



Department for
Business, Energy
& Industrial Strategy

Rt Hon Kwasi Kwarteng MP
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Lord Patel
Science and Technology Select Committee
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Our ref:
Your ref:

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Dear Lord Patel,

Thank you for your letter. These are all deeply important issues and I appreciate your concern. I share your dedication, and that of the committee, in ensuring the UK's standing as a science superpower. I have addressed each of the issues you raised under the headings below.

First of all, I would like to reassure you that the Government's long-term objectives for Research and Development (R&D) remain unchanged – we want to invest in science and research that will deliver economic growth and societal benefits across the UK for decades to come and build the foundations for the new industries of tomorrow.

Funding for Horizon Europe association

I am pleased that the UK has reached an agreement to take part in the Horizon Europe programme. Association will have a positive impact on our research sector, including universities, research institutes and businesses, and represents a real benefit to British people and industry. The programme will provide an excellent platform through which our scientists and innovators can tackle significant and shared challenges in society – from climate change to global health. Participation in Horizon furthers the UK ambition to become a global science superpower - continuing important collaboration on scientific research with EU partners. We want to make the most of association to Horizon Europe and are encouraging UK researchers and companies from all parts of the UK to take advantage of this opportunity.

Government will be making available an additional £250 million in 2021/22 for Horizon Europe association. Also, the £400 million earmarked at Spending Review for 2021/22 to support government priorities will help to pay for association to Horizon.

This takes total Government investment in R&D to £14.9 billion in 2021/22 and follows four years of significant growth in R&D funding, including a boost of more than £1.5 billion in 2020/21. It will mean UK Government R&D spending is now at its highest level in four decades.

Cuts to Official Development Assistance (ODA)

The Government has taken the difficult decision to move to a target of spending 0.5% of GNI as ODA in 2021, down from 0.7%. As the Foreign Secretary stated in November, this a temporary measure taken based on the economic difficulties resulting from the COVID-19 pandemic, but this understandably has had implications for R&D ODA funding for 2021/22.

We are working with our delivery partners to implement the R&D ODA settlement for financial year 2021/22, with a view to protect the most impactful research programmes. Prioritisation is being driven by the Government's Strategic Framework for ODA.

The UK remains a world leading aid funder, having committed over £10 billion next year to fight poverty, tackle climate change and improve global health. While outlining the 2021/22 allocations, the Foreign Secretary reiterated the government's commitment to international development and intention to return to the 0.7% GNI target when the fiscal situation allows.

Long term R&D budgets

Our long-term commitment to research and development has been clearly demonstrated through the Spending Review announcement to increase investment in R&D across government to £14.6bn in 2021/22. The total figure for 2021/22 now stands at £14.9 billion, following the additional funding we announced on 1st April to fund our association to Horizon Europe. This increase in investment will help deliver our ambition to increase total UK R&D investment to 2.4% of GDP by 2027.

The increased investment will put research and development at the heart of economic and social recovery from the impacts of COVID-19, enabling us to build back better for a greener, healthier and more resilient UK.

We will be confirming R&D budgets for our partner organisations in 2021/22 as quickly as possible, and will provide a breakdown of R&D spending when final allocations are published later in the year.

Funding for Medical Research Charities

I appreciate the globally recognised expertise of UK Medical Research charities, and the substantial contributions they make to our world-leading life sciences sector.

I am conscious that the pandemic has been a challenging time for fundraising and that the loss of income has an impact on the research programmes that charities are currently supporting and will affect their plans for future research. We have been engaging regularly with the Association of Medical Research Charities to understand the challenges they are facing as result of COVID-19.

I hope this information is helpful. I am looking forward to an interesting and productive discussion with you and the committee later this week.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Kwasi Kwarteng', is centered on the page. The signature is fluid and cursive, with a prominent flourish at the end of the last name.

RT HON KWASI KWARTENG MP
Secretary of State for Business, Energy and Industrial Strategy