Thank you for the opportunity to give evidence to the Science and Technology Committee on 30 January. As agreed, I am writing to provide further information on some of the areas you and your fellow Committee members raised during the session. I have answered each of your questions in turn below.

1. **What is the timescale for the GCSA’s work on modelling the impact on the science community of the £30k salary threshold is, and whether this modelling will be published?**

   The GCSA is working with partners in academia to assess the impact of various aspects of the immigration white paper. This evidence will be collated from a range of organisations and much of this may be made publicly available. In cases where it is not, the GCSA will be happy to share this with the Committee, with the consent of academic partners, by summer.

2. **What progress has been made on examining whether the prudent investment rules on pension funds could be revised to unlock private investment in R&D?**

   At Budget 2018, building on the success of the Patient Capital Review action plan, the UK announced a pensions investment package to better enable Defined Contribution (DC) pension schemes to invest in patient capital. The package announced a number of regulatory measures, including a Financial Conduct Authority (FCA) consultation on the permitted links rules – due to report in Q2 2019 – and a Department for Work and Pensions consultation on better enabling the use of performance fees within the charge cap.

   In addition, some of the largest DC pension providers in the UK will work with the British Business Bank to undertake a feasibility study aimed at developing a blueprint for pooled investment in patient capital. This will seek to understand and unpack more practical commercial and operational issues, and provide more guidance on solutions around illiquidity, pricing and valuations for DC pension schemes.
This package of measures aims to clarify and where appropriate, amend the rules governing pensions investment, and develop guidance for providers on key issues and solutions, all of which could help unlock latent private sources of investment in R&D.

3. How has the amount of BEIS funding for STEM diversity programmes changed since 2010?

The Government is committed to developing a strong, diverse STEM workforce which reflects wider society. For the UK to reach its full potential, we must draw on all available talent and improve diversity in the STEM workforce. While Government has supported partner organisations to address aspects of this issue through programmes such as the Royal Academy of Engineering’s ‘Diversity and Inclusion Programme’ and Innovate UK’s ‘Women in Innovation’ scheme the key way to tackle issue around equality, diversity and inclusion is to embed and mainstream it within core programmes funded directly or through partners.

As the Campaign for Science and Engineering noted in its report, by taking this approach, direct BEIS funding for STEM diversity has reduced since 2010 but this is balanced by the significant support provided through key programmes. For example, UKRI’s new £900m Future Leaders Fellowships scheme has been designed to welcome and accommodate applicants from diverse career paths, including flexible working patterns such as part time or job share, women returning from a career break or following time in other roles. Similarly, the BEIS STEM Inspiration programmes embed particular support for those from underserved groups in programmes such as STEM Ambassadors (40% of these Ambassadors are women) which engages with over 90% of UK secondary schools each year.

4. In relation to Quantum Technologies, when will the proposed ‘Executive Board’ be in place and is there a deadline by which it will be appointed?

The Government response to the Committee’s report on Quantum Technologies will be sent to the Committee shortly. This will provide a response to this question.

5. What steps is BEIS taking to ensure that the market structures are right, and in place, for the commercialisation of clean growth technologies?

The UK has been at the forefront of encouraging the world to move towards clean growth. Through placing clean growth at the heart of our modern Industrial Strategy, by making it one of four Grand Challenges, we are determined to play a leading role in providing the technologies, innovations, goods and services of this future.

As part of the Clean Growth Grand Challenge, we will increase our support for innovation so that the costs of clean technologies, systems and services are reduced across all sectors. The Clean Growth Strategy set out how Government is investing over £2.5 billion to support low carbon innovation this spending review up to 2021. Since the Strategy was published, Government has continued to invest in low carbon innovation, such as through latest wave of Industrial Strategy Challenge Fund, the latest round of which set out up to £170 million in support of decarbonising industrial clusters. This forms part of the largest increase in public spending on UK science, research and innovation in almost 40 years.

Under the Clean Growth Grand Challenge, we will align our policies, regulations, taxes and investments to grow the markets for these new clean growth innovations so that they are successfully commercialised in the UK. For instance, as part of our modern Industrial Strategy, we’ve set out a further £557m of funding for new renewable projects made available through Contract for Difference Auctions every two years. Government policies have already led
to rapid growth in the deployment of renewables, leading to investment by offshore wind suppliers creating thousands of skilled jobs.

The £505m BEIS Energy Innovation Programme is primarily aimed at supporting the development and demonstration of new technologies. And within this we are also exploring certain market innovations in smart energy. This month, we have launched a £4m competition to support innovative market solutions to value and trade flexibility.

6. What would a ‘No Deal’ Brexit mean for businesses and researchers holding Copernicus contracts that extend beyond 29 March 2019?

