



Science and Technology Committee

House of Commons London SW1A 0AA
scitechcom@parliament.uk / 020 7219 2792

From Rt Hon Greg Clark MP, Chair

Rt Hon Boris Johnson MP, Rt Hon Rishi Sunak MP and Rt Hon Kwasi Kwarteng MP
Prime Minister, Chancellor of the Exchequer and
Secretary of State for Business, Energy and Industrial Strategy
(By e-mail)

21 October 2021

Dear Prime Minister, Chancellor and Secretary of State,

R&D investment

The Science and Technology Committee met yesterday to hold a one-off session exploring the Government's commitments to increasing R&D investment ahead of the Autumn Budget 2021. The Committee heard from two Nobel Prize winners, the co-Chair of your Council for Science and Technology, some of our leading scientists, as well as the past and present Chairs of UKRI. It was absolutely clear that it is imperative to honour commitments made if the UK is to advance your intended ambition for the UK to be a Science Superpower.

Specifically, the Committee were told that:

- scientific research is typically conducted over several years and a sudden downgrade or deferral of as clear a commitment, repeatedly made, as £22bn by 2024–25 is immensely damaging to the ability to make long term investment and therefore advance scientific knowledge and its application;
- one of the purposes of public investment in R&D is to leverage in private sector investment. These are multi-year and if public commitments are abruptly reversed, this will cause great actual and reputational damage to private sector investments; and
- when other leading science nations such as the US, France, Germany and South Korea are increasing their public investment in R&D—all of whom have experienced covid-challenges to their public finances—it is bewildering to think that the UK would not see this as an investment that is essential to our future prosperity just as our competitors do.

There are some important matters of detail too:

- in particular any announcements of funding must be done using a comparable baseline. When the £22 billion target 2024-25 was set out, it did not include money that is given through R&D tax credits. If the Government were to include the value of tax credits when measuring the total value of R&D spending per year, it must adjust the baseline and the target to reflect this and to avoid the risk of figures being misleading; and
- if R&D funding from the overall target is allocated directly to individual Government departments, it must be clear that it cannot be diverted to other departmental work.

At a time when the whole world has recognised the importance of science, technology and innovation to future prosperity as well as wellbeing, and when the UK has the advantage of a science and research base that is the envy of the world, it would be the wrong time to downgrade or defer the clear commitment that the Government has repeatedly, and quite rightly made, in ringing terms—including in the manifesto, the Queen’s speech, and previous Budgets.

As is usual with the Committee’s correspondence I will place this letter in the public domain.

With best wishes,

A handwritten signature in black ink, appearing to read 'Greg Clark', written in a cursive style.

Rt Hon Greg Clark MP
Chair