

Annex 1 – UK R&D Budget allocations

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
<b>Public spend on R&amp;D plus average support for UK R&amp;D from EU Framework Programmes<sup>1</sup></b>		£11.7 billion	£12.5 billion	£14.3 billion	£15.0 billion	Yet to be announced					
<b>UK R&amp;D budget total</b>		£10.6 billion <sup>2</sup>	£11.4 billion <sup>3</sup>	£13.2 billion <sup>4</sup>	<b>SR 2020:</b> £14.6 billion <sup>5</sup>  <b>Minus ODA cuts of £0.4 billion<sup>6</sup>:</b> £14.2 billion  <b>1 April extra £0.25 billion:</b> £14.5 billion <sup>7</sup>	Yet to be announced		Commitment to reach £22 billion made in the 2020 budget <sup>8</sup>		Yet to be announced	
<b>BEIS R&amp;D budget total</b>	£7.511 billion <sup>9</sup>	£7.982 billion <sup>10</sup>	£8.614 billion <sup>11</sup>	£10.361 billion <sup>12</sup>	<b>SR 2020:</b> £11.1 billion <sup>13</sup>	Yet to be announced					

					<p><b>Minus ODA cuts of £0.3 billion<sup>14</sup>: £10.8bn</b></p> <p><b>1 April extra £0.25 billion: £11.05 billion</b></p>						
<b>UK contribution to EU Framework Programmes<sup>15</sup></b>	Part of the UK's total national contribution to the EU				£1.0 billion <sup>16</sup>	£1.0 billion	£2.0 billion	£2.0 billion	£2.0 billion	£3.0 billion	£3.0 billion
<b>Average support for UK R&amp;D from EU Framework Programmes<sup>17</sup></b>	£1.1 billion	£1.1 billion	£1.1 billion	£1.1 billion	<p>If our participation success rate remains the same as that seen between 2015-17 in Horizon 2020, we could expect to win approximately £1.5 billion pa from Horizon Europe, which is 30% larger</p>						
<b>Investment in UK R&amp;D as a percentage of GDP</b>	1.67% <sup>18</sup>	1.71% <sup>19</sup>	Yet to be announced							Commitment to reach 2.4% <sup>20</sup>	

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<sup>1</sup> This figure is the total UK R&D budget, minus any payment from this budget to the EU Framework Programmes (from 2021) plus average support for UK R&D from EU Framework Programmes.

<sup>2</sup> Philip Duffy, Chief Scientific Adviser HMT (June 2020), Oral evidence: UK Science, Research and Technology Capability and Influence in Global Disease Outbreaks 5 June 2020 (<https://committees.parliament.uk/oralevidence/464/html/>) [Accessed 16 March 2021]

<sup>3</sup> Philip Duffy, Chief Scientific Adviser HMT (June 2020), Oral evidence: UK Science, Research and Technology Capability and Influence in Global Disease Outbreaks 5 June 2020 (<https://committees.parliament.uk/oralevidence/464/html/>) [Accessed 16 March 2021]

<sup>4</sup> Philip Duffy, Chief Scientific Adviser HMT (June 2020), Oral evidence: UK Science, Research and Technology Capability and Influence in Global Disease Outbreaks 5 June 2020 (<https://committees.parliament.uk/oralevidence/464/html/>) [Accessed 16 March 2021]

<sup>5</sup> UK Government (November 2020) *Spending review 2020* <https://www.gov.uk/government/publications/spending-review-2020-documents/spending-review-2020> [accessed 8 March 2021]

<sup>6</sup> Research Fortnight estimates that the total reduction in ODA funding for international development research between 2020-21 and 2021-22 now sits above £399m, Research Fortnight (22 March 2021) *Exclusive: ten more UK R&D funders have aid budgets slashed* <https://www.researchprofessional.com/0/rr/news/uk/politics/2021/3/Exclusive-analysis--ten-more-R-D-funders-have-aid-budgets-slashed.html#sthash.Ja8vwH0L.dpuf> [accessed 1 April 2021]

