

# AIRTO welcomes BIS Select Committee report into Government's Productivity Plan

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## BIS Select Committee report recommends the Government scopes a roadmap for raising UK productivity

AIRTO, the Association for Innovation, Research and Technology Organisations, welcomes the [BIS Select Committee report](#) into [Government's Productivity Plan](#) (*'Fixing the foundations'*), which highlights the lack of clear, measurable objectives associated with the plan finding it to be an assortment of existing policies, without a clear road map. The report, which sets out the findings of the Committee's Inquiry Chaired by Iain Wright MP, calls on the Government to set out how it is going to implement the Productivity Plan and measure