

Science and Technology Committee
Business, Energy and Industrial Strategy Committee
Treasury Committee

Rt Hon Philip Hammond MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London

24 April 2018

Dear Chancellor,

We are writing to seek details about your plans for further developing the Small Business Research Initiative (SBRI).

David Connell's Government-commissioned SBRI review, '*Leveraging public procurement to grow the innovation economy*',¹ was published last November. It called, among other things, for a new 'Central SBRI Fund' and an 'SBRI Fund Board' to increase take-up of the scheme by all departments and for them to allocate individual scheme payments of a size more likely to take innovation forward. The Industrial Strategy White Paper, published on the same day, reported that SBRI would be aligned with the Grand Challenges and that a GovTech Catalyst would be introduced, with a GovTech Fund of up to £20m over three years. But there were no details of the Government's response to the Connell review's recommendations, and it is unclear how such an 'alignment' or the GovTech Fund might address the main thrust of the Connell review's agenda.

The Science and Technology Committee wrote to you about the Science budget and Industrial Strategy, ahead of last November's Budget, recommending a central SBRI fund to be established and that all Government departments be encouraged to deploy it.² The previous Business, Energy and Industrial Strategy Committee examined the Industrial Strategy Green Paper in March 2017 and welcomed the commissioning of the SBRI review and hoped that a result would be that the scale of the scheme would be increased and that it would be better embedded across Whitehall.³ The current BEIS Committee's inquiry into small businesses and productivity includes examining the availability of financial support. The Treasury Committee is currently undertaking an inquiry into SME finance in the round and has already heard evidence about the difficulties SMEs have in accessing finance.

We understand that David Connell has written to you to seek a meeting to discuss his Review report's recommendations. In the meantime, our committees would be grateful if you could provide details on what work has been done, and is currently underway, on Mr Connell's recommendations, as well as the Government's response to those recommendations.

Rt Hon Norman Lamb MP

Chair, Science and Technology Committee

Rt Hon Nicky Morgan MP

Chair, Treasury Committee

Rachel Reeves MP

Chair, Business, Energy and Industrial Strategy Committee

¹ <https://www.gov.uk/government/publications/leveraging-public-procurement-to-grow-the-innovation-economy-an-independent-review-of-the-small-business-research-initiative-sbri>

² <https://www.parliament.uk/documents/commons-committees/science-technology/Correspondence/171114-Norman-Lamb-to-Philip-Hammond-science-budget-and-industrial-strategy.pdf>

³ <https://publications.parliament.uk/pa/cm201617/cmselect/cmbeis/616/616.pdf>