

Science budget and Industrial Strategy inquiry

On the 18 October 2017 the House of Commons Science & Technology Select Committee launched an inquiry into the Science budget and Industrial Strategy, now concluded. This document is intended as a briefing note covering the scope of the inquiry, the recommendations made by the Chair of the inquiry, Norman Lamb MP, to the Chancellor of the Exchequer, and points of particular relevance to heritage science.

Scope of the inquiry

The 2017 [Industrial Strategy Green Paper](#) announced funding for an [Industrial Strategy Challenge Fund](#) as well as a plan for ‘sector deals’. Further plans for science research and innovation funding were later announced, including a [‘Knowledge Exchange Framework’](#) to boost business engagement amongst universities.

The inquiry aimed to clarify the relationship between the Industrial Strategy Challenge Fund and the ‘Sector Deals’, review the distribution of funding within the Science budget and other support initiatives, and assess how these were expected to affect place-based growth throughout the country.

More specifically, the Science & Technology Select Committee requested evidence on:

- The coherence and links between the Industrial Strategy Challenge Fund and the ‘sector deals’
- The model adopted by one of the first Industrial Strategy Challenge Fund project, the [Faraday Challenge](#), and its suitability for future investments in other sectors under the same Fund
- The rationale and coherence for the distribution of funding between the ISCF and the rest of the Science budget, between various financial support initiatives for the commercialisation of research, between research council funding and funding via Research England, and between innovation and research
- The balance between different parts of the country in Government funding of research/innovation, the effectiveness of such place-based financial support and how place-based funding may affect that balance in future
- Further measures the Government should take in its support of innovation, research and associated place-based growth.

Evidence (written and oral) was submitted throughout the month of November 2017 and is [available here](#).

Chair’s recommendations

Following the inquiry, Commons Science & Technology Committee Chair Norman Lamb MP wrote to the Chancellor of the Exchequer to highlight the importance of boosted funding for science and innovation ahead of the autumn 2017 Budget release. He asked that the forthcoming Industrial Strategy White Paper “clarify the link between the ISCF and ‘sector deals’, balance support for

established sectors and disruptive new technologies; and coordinate the ISFC with other elements of the National Productivity Investment Fund to support infrastructure projects that could underpin further place-based science and innovation policies.”

The [letter](#) called for:

- A clear commitment to the UK’s full participation in Horizon 2020 and the subsequent EU Framework Programme 9, or an alternative vision for future close collaboration on European research programmes
- Clarification of the rationale behind the selection of ‘challenges’ for the Industrial Strategy Challenge Fund and how these may evolve in the future, presenting a programme of planned themes and potential sector deals
- Extending place-based research and innovation interventions, including the location of future new research institutes outside the ‘golden triangle’, and the establishment of a place-based fund to support such a geographical spread.
- Suggestions for a better-targeted R&D Tax Credit system
- An assessment of the balance of funding across Government innovation support initiatives
- Publication of David Connell’s review of the [Small Business Research Initiative](#) (SBRI) and the Government’s response, and establish a central fund for the SBRI.
- Acknowledgement of the need for a science budget uplift of at least a further £2.4bn over the next 10 years to achieve the 2.4% of GDP target for overall R&D expenditure.

These recommendations are intended to feed into the upcoming Autumn Budget and Industrial Strategy White Paper.

Relevance to heritage science

This inquiry and the resulting recommendations overlap with the National Heritage Science Forum’s [current work on the Industrial Strategy](#), in particular with regards to ongoing funding streams and the importance of **boosting funding in science and innovation**.

Commitment to EU Horizon 2020 and FP9 programmes, or to a similar alternative, remains crucial. Between 2014 and April 2017, heritage science research at UK institutions has benefitted from €14.81 million in EU funding as part of H2020. There is at present no guarantee that participation in the scheme will continue after Brexit, and securing strong funding streams – as well as access to EU skills and infrastructure – remains a priority.

Additionally, **supporting place-based research and innovation** beyond the traditional ‘golden triangle’ has been fundamental to the NHSF’s approach to the redevelopment of the National Heritage Science Strategy. Encouraging the establishment of infrastructure and funds to support this research is an important step forward, building on the existing strengths of specific locations or regions.

Finally, a clarification of the rationale behind the selection of Grand Challenges for the Industrial Strategy Challenge Fund, and an associated programme of ‘planned themes’, will benefit the heritage sector as a whole and allow it to plan ahead. Thus far these challenges have been [announced](#) as “artificial intelligence and the data economy; clean growth; healthy ageing; and the future of mobility.”