



House of Commons
Science and Technology
Committee

**A new UK research
funding agency:
Government Response
to the Committee's
Third Report of Session
2019–21**

**Fourth Special Report of
Session 2019–21**

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Science and Technology Committee

The Science and Technology Committee is appointed by the House of Commons to examine the expenditure, administration and policy of the Government Office for Science and associated public bodies.

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The current staff of the Committee are: Masrur Ahmed (Second Clerk), Dr Harry Beeson (Committee Specialist), Dr Christopher Brown (Committee Specialist), Dr James Chandler (Committee Specialist), Emma Dobrzynski (Committee Operations Officer), Sonia Draper (Committee Operations Manager), Danielle Nash (Clerk), and Emily Pritchard (Senior Media and Communications Officer).

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Fourth Special Report

On 12 February 2021 the Committee published its Third Report of Session 2019–21, [A new UK research funding agency](#) [HC 778]. On 8 April 2021 we received the Government Response to the Report, which is appended below.

Appendix: Government Response

Dear Greg,

Please find attached the Government Response to recommendations made by the Science and Technology Committee in respect of its inquiry into ‘A new UK research funding agency’, which as the committee will now know, will be named the Advanced Research and Invention Agency (ARIA).

Since the Committee published its report on 12th February 2021, we have been carefully considering its recommendations. We are grateful to the committee for their constructive proposals across the report, as well as for members’ enthusiasm and engagement during useful oral evidence sessions with me, the Secretary of State, key officials, stakeholders, and other expert witnesses.

I trust that the attached response covers all substantive points made by the committee, and I look forward to continuing working with the committee as ARIA begins to take shape.

Yours ever,

AMANDA SOLLOWAY MP

Parliamentary Under Secretary of State - Minister for Science, Research and Innovation

Science and Technology Committee (Commons) Report—Government Response

The Science and Technology Committee published their report into a [‘new high-risk, high-reward research funding agency’](#). The report offers major points of alignment with the Government’s policy, as now [announced](#), and documented in this [Policy Statement](#). However, there are some points of difference to reflect upon. We consider each of the committee’s recommendations below.

Through recommendations 4 (Paragraph 57), 5 (Paragraph 60), 7 (Paragraph 72), 8 (Paragraph 73) and 9 (Paragraph 74), the Committee articulate a clear stance that ARIA ought to have explicitly defined ‘missions’ or ‘challenges’, focused on particular priorities like Net Zero or Industrial Strategy, and these priorities should be set by central Government on ARIA’s behalf.

ARIA’s portfolio will comprise a set of programmes, each comprising a set of projects. We agree that it is vital that ARIA has a clear research focus at a Programme level. Intrinsic to the ARIA model is the recruitment of talented Programme Managers, who are empowered with significant funds to commission research projects in pursuit of their coherent, singular vision. We do not intend for ARIA to fund a mixed selection of individual projects which provide no contribution to a wider programmatic aim.

However, at the organisation level, it is by design that we wish to give ARIA an open mission: to benefit society and the economy through transformative technological change. We want to leave the door open to ARIA to forge links with multiple government department customers, unlocking new technological concepts which might apply to a range of societal problems, and boosting UK industry in a range of sectors. In this regard, ARIA will depart from the DARPA model, which is tied to the US Department of Defense, but align with other ARPA-inspired bodies around the world with broader remits, such as Germany’s SPRIN-D, Finland’s SITRA, and Japan’s Moonshot R&D.

It is also important to note that there are many UK public-funded programmes and institutions for which Ministers set the strategic direction. One such programme is the Strategic Priorities Fund, covering 34 interdisciplinary Government priorities with an £830m investment. Meanwhile, the Faraday Institution is a research body set up solely to look at the future of battery technologies. With a budget spanning to the end of this parliament of £800m, ARIA is less than 2% of the total UK public R&D portfolio upon which we aim to experiment with a less prescriptive approach. We are grateful for the Committee’s analysis around usage of the ‘Haldane Principle’, which has gained multiple interpretations across stakeholders. The Haldane Principle was discussed extensively during the passage of the Higher Education and Research Act. The principle is sometimes used to invoke the idea of scientific freedom and independence, though, the concept also can entail that proposals should be assessed by peer review. It should now be clear from the above that ARIA will offer scientific independence at organisation and programme level. With regard to peer review, standard processes may not always be appropriate for ARIA, as the body aims to empower exceptional scientists to start and stop projects very quickly.

