

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

9 April 2021

Dear Lord Patel,

I am writing from the Association of Medical Research Charities in response to your committee's inquiry into funding issues facing UK R&D.

We wish to highlight the severe impact of COVID-19 on charity-funded medical research. Medical research charities are a key pillar of the UK's world-leading life sciences sector, but the unprecedented drop in their fundraising income has meant that charities are having to make significant reductions in their research spend. This, combined with the cumulative impact of other Government cuts to research funding, will have a long-term impact on the UK's wider research ecosystem. Despite frequent calls, Government support for charity research is still missing.

Over the past 10 years, AMRC members have spent £14 billion in research in the UK, with £1.9 billion invested in research in 2019 alone. However, they now face an unprecedented loss of income with charity shops closed and many fundraising activities cancelled for months at a time. AMRC members estimated **an average 41% decrease in their research spend in FY20/21**, resulting in a projected reduction in UK medical research investment of up to £310m. **In universities, charities have seen an estimated decrease in spend of 40%** and clinical research saw 70% of clinical trials and studies funded by AMRC charities stopped, paused or delayed during the first lockdown; **25% of clinical studies are still yet to restart**.

Reduced charity investment will have a knock-on effect in the years to come. **Modelling from the Institute for Public Policy Research (IPPR) shows that the shortfall in charity research spend could mean £7.8 billion less for health R&D over the next 8 years**. This takes into account the knock-on drop in industry investment and also the impact of the adverse economic climate more broadly.

There are **still no clear support mechanisms for charity funded medical research within existing COVID-19 support schemes**. The Government's £750 million package could not be used by 97% of medical research charities and the SURE Fund is not a long-term solution to the problems charities face.

I have appended to this letter a briefing and separately attach two infographics that further outline charities' importance to research and the discovery of life-saving treatments, as well as their role in funding research across the whole of the UK.

If you would like more information on any of the enclosed, please contact AMRC's Senior Policy & Public Affairs Officer Rohan Bundell on r.bundell@amrc.org.uk or 020 8078 6045.

Nicola Perrin



Director of Policy & Public Affairs
Association of Medical Research Charities

amrc
ASSOCIATION OF MEDICAL RESEARCH CHARITIES

99 Gray's Inn Road
London WC1X 8TY, UK

Tel: 020 8078 6042
ceoffice@amrc.org.uk
www.amrc.org.uk
@AMRC

amrc

Briefing for Lords S&T Committee Inquiry into funding issues facing UK R&D

COVID-19 is having a detrimental impact on charity-funded research

The damage from Covid-19 to charity-funded medical research, a key pillar of the UK's world-leading life sciences sector, has been severe. Over the last year, our member charities have witnessed unprecedented drops in their income with charity shops closed and many fundraising activities cancelled for months at a time. Charities are reducing their research spend, which will have long term impacts on the research ecosystem in terms of skills and capacity, infrastructure, specialist knowledge and long-term investments.

Loss of fundraising income has reduced charities' research investment

- AMRC members estimated an average 41% decrease in their research spend in FY20/21, resulting in a projected reduction in UK medical research investment of up to £310m.
- There has been a significant impact on charity-funded research in universities, with an estimated average decrease of 40%, and clinical research, which saw 70% of clinical trials and studies funded by AMRC charities stopped, paused or delayed during the first lockdown; 25% of clinical studies are still yet to restart.
- AMRC has been calling for **short-term financial support from the government** over the next three years to protect critical medical R&D capability in the UK with an initial £310m in 2021/22, and then over the next 3-4 years slowly helping medical research charities to scale back up to pre-COVID funding levels.

Rallying support for the #ResearchAtRisk

- Since the pandemic began, stakeholders across society have rallied to support our #ResearchAtRisk campaign. Over 50 MPs signed a letter to the Chancellor, 25 eminent peers wrote a letter to Editor in The Times, and nearly 40 leading life science industry organisations wrote to Government.
- Over 7,000 members of the public have recently supported our call for the Prime Minister to provide urgent and targeted financial support to charity-funded research.
- Officials from the Department for Business, Energy and Industrial Strategy (BEIS) and the Department of Health and Social Care (DHSC) have worked alongside AMRC for a year in search of a solution. A Life Sciences-Charity Partnership Fund proposal was even included in the BEIS Departmental bid for the Spending Review.

Ongoing lack of Government support

- Despite this activity, one year after the crisis began, **there are still no clear support mechanisms for charity funded medical research within existing COVID-19 support schemes.**
- The £750 million package announced in April 2020 for charities providing 'essential services' in response to COVID-19 could not be used by 97% of AMRC members, whose focus on life-saving research remains without support.
- The Sustaining University Research Expertise (SURE) package announced in June 2020 is not a viable long-term solution to the challenges currently facing medical research charities. The package has included payments up until March, whereas AMRC charities anticipate it will take much longer - 4.5 years on average before their spend on research in UK universities fully recovers to normal levels. Furthermore, it remains unclear how the support for universities could protect the future pipeline of charity-funded research.
- In neither the November Spending Review and March Budget have the Government provided the direct assistance urgently needed by charities.