The Government is currently looking into the legal position in relation to delivery of Copernicus contracts that run past post Exit day and are exploring opportunities for mitigation. We advise that any UK business, academic and researcher currently contracted or expecting to carry out Copernicus contracts that run beyond 29 March should contact their relevant contracting authority to understand any potential implications or arrangements that may be required in order to comply with the conditions of the contract.

7. Please would you investigate the real terms stipend payments that interns who study at the Research Councils during the summer placement receive?

Three of UKRI’s Research Councils (EPSRC, BBSRC and NERC) provide funding for undergraduate placements through two schemes – vacation bursaries (EPSRC) and Research Experience Placements, or REPS (BBSRC, NERC). The funding is allocated to universities to their existing doctoral training partnerships and centres of doctoral training, and each university has responsibility for the recruitment and managing of the undergraduate students. The funding provided allows the university to pay the students a tax-free stipend during their placement and, in the case of REPs, the guidance recommends a minimum of £200 per week.

This policy was brought in prior to the formation of UKRI and with the best intentions, to ensure that universities were paying all their interns, but has unfortunately not been updated to keep up with recent increases to the minimum wage. UKRI is now updating the policy.

8. Please could you confirm your commitment to the principle of all research establishments complying with existing rules on clinical trials transparency?

I am fully committed to achieving as great transparency as is possible, not only in the context of open access and data publications but also in relation to clinical trials. I can confirm my commitment to the principle that all research establishments comply with existing rules on clinical trials transparency.

I support Universities UK’s (UUK) development of an updated and strengthened Research Integrity concordat. UUK has confirmed that they are strengthening the concordat by making its requirements explicit, so that it is very clear what the expectations are and what is necessary to meet those requirements. This will provide for greater transparency, including around clinical trials. There will be a specific requirement around the submission of data so that it will be easier to monitor take up of these commitments.
9. There is a concern that small businesses find it difficult to access Catapults. Please could you report back to us on why this might be the case?

Over the five years from March 2018, the Catapult Network forecasts that it will work on 4632 projects involving one or more small and medium-sized enterprises (SMEs) compared with 2805 projects involving one or more large businesses.

A key objective of the network is to provide businesses in their sector or technology domain with access to the appropriate mixture of expertise, skills, facilities and equipment needed for them to invest in innovation and commercialisation where these are not readily available due to market failure or commercial risk. They do this on an open access basis, but they are not able to give state aid which means that they do not provide free or subsidised services for SMEs. This is not to make access difficult for SMEs but is to ensure that Catapults are focused on overcoming market failures and barriers to innovation in their sectors and are not unfairly competing with other providers.

I recognise that geographic accessibility can be a barrier to SMEs working with Catapults, which by the nature of their facilities are in a specific location. Catapults are improving their visibility and accessibility by creating a regional presence, either individually, or increasingly by working as a network. A recent example of this is the creation of a Transport Systems Catapult hub within the Offshore Renewable Energy Catapult’s Glasgow base. Other Catapults have a larger regional presence, for example Digital Catapult already has centres across the UK, in London, North East & Tees Valley, Northern Ireland and Brighton and is looking to build a presence in more areas and the Satellite Applications Catapult has regional centres in the North West, Scotland, South West, South Coast and East Midlands. The High Value Manufacturing Catapult – already a network of seven facilities around the country – recently expanded its geographical reach, establishing new local Advanced Manufacturing Research Centre centres in North Wales and the NW of England and the Bristol based National Composites Centre is looking to expand its capability and reach further into the south west region of England in the near future.

A physical centre is not the only way that Catapults engage with businesses around the UK; a number of them hold SME networking events both at their main site but also ‘on the road’. For example, the Transport Systems Catapult has hosted its Transport Café event in Cardiff, Nottingham, Leeds and Glasgow. The Offshore Renewable Energy Catapult have a locally based person in both the South West and Wales and are in discussions with New Anglia LEP about a similar approach in the East of England. Technology also supports SME access with the Cell & Gene Therapy Catapult using webinars to engage with their community on specific topics enabling them to engage from a place, and with the recordings, at a time that suits their needs.

Both Innovate UK and the Catapult Network are aware that there is a perception that Catapults can be difficult for SMEs to access and whilst there are strong, positive examples of work with SMEs and at a regional level there is always scope for better engagement and a more coherent Catapult offer to SMEs. There are cross-Catapult groups around both SME engagement and regional engagement where Catapults share good practice and learn from each other. With the creation by the Catapults of a central network development function in the coming months, we expect these groups will have a renewed focus and hope to see increased collaboration between Catapults in this space.
Thank you once again for the opportunity to give evidence. I look forward to working with you.

Yours ever,

CHRIS SKIDMORE MP