



10 DOWNING STREET
LONDON SW1A 2AA

THE PRIME MINISTER

5 November 2019

Dear Sir Patrick & Dame Nancy,

Thank you both for your letter of 1 October, and for your recommendations on how the Government can act to increase investment in UK research and development to 2.4 per cent of GDP.

I agree that sustained investment in R&D is critical to achieving the Government's social, economic and security goals. R&D is fundamental to improving future living standards, and for tackling the greatest challenges and opportunities we face, from achieving Net Zero emissions by 2050 and mastering space travel - to the 4 'Grand Challenges' identified in our Industrial Strategy: AI and Data; Ageing Society; Clean Growth; and Future of Mobility.

As we leave the EU, I want the UK to be a global science superpower, building on our excellent science, research and innovation strengths. My ambition is that the UK should be the world's most innovative economy, underpinned by an expanded excellent science base: a magnet for brilliant people and businesses from across the world.

Increasing R&D investment overall is the only way to ensure that we remain at the forefront of innovation, new products and new markets, and deliver social, economic and international benefits to the UK. To achieve these ambitions, we will need to increase both public and private investment. Reaching the target of investing 2.4 per cent of GDP in R&D by 2027 will require a concerted effort by Government, business and charities.

As a first step, public R&D spending has been increased by a total of £7 billion over 5 years to 2021-22, itself the biggest rise in public funding of R&D on record. In the 2019 Spending Round and Queen's Speech, we set out our intention to go further and I know that Sir Patrick has been working very closely with my team in No10 on this over recent months. I completely agree that we need to retain a focus on the development and commercialisation end of the chain in this regard, and I welcome the advice and expertise of Council members.

I share your concern that a lack of late-stage patient capital willing to invest in UK science is a barrier to us fully commercialising our research potential. The actions taken via the Patient Capital Review have of course gone some way to addressing this, and I announced a further £200 million of capital to support private investment in the life sciences sector earlier this autumn. Nevertheless, I am grateful for any support that you offer to my team at No10 and to the Treasury in their continuing work with the pensions industry.

Your report highlights many other areas of interest, and I hope we will be able to continue drawing on your advice as we develop our plans over the coming months. I know the Science and Research Minister, Chris Skidmore MP, is regularly in contact with you, and he is keen to ensure that your expertise is reflected in future government policy as we develop a long term funding strategy for research and development.

Once again, I am grateful for the work of the Council of Science and Technology, and hope that you have a productive meeting on 5 December. Allow me to take this opportunity to thank current members, and the key role they have played in developing an exciting agenda for the future.

