Science, Innovation and Technology**

## 1. How DSIT will measure success against ministerial priorities, including global leadership in priority areas such as Life Sciences, AI, and Quantum

*You asked what success would look like in this role, how I would measure it, and for more detail on those measures of success.*

DSIT is an impact-driven organisation, and I am committed to measuring the real-world impact our investment in science, technology and innovation has on our economy and our citizens. I am sure the Committee recognises the complexity of measuring success in science, technology and digital programmes. Outcomes are often indirect, widely distributed across the economy and society, and the benefits of investment can take years – sometimes decades – to materialise.

But these challenges do not diminish my resolve; they strengthen it. Across my priorities set out at the Select Committee, I am committed to transparency and accountability, which means developing and embedding robust, relevant metrics and indicators across the range of DSIT programmes and interventions that allow us to track progress and demonstrate impact over time. My department regularly tests our metrics against that of international comparators and will continue to do so to ensure the UK's ongoing global leadership across science and technology. Specifically:

- To support **growth and prosperity**, we have already committed to robust monitoring and evaluation arrangements in the Digital and Technologies and Life Sciences sector plans, with each action having a single accountable owner bound by metrics and headline targets. For example, measuring access to scale-up capital will be achieved by measuring not only the volume of capital, but also the number of life sciences companies on the FTSE 350, the number with a valuation of more than £10 billion, and the number of IPOs. DSIT already reports progress publicly through the Quarterly Update on the Industrial Strategy. Our detailed breakdown of the £86billion R&D package further articulates how it will contribute to economic growth (see below).
- To ensure we are transforming and **modernising public services**, we will track key indicators such as the share of civil servants in digital roles, the extent of responsible AI adoption across government, and the phased roll-out of user-centred cross-government digital products (GOV.UK App, GOV.UK Wallet, and GOV.UK One Login). As I said to the Committee, public services need to fit around people rather than people having to fit into lots of different public services, so we will also track delivery of cross-government digital infrastructure; reformed commercial, funding and assurance arrangements; and shared data capabilities for secure discovery and reuse of public data.
- To **promote tech adoption and skills**, we will ensure that people have got the skills they need as the workforce changes through wider AI adoption. In the Digital Inclusion Action Plan published in February, government committed to measuring what works on digital inclusion, identifying where the need is greatest, and establishing the economic and social value of upskilling adults with digital skills. On this last, we have already funded [research](#) via Future Dot Now, which was published earlier this month.
- And finally, to ensure **increasing trust in technology**, we will monitor the effectiveness of the Online Safety Act through a comprehensive programme with Ofcom and the Home Office. The framework covers all sections and duties within the Act, laying out a detailed range of evaluation questions and evidence sources to measure effectiveness. The first

major data set informing this programme will be released in Spring 2026. We will also assess the improvements the Cyber Security and Resilience (Network and Information Systems) Bill brings to the UK's cyber defences through the publication of post-implementation reviews, regular engagement with NIS regulators and industry, as well as monitoring the incidence and cost of any future cyber attacks.

Beyond these core priorities, my department conducts a wide range of reporting and performance tracking to ensure that we are holding ourselves accountable for our full remit, including the DSIT Annual Report and our departmental strategic plan. We have also recently published new objectives for UKRI, which are underpinned by annual measurable key results.

These arrangements will use a broad set of metrics drawn from government, public financial institutions, and the research system. Key indicators include business R&D, investment flows, Innovate UK activity, spin-outs, and capital market trends, which collectively reflect progress in priority areas such as Life Sciences and Digital and Technologies.

**2. How the department will translate R&D investment into growth, including what metrics will be used to measure success. How levels of private sector investment linked to public sector AI investment will be measured, and examples of those measures:**

*You asked me for a more detailed breakdown of the £86 billion R&D package over the spending review period.*

Our approach will see investment categorised against three priority outcome "buckets":

1. **Curiosity-driven research**, which is about long-term growth. Through UKRI we will invest over £14 billion in this activity, which will represent the majority of government investment, highlighting the important role DSIT and UKRI play in investing in this area on behalf of government.
2. UKRI will invest £8 billion into **government priority areas**, supporting outcome-driven projects designed to leverage private sector investment in the short to medium term. This includes the R&D Missions Accelerator Programme which aims to crowd in £1.5 billion of private spend for £500 million of public investment.
3. Finally, we will direct investment at **starting and scaling innovative companies**, including £7 billion from UKRI. There is strong evidence on the return from this type of investment, with evidence showing higher employment (+21%) and turnover (+23%) in the 6 years after businesses receive their first R&D grant funding.

