



Department for
Business, Energy
& Industrial Strategy

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Chair, Science and Technology Committee

Rt Hon Nicky Morgan MP
Chair, Treasury Committee

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Norman, Nicky & Rachel

Thank you for your letter of 24 April to the Chancellor seeking details about plans for further developing the Small Business Research Initiative (SBRI). I am replying in view of my responsibility for the SBRI programme.

I am very grateful to David Connell for taking forward his review of SBRI and for producing such a valuable report with a comprehensive assessment of SBRI activity across Government and recommendations to scale up the programme. I was pleased to publish his report alongside the Industrial Strategy, together with supporting evidence collected by my officials. I am also grateful for the work of your committees in providing recommendations for developing SBRI.

As set out in the Industrial Strategy, we are responding to the review by focusing on the impact of SBRI on innovative businesses, while taking on board recommendations for a central fund and the need for departments to build SBRI capability. The new GovTech Fund will support Departments and Public Bodies to use SBRI to tackle public sector challenges using emerging digital technologies. It is supported by the GovTech Catalyst, a central unit based in the Government Digital Service that aims to both help public bodies to identify challenges that could be solved with new digital technologies and build capability to run SBRI competitions.

The first GovTech Challenges were announced on 10 May by the Minister for Implementation, Oliver Dowden. Further details on the announcement can be found at the following link:

<https://www.gov.uk/government/news/government-calls-on-technology-firms-to-help-tackle-the-uks-biggest-challenges>

In addition, the first of a new programme of Future Sectors reviews, announced in the Industrial Strategy and led by Innovation Minister Sam Gyimah, will examine how we can support the fast-growing GovTech Sector more broadly.

The Industrial Strategy also signalled our commitment to reach 2.4 per cent of GDP investment in R&D by 2027, and 3% in the longer term, and to work with industry to develop a roadmap to reach this target. This work will consider the contribution of public procurement and SBRI.

My Director of Industrial Strategy meets regularly with David Connell, and I am grateful for his continued advice.

Yours ever
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THE RT HON GREG CLARK MP
Secretary of State for Business, Energy & Industrial Strategy