The Committee’s recommendation 6 (Paragraph 64) relates to ARIA’s risk appetite and emphasises the Government’s patience in allowing the body time to ‘bear fruit’. We agree

with this recommendation and hope to reflect this in monitoring and evaluation of ARIA. Moreover, the Bill contains a clause stipulating that the power for the Secretary of State to dissolve ARIA may only be exercised after a 10 year ‘grace period’, which should help to give the body a fair chance at long-term success. Recommendations 10 (Paragraph 77), 12 (Paragraph 84), and 14 (Paragraph 87) relate to the choice of, and responsibility imbued upon, ARIA’s senior leadership. We agree that the unique autonomy granted by the ARIA model makes it all the more important to have the right leader. We are soon to launch the open and fair recruitment processes for ARIA’s first Chair and CEO, and we will be reaching out across the international science and technology community in search of candidates with the right skills, experience, and vision for ARIA.

Recommendations 11 (Paragraph 81) and 13 (Paragraph 86) relate to the important balancing act in the establishment of ARIA, between facilitating a high degree of autonomy to allow for dynamic and evolving investment portfolios, while also ensuring sufficient oversight. These are important recommendations, and we hope they are reflected at the heart of the Bill, and in the design of the organisation. We believe the ARIA Bill strikes the appropriate balance with, on the one hand, requirements for the body to produce an Annual Report for Parliament and including Government representatives on ARIA’s Board; and on the other, allowing ARIA necessary agility, for instance, with regards to procurement. Furthermore, the forthcoming Framework Agreement between BEIS and ARIA will again aim to strike a balance, stipulating specific reporting requirements and certain flexibilities within non-legislative processes.

Recommendation 15 (Paragraph 92) suggests ARIA should pay its Programme Manager position outside the normal Civil Service pay restrictions to ensure they are sufficiently remunerated. We agree with the spirit of this recommendation and we will seek agreement to pay above the usual public pay restrictions through the appropriate internal process with HMT.

Recommendation 16 (Paragraph 99) and 17 (Paragraph 101) relate to ARIA’s relationship with UKRI. As should be clear from publication of the Bill since this Committee Report, we have clearly stated the intention to establish ARIA as a separate organisation to UKRI. The ability of ARIA to invest through innovative funding approaches will complement the continued support for world-leading research through UKRI. The UK will benefit from the unique roles of both organisations in the funding landscape and enable UKRI to fulfil its key role as the steward of a vibrant and inclusive research and innovation system that maximises the benefits of investing in R&D for the whole country. The Bill provides for ARIA to be able to share information with UKRI, and we will be working with UKRI to agree appropriate non-legislative mechanisms for this.

We are also grateful to the Committee for their wider recommendations for the UK R&D system.

In terms of recommendation 18 (paragraph 106), the Government is committed to seeking the best possible settlement for the research and innovation system through the budget and spending review processes and will continue to support the sector to the full extent possible.

In recommendation 20 (paragraph 117) the Committee refers to bureaucratic constraints on UKRI. The Government has been working closely with UKRI on a review of bureaucracy

as trailed in the R&D Roadmap which the Committee has noted and welcomed. The Review will build on the work already being undertaken by research funders, including UKRI, to simplify and streamline processes. The Review will run until early 2022 with interim findings expected by the autumn of 2021. In addition, UKRI's 'Reforming our Business' programme is identifying improvements that can be made to the way the organisation operates in order to ensure efficiency. A number of reviews are in train addressing other aspects of UKRI and the research and innovation system and we are conscious of the need to manage the number of reviews underway at any one time.

In recommendation 21 (paragraph 120) the Committee requests details of UKRI's equality strategy and the timescale for publication. The Government is working closely with UKRI on equality, diversity and inclusion issues across the research and innovation sector. UK Research and Innovation strongly endorses the report's focus on the central importance of equality diversity and inclusion in research and innovation. UKRI is committed to creating the culture required to support systemic and lasting change in equality, diversity and inclusion. Open data are an essential tool for identifying and understanding where and how we can most effectively target interventions, and for monitoring whether our interventions are effective. UKRI published harmonised diversity data in June and detailed aggregated ethnicity data in December. The publication of data and analysis is part of their ongoing work to drive transformative change both at UKRI and more widely across the system. Alongside the data analysis in December, UKRI also provided an update (via the UKRI website) on some of their work to date and their near-term activities. UKRI is developing a full EDI strategy in conjunction with the wider People and Culture strategy being developed by BEIS. The UKRI strategy is set to be published in early Summer as part of that people and culture work.

To conclude, we appreciate the Committee's constructive and intelligent scrutiny on the subject of the Government's creation of ARIA, and the R&D system more widely. We hope the letter covers all your substantive points, and that Oral evidence provided by Ministers and officials has helped add to this picture. We will continue to work constructively with the committee as the new body begins to take shape.