<sup>7</sup> HM Government (1 April 2021) *£250 million additional funding to boost collaboration and protect ongoing research*

<sup>8</sup> HMT (2020) *Budget Speech 2020* [Budget Speech 2020 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/speeches/budget-speech-2020) [accessed 8 March 2021]

<sup>9</sup> UK Government (July 2018) *THE ALLOCATION OF FUNDING FOR RESEARCH AND INNOVATION Research and innovation funding allocation: 2017 to 2021* ([publishing.service.gov.uk](https://publishing.service.gov.uk)) [accessed 8 March 2021]

<sup>10</sup> UK Government (July 2018) *THE ALLOCATION OF FUNDING FOR RESEARCH AND INNOVATION Research and innovation funding allocation: 2017 to 2021* ([publishing.service.gov.uk](https://publishing.service.gov.uk)) [accessed 8 March 2021]

<sup>11</sup> UK Government (July 2018) *THE ALLOCATION OF FUNDING FOR RESEARCH AND INNOVATION Research and innovation funding allocation: 2017 to 2021* ([publishing.service.gov.uk](https://publishing.service.gov.uk)) [accessed 8 March 2021]

<sup>12</sup> BEIS (2020) *BEIS research and development budget allocations 2020 to 2021 BEIS research and development budget allocations 2020 to 2021 - GOV.UK* ([www.gov.uk](https://www.gov.uk)) [accessed 8 March 2021]

<sup>13</sup> UK Government (November 2020) *Spending review 2020* <https://www.gov.uk/government/publications/spending-review-2020-documents/spending-review-2020> [accessed 8 March 2021]

<sup>14</sup> On 26 January the Foreign Secretary confirmed that the BEIS ODA settlement for 2021-22 is £706m – which includes BEIS ODA spend on both International Climate Finance and Research and Development (R&D) - a reduction from £1,038m in 2020/21. HM Government (2021) Statement UIN HLWS732 <https://questions-statements.parliament.uk/written-statements/detail/2021-01-26/hlws732> [accessed 1 April 2021]. In 2020-21, UK Research and Innovation's ODA budget was £422m. This will be reduced to £125m for 2021-22—a 70 per cent cut equalling £297 million. Research Professional Playbook, 26 March.

<sup>15</sup> Horizon 2020 from 2014 to 2020. Horizon Europe from 2021

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<sup>16</sup> Approximately £2 billion per year – 1 April announcement confirms that this will come from the total UK R&D Budget with an additional £250 million. Actual cost is spread unevenly across the lifetime of the Programme \*ANNEX 'UNPRO-1: IMPLEMENTATION OF THE FINANCIAL CONDITIONS' p 1051 of TCA confirms that demand for payment of half of the operational contribution for years 1 and 2 of Horizon Europe will be put back to 2026 and 2027, implying that the ~£2bn becomes £1bn until the UK pays the remainder:

-2021: 50% paid in 2021, 50% paid in 2026

-2022: 50% paid in 2022, 50% paid in 2027

<sup>17</sup> This is an average of the net EU contribution to the UK (2015-2017) by Horizon 2020 programme. Income from Framework Programmes fluctuates annually over the course of the Programme. Horizon Europe, which will run from 2021 to 2027, is approximately 30% larger than its predecessor. Horizon 2020 (2014-2020). For data see annex 2 Royal Society (2019) *Royal Society submission to the Sir Adrian Smith call for evidence on future frameworks for international collaboration on research and innovation* <https://royalsociety.org/-/media/policy/Publications/2019/31-05-19-royal-society-submission-to-sir-adrian-smith-review.pdf> [accessed 15 March 2021]

<sup>18</sup> ONS (2019) *Gross domestic expenditure on research and development, UK: 2017*

<sup>19</sup> ONS (2020) *UK gross domestic expenditure on research and development, 2018*

<sup>20</sup> BEIS (2020) *UK Research and Development Roadmap*