The rest of UKRI's record £38.6 billion settlement will be used for foundational investments that cut across these three areas, including in skills and infrastructure.

DSIT is currently rolling out the priority buckets categorisation framework across the rest of the DSIT portfolio and HMG to ensure we have a common, clearer understanding of where government is investing and what outcomes we expect that investment to drive.

Research and innovation are the engines of progress, economic growth, and opportunity for people across the UK. There is established evidence that public R&D supports economic growth, with DSIT estimating that every £1 of civil public R&D generates £8 in net economic benefits to the UK in the long run. Sustained economic growth is dependent on strong innovation and R&D, and evidence shows that in the 6 years after businesses receive their first R&D grant funding, employment increases in the average business by 21% and turnover grows by 23% relative to similar firms who didn't get support.

Various metrics will be used to monitor success for all DSIT investments. The specific metrics will be based on the objectives of the R&D programme and can include knowledge outputs such as patents, research publications, and citations, as well as business impacts such as private sector investment generated, firm productivity improvements, and job creation. UKRI's strategic objectives and key results for achieving these objectives for 2025-2026 can be found [here](#).

### 3. Further detail on the US/UK life sciences deal:

*You asked for details of the US pharma deal, including whether the 15% cap on VPAG will cover all manufacturers or if it is US specific; possible downstream implications for European manufacturers, generic and biosimilar manufacturers; and where in Government the funding for the deal is coming from and how this is balanced against funding/delivery of front-line services.*

The landmark agreement between the US and UK means that all pharmaceutical exports from the UK to the US will be subject to 0% tariffs for 3 years, including both generic products and patented pharmaceuticals. This means that UK companies can export their pharmaceutical products without facing extra fees, covering over £5 billion worth of annual exports. The agreement also includes preferential terms for exports of medical technologies. This agreement is part of the UK-US Economic Prosperity Deal and sees the UK secure from the US a more preferential rate for pharmaceuticals than any other country. Therefore, regardless of the headquarters of the manufacturer, anyone exporting any type of pharmaceutical product from the UK to the US will pay zero tariffs. We have also agreed with the US that we will secure mitigations under the 'Most Favoured Nation' drug pricing initiative, to ensure UK patients can continue to access the latest treatments. This is good for patients and good for the economy.

The Government will also be investing 25% more in new innovative medicines, delivered through a change in the National Institute for Health and Care Excellence's (NICE's) cost-effectiveness threshold and the introduction of a new value set for valuing health-related quality of life. To ensure the full benefit of these changes is felt both by patients and by the companies who are delivering these innovations, the Department of Health and Social Care (DHSC) will make an investment into the Voluntary Scheme for branded medicines pricing, access and growth (VPAG) baseline, so that the 25% price increase is not recouped by the scheme's repayments. We will also ensure the future VPAG headline payment percentage does not exceed 15% for the remainder of the scheme. This will apply to all scheme member companies who pay the headline payment percentage on their branded medicines sales to the NHS, so is not specific to US companies. Improving the commercial environment for medicines to support patient access to medicines is a longstanding Government priority, as shown by our domestic engagement with the sector on this issue earlier this year through the VPAG Mid Scheme Review process. We have also committed to working with industry on the design of a future voluntary scheme when the current VPAG agreement expires at the end of 2028.

This deal is a vital investment that builds on the strength of our NHS and world leading life sciences sector to increase access to lifechanging medicines. We will always prioritise the needs of NHS patients and at the Spending Review, the Government delivered record real terms increase for day-to-day spending for the NHS in England up to April 2029. The specific costs in this SR period are expected to be around £1billion but the final amount will depend upon which medicines NICE decides to approve, and the actual uptake of these medicines on the NHS. We have not undertaken a specific assessment of the impact on generics and biosimilar companies but they will benefit from zero tariffs on UK exports to the US and this announcement was welcomed by their trade association Medicines UK.

#### **4. Detail on DSIT's role with Science Discovery Centres, and how the department is working with DCMS and DfE to provide funding to keep them in operation:**

*You asked for more detail on how science discovery centres can play a role in restoring public trust in science.*

Science and Discovery Centres (SDCs) play an important role in engaging the public with science and technology and inspiring young people, particularly from underrepresented groups, to consider STEM subjects and careers. The centres also carry out many informal science learning activities for young people, particularly providing hands on, practical experience of doing science supporting their broader science education. Some centres carry out research in addition to their public engagement activities, however in most cases their primary role is as visitor centres focused on science as a part of the UK's culture, demonstrating the benefits that research brings to communities and individuals.

While the department and partner organisations such as UKRI have provided support for specific programmes delivered by science centres, they are not research organisations and so do not currently fall within DSIT's remit. Officials from across departments with an interest in SDCs are meeting to discuss options for sustainable support.

#### **5. How disinformation is covered under the Online Safety Act**

*You asked me to assess whether our democracy is safe in the current online environment and what DSIT is doing to combat the spread of disinformation.*

The government defines disinformation as the deliberate creation and dissemination of false and/or manipulated information that is intended to deceive and mislead audiences, either for the purposes of causing harm, or for political, personal or financial gain. Misinformation refers to inadvertently spreading false information.

Disinformation is captured by the Act where it is illegal or harmful to children. Companies must take systemic action against illegal state-sponsored disinformation and state-linked interference via the Foreign Interference Offence, and tackle false information sent with the intent to cause serious harm via the False Communications Offence - Southport demonstrated the impact that this type of content can have on communities.

Companies must also assess whether their service is likely to be accessed by children and, if so, deliver additional protections for them. This includes protections against disinformation that intersect with the child safety duties in the Act. For example, a dangerous online challenge that is promoted to children on the basis of disinformation, or abusive content, which includes disinformation.

Additionally, under the terms of service and accountability duties if certain types of legal disinformation are prohibited in the largest platforms' terms of service, they will have to remove it and enforce this consistently.

Companies who fail to fulfil their duties can be issued enforcement decisions by Ofcom that direct them to take specific steps to come into compliance or receive fines up to £18 million or 10% of qualifying worldwide revenue in the relevant year, whichever is higher.

This approach ensures we are addressing the most egregious types of disinformation with proportionate action. It is not possible to completely eliminate harmful content online and there is a balance with freedom of expression: that is why media literacy and education are also part of the solution.

The Online Safety Act strengthens Ofcom's statutory duty to promote media literacy across regulated services. Ofcom must now enhance public understanding of online safety, encourage protective technologies, and raise awareness of the nature and impact of mis- and disinformation, helping users assess content reliability and authenticity. It also requires Ofcom to address harmful content and behaviours, particularly those disproportionately affecting vulnerable groups such as women and girls. Under its updated duties, Ofcom's first three-year media literacy strategy focuses on Research, Platform Engagement, and People and Partnerships, which includes commissioning targeted interventions to support priority groups.

## **6. Algorithmic transparency in the Online Safety Act and relevant Ofcom powers:**

*You raised concerns that Ofcom cannot compel services to provide information about the role of algorithms in promoting content to users and that Ofcom would need to receive a complaint about a provider's algorithms to investigate any potential non-compliance.*

DSIT and Ofcom agree that the Online Safety Act is clear that it confers Ofcom with comprehensive information gathering powers allowing it to investigate the operations of services' algorithms and that the use of these powers does not require Ofcom to have received a complaint about a provider, including its algorithms. Ofcom's information-gathering powers under the Online Safety Act empower it to investigate providers' internal workings and systems and processes, including their content recommender systems, to ensure algorithmic transparency.

The Act also confers robust powers on Ofcom to enable it to access the information it needs to exercise its online safety functions. Under these powers, Ofcom can remotely view information about the operation of systems and processes, including tests of algorithmic systems. This is a standard method for understanding algorithms and which involve taking a test dataset, running it through an algorithmic system, and observing the output. It can interview employees, require a company to assist a skilled person in preparing a report (and pay for the report to be produced), and carry out audits on services to assess compliance and risks. Ofcom can also require information from relevant third parties, as well as providers themselves. Many companies use third party services to support the operation of critical parts of their services, and it is important that the regulator can access the information it needs. All of these information-gathering powers can apply to information about providers' algorithms.

There is a wide range of information-related offences under the OSA to promote strong compliance with Ofcom's information and audit requests. Named senior managers can also be prosecuted if they fail to take all reasonable steps to prevent their company from committing certain information offences (e.g. by failing to comply with Ofcom's information notices).

As set out in the government's response to the Committee's latest report, provisions in the Data (Use and Access) Act empower the Secretary of State to create a framework for independent researchers to access online safety data. Improved access to online safety data will enable more comprehensive research into online safety risks, as well as the effectiveness of providers' processes to mitigate risks to users as part of meeting their OSA duties. This will inform future online safety interventions, such as updates to Ofcom's codes of practice, and contribute to a safer online experience for UK users.

## 7. What DSIT is doing to improve data management within Government:

*You asked me to provide an assessment of the standard of data management and data hygiene within DSIT and across government and how we will make improvements to support the roll-out of digital ID.*

The government is committed to unlocking the value of its data and ensuring it can deliver on ambitions for modern public services, maximise the opportunities of AI and requirements of programmes such as Digital ID. We recognise that achieving this will require transformed and consistent data management practices.

To support and improve data management practices we are developing a Data Asset Management policy. Its rollout will introduce a consistent, sustainable approach to identifying and managing the government's critical data assets with proven or high potential re-use value across departments, providing a clear understanding of governments most critical data assets and a consistent approach to managing them.

The Data Asset Management policy will bring these identified critical data assets under minimum data management standards, so that we can ensure quality and accountability through clear ownership and governance processes.

The policy has been co-developed with departments and ALBs through a cross-government group. It has been tested, which confirmed that the approach is feasible, scalable, and adaptable to varying levels of data maturity across the public sector.

We have engaged extensively with departments to understand the barriers that exist to managing data to a high standard. We are now working to ensure the guidelines and support mechanisms are in place to address these challenges, and to enable the Data Asset Management policy requirements to be implemented. This has included:

- Launching a Data Management Community as a forum for sharing best practice and identifying areas where additional support is needed
- Publishing guidance and templates on developing Data Quality Action Plans as a mechanism for managing and recording quality
- Publishing an Issue Prioritisation Framework so departments can identify critical data quality issues and support resource allocation decisions
- Developing standards for core attributes of a 'person' (such as name, date of birth, and country of birth) as well as standards for identifying individuals or cohorts of people who may be vulnerable in different scenarios, which are critical to many programmes

The Data Standards Authority (DSA) was established by GDS to improve the coordination of cross-government work on data standards and set common standards for adoption. It brings together experts from a wide range of public sector organisations to understand the challenges and consider and recommend or mandate standards for common adoption to address them.

We will continue to work with departments to identify and develop supporting resources as needed, to support the adoption of different aspects of data management best practice.

The Minister of State for Digital Government and Data will appear before your Committee in February to update you on our progress in implementing the package of measures to strengthen information and data security in government, including a step-change in how personal data is protected across government.

## 8. How the UK will determine and secure UK sovereign AI capabilities:

*You asked how the UK defines sovereign AI capability, our assessment of the current state of sovereign AI capability in the UK, and how to measure and track it.*

Sovereign capability is about ensuring the UK has what it needs to become a global leader in AI. We need the domestic AI infrastructure to develop and deploy AI systems, and to support promising UK AI companies to scale and compete with incumbents. This will bring huge benefits to growth and security in the UK.

The government has demonstrated its commitment to building sovereign AI capabilities spanning hardware, software and data by establishing the Sovereign AI Unit. Backed by up to £500 million, the Unit is designed to provide targeted support for high-potential UK startups and scaleups, enabling them to become national AI champions. This includes investment and utilising other government levers such as procurement, regulatory pathways, and access to data, talent, and compute.

Already, the Unit has invested £8 million in the OpenBind consortium to accelerate drug discovery and is supporting the Encode AI for Science Fellowship, worth £5 million, to nurture the next generation of world-class talent to thrive in the UK.

We recently announced a major package of [new reforms and investment for the AI sector](#) focussed on building up UK sovereign AI capabilities. This entails:

- Committing up to £100 million to buy high-quality AI hardware products once they reach a high-performance benchmark, providing promising UK start-ups with an opportunity to scale and grow. Long-term, our vision is to ensure that British chips are being deployed alongside established vendors in AI Growth Zone data centres.
- Earmarking £250 million to increase high-performance computing capability to offer free compute to British researchers and British startups so they can train new AI models and deliver scientific breakthroughs.
- Backed by £137 million, a new [AI for Science Strategy](#) making sure scientists and researchers in the UK have the tools and infrastructure to speed up the research of new drugs and treatments – with the goal of giving patients a new lease of life and fresh hope that their conditions can be better managed. We believe this approach will help retain intellectual property, stimulate high-value R&D, and create skilled UK jobs.

The Unit will bring together government, industry and investors, to become the go-to fund for high potential start-ups and scale-ups in the UK. To this end, we have appointed venture capitalist James Wise from Balderton Capital to be the Chair of the Unit. In addition, we have also appointed a panel of AI Ambassadors, featuring Nobel laureate Simon Johnson, Monzo co-founder Tom Blomfield, and AI researcher Raia Hadsell from Google DeepMind.