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Our ref:  
Your ref:

14 May 2021

Dear Greg,

Thank you for your letter dated 5 May 2021 regarding the Government's response to your Committee's recommendations in respect of the inquiry into "a new research funding agency". I am happy to provide further information on the points you raised:

### **Recruitment**

Your first question concerned ARIA's senior leadership. In ARIA's CEO, we will be looking for an inspiring and visionary leader who will in turn, use their expertise to recruit high-performing, technically brilliant programme managers. In the Chair position, we will be looking for an inquisitive and intuitive thinker with the ability to remain objective in scrutinising ARIA's executive and holding it to account.

As stated in the response to the Committee's report, we will be launching a robust recruitment process for these positions very soon.

An experienced and expert panel will be responsible for sifting and interviewing candidates. This will feature the Government's Chief Scientific Advisor, Sir Patrick Vallance, and BEIS's Director General for Science, Innovation and Growth, Jo Shanmugalingam. They will be accompanied by two panellists from the international R&D community whose names will be announced in due course. The final appointments will be made by the Secretary of State, and we aim for the Chair and CEO to be in post in autumn.

You also asked about pay exemptions for programme managers. These discussions are ongoing and we will update the Committee in the months ahead.

### **Framework Agreement**

We intend to publish the Framework Document between BEIS and ARIA ahead of ARIA becoming fully operational in Spring 2022, once it is signed and agreed by the incoming Chair and CEO, the BEIS Permanent Secretary, and BEIS Secretary of State. We will also liaise with other Departments where required.

## **The relationship between ARIA and UKRI**

I agree that it is important for ARIA and UKRI to co-operate for ARIA to be an effective addition to the UK R&D funding landscape. However, creating strong and productive relationships between organisations does not require primary legislation.

Professor Dame Ottoline Leyser gave evidence on this issue to the ARIA Public Bill Committee, where she said “the kinds of relationship that one wants to have with key players across the system are not things for which you necessarily legislate. They are about maintaining open lines of communication and building high-quality personal relationships with different actors in the system.”

I agree with this. It will be in ARIA’s interest to maintain a dialogue with UKRI to understand the opportunities that exist within the R&D landscape, which will allow the relationship to grow organically. I also believe that it is important that we do not over-engineer ARIA’s governance arrangements and obligations in the Bill, given the inflexibility inherent in this approach.

The framework document – agreed between BEIS and ARIA – will set out the broad principles according to which ARIA must interact with other public R&D funders, which will of course include UKRI.

I believe this is the right approach: to facilitate and convene, but not prescribe, a strong, effective partnership that will be of benefit to both ARIA and UKRI.

## **Science and innovation settlements**

The government decided to conduct a one-year Spending Review in 2020 to prioritise the response to COVID-19 and our focus on supporting jobs. It was right to maintain flexibility given the fiscal circumstances. Despite the challenges, last year’s Spending Review confirmed multi-year funding for a number of key R&D priorities, including £800m over the next four years for ARIA, allowing us to plan ahead for these crucial areas of investment.

We are committed to increasing funding for core research, and have earmarked over £15bn over the next three years, and announced a £400 million increase in UK core research budgets for UKRI and National Academies in 2021/22. We are now finalising allocations for 2021/22 working closely with our partner organisations. We will publish these in the coming weeks. These commitments make clear the government’s commitment to cementing the UK’s status as a science superpower and achieving our target for total R&D investment to reach 2.4% of GDP by 2027. We will set our further details at the next Spending Review.

## **UKRI Review**

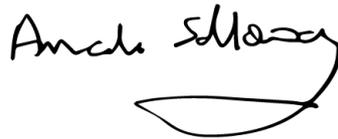
In all cases of public spending, the Government and its agencies have responsibility to ensure that public money is managed appropriately. We are working with UKRI on a number of reviews which address various aspects of UKRI’s operations in order to make processes more efficient.

Novel and contentious spending is defined very specifically in Managing Public Money and examples include unusual financial transactions, non-standard payments in-kind or special severance payments.

Research funding, which is made through established and trusted mechanisms, is not usually captured by this category of expenditure. Spending decisions are made under the Haldane principle where scientific excellence is the key determinant of what UKRI funds, and this means that new, novel or even contentious research can be supported.

I hope you and your colleagues on the Committee will find this reply helpful.

Yours ever,

A handwritten signature in black ink that reads "Amanda Solloway". The signature is written in a cursive style and ends with a large, sweeping flourish that loops back under the name.

**AMANDA SOLLOWAY MP**

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