

Wednesday 7 April 2021

The Lord Patel KT
Chair
Science and Technology
Committee
House of Lords
London
SW1A 0PW

Dear Lord Patel,

Thank you for your invitation to write to you relating to the current issues facing research & development funding.

The British Academy has welcomed the Government's commitment to research and innovation, including in the recent Integrated Review. This reiterated the Government's 2020 Spending Review commitment to increase investment in R&D to 2.4% of GDP by 2027 and to provide an uplifted multi-year settlement for UKRI, as well as the National Academies, for the next three years. One of the strengths of the UK system, and a reason why we punch above our weight, is the diversity of funding streams and organisations, enabling a variety of research.

We share the Government's aim to secure the UK's status as a research and innovation superpower by 2030. As the Integrated Review highlights, keeping the UK's place at the cutting edge of science and technology will be essential to our prosperity and competitiveness. Research and innovation will also play a key role in realising the UK's ambition to 'unite and level up' and 'build back better' in response to COVID-19. Other countries invest considerably more in R&D than the UK - we are well below the Organisation for Economic Co-operation and Development average and lag behind China, Germany, France, Israel, South Korea, Japan and the USA. Therefore, a commitment to reach the OECD average by 2027 is relatively unambitious given the investments that other nations are making, and we should consider instead accelerating progress towards the longer-term target of 3%.

It is important that we signal now that the UK is one of the best places for research and innovation to happen. We need to retain and recruit talented researchers and innovators here in the UK and globally, in an increasingly competitive international marketplace. The community needs to hear certainty from the Government that the commitments made at the last Spending Review will be met in full. The research community has pointed to a gap between rhetoric and reality with unprecedented in-year cuts to existing research activities and partnerships due to the decisions that have been made related to ODA R&D. It is important that trust is maintained with researchers,

so that the UK can continue to retain and recruit the brightest and best.

We welcomed the announcement on 1 April of £250 million additional funding for science and research, combined with the repurposing of £400 million which had already been announced in the Spending Review, towards the costs of association to Horizon Europe. We had been deeply concerned that funding for association to Horizon Europe may be drawn from the already allocated BEIS R&D budget. This has not been the case previously and should not be now. We had feared that should the BEIS R&D settlement be reduced by funding association to Horizon Europe from it, which it was not budgeted to do, it would have sent another very negative signal to the community in the UK and globally and have a disastrous impact on the UK's long-term research and innovation base. We hope that the announcement on 1 April will remove the pressure for this for 2021-22, although the issue remains for future years, especially as we understand that the costs of association are 'backloaded' and hence will grow over time.

We know this is a difficult time for the UK economy, but the UK needs to invest for the future, supporting high-value jobs and a healthier, greener society while keeping up with other countries in order to meet the ambitions we have for research and innovation in the UK. The Government's UK R&D Roadmap was published less than a year ago and to achieve its objective to further the health, prosperity and national security of the UK, it is to be welcomed that our research community is now facing a slightly less precarious future.

However, we urge the Government to restore the funds cut from ODA R&D so that ongoing research activity is not reduced or terminated, as well as ensuring that sufficient funding is allocated in future years for ongoing association with Horizon Europe.

These recent examples have only served to emphasise why the Government must place R&D funding on a far more secure and long-term basis. Annual spending reviews are no way for a serious and ambitious country to support R&D, let alone become an R&D superpower. It is also important for the UK to think about funding of international collaboration and mobility programmes in the round rather than piecemeal.

A particular feature of the UK research system is that we have strength across many disciplines in STEM (science, technology, engineering, maths) and SHAPE (social science, humanities and arts). We should build on this, and facilitate the way that all of these disciplines work together. A topical example of this is of course how medical science was able to build a vaccine at speed, while insights into social and human behaviour from the social sciences and humanities cast light on issues of vaccine hesitancy to ensure its widespread take up.

We expect the Government to set out in this year's coming Spending Review a major significantly-uplifted multi-year settlement that provides certainty for at least the next five years for all research and innovation investment. This should include the part of the UK's ODA commitment which is allocated to research and confirm that funding

for association to Horizon Europe will remain separate from the BEIS R&D budget for the next seven years. Indeed, to truly deliver on its ambition to become a research and innovation superpower, the Government should separate R&D funding from the usual political cycles and set out an investment plan for the next ten to twenty years.

Your committee will understand that research and innovation is a source of long-term prosperity for the nation. The response of the research community to the pandemic has been a great opportunity to demonstrate to the UK public the real value of research and expertise. The Government, in partnership with the research community, should build on this opportunity to continue to make the case for the long-term social, economic, environmental and health benefits that will accrue from continued investment in research.

I would of course be happy to come and speak to you or the committee should that be helpful.

Yours sincerely,



Hetan Shah
Chief Executive

Enclosed:

UK Research and Development Roadmap: A response from the British Academy

Europe on the Horizon: Examining the Value of European Research Collaboration

Investing in UK R&D