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A potential question the committee may wish to raise: How does the Government plan to support charities given the severe impact of Covid-19 on their research investment capabilities?

The impact of charities' losses will be felt across UK R&D

- Medical research charities invest as much as the Medical Research Council and the National Institute for Health Research (NIHR) put together. With charities contributing £1 in every £5 that goes into the life sciences, this investment is a key part of government plans to reach 2.4 per cent of GDP invested in R&D by 2027.
- Reduced charity investment will have a knock-on effect in the years to come. **Modelling from the Institute for Public Policy Research (IPPR) shows that the shortfall in charity research spend could mean £7.8 billion less for health R&D over the next 8 years.** This takes into account the knock-on drop in industry investment and also the impact of the adverse economic climate more broadly.
- Charities bring unique contributions to UK R&D as a result of their strong relationships with patients and insights into their priorities. With many charities being both patient organisations and research funders, they help design more effective research and treatments that benefit patients. 83% of AMRC charities use patient voice in their research, strategy or influencing work. Charity investment in UK R&D plays a role that cannot be readily replaced by other funders.

A potential question the committee may wish to raise: How will the Government mitigate the knock-on effects of the reduction in charity-funded research to UK R&D?

- A reduction in charity-funded research will impact on jobs and the future skills pipeline, including PhD studentships, post-docs, fellowships and other career-specific awards. AMRC charities funded 17,000 researchers' salaries across universities, the NHS and other bodies across the UK in 2019, yet these skilled jobs are now under threat.
- **A recent survey of over 500 charity-funded early career researchers found that 40% are considering leaving research due to funding concerns since COVID-19 hit the UK.**

Potential questions the committee may wish to raise: Why are the Government risking a lost generation of researchers? What steps are being taken to mitigate the loss of a generation of future researchers?

Why charities matter to the UK's R&D and life sciences ecosystem

The charity sector are an integral part of the life sciences ecosystem for many reasons. For further examples see AMRC's Without Charities report (2020).

- AMRC charities provide the largest proportion of public funding for multiple stages of the research process including: 46% of all funding exploring the normal development and the cause of disease; and 50% of the funding for the development of treatments and therapeutic interventions.
- Charities broker vital collaborations and partnerships across UK life sciences, acting to coalesce research investment around patient priorities and unmet needs. Due to their independent nature, charities can respond to patient needs in an agile way and develop appropriate research strategies. They are therefore incredibly well placed to drive further improvements in health, particularly in parts of society in most need.
- Charities can help drive the levelling-up agenda. In 2019, almost half of charity funding was spent on research outside of London and the south east. Over half (53%) of patient recruitment onto charity-funded clinical trials and studies took place outside London, the East of England and the South East. AMRC charities collectively account for 36% of

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public funding into medical research in the North West, more than any other public funder. For further details see AMRC Spotlight on Place.

- Charities invest in domestic research infrastructure. For example, through research facilities (such as the Francis Crick Institute), patient-centred data and digital assets including registries (such as the CF Trust's Cystic Fibrosis Registry), biobanks and data platforms (such as MQ's Adolescent Data Platform).
- Charities support the career development of researchers, attracting international talent and boosting the UK's skills pipeline. In 2019 AMRC members funded 17,000 researchers' salaries, including 1,750 PhD students. AMRC charities provide 66% of public investment into cancer and cardiovascular research in the UK – so cuts to these funding routes as a result of Covid-19 would have a substantial impact on the ecosystem – in terms of jobs and infrastructure.

Wider R&D cuts plus charities' losses threaten the UK's balanced ecosystem

- The planned cut to the UK's international aid spending from 0.7-0.5% will reduce Overseas Development Assistance (ODA) funding for vital research projects around the world by around £120 million. These cuts will cause serious and lasting damage to the UK's international relationships and reputation.
- Because the UK invests a lower percentage of its GDP in research and development (R&D) than most of our global competitors, it is important additional funding is provided if the 2.4% target is to be met.
- When this shortfall in funding is taken together with the lack of support for charity-funded research, a bleak picture emerges, whereby a Covid-weakened UK fails to support ambitions for an R&D-led recovery with adequate support. This will set back the UK's research base internationally, taking time and investment to rebuild.
- Whilst the Horizon Europe commitment recently announced by Government is welcome, it is necessary to take a holistic view of the UK R&D this will not remedy the impact a drastic shortfall in charity research funding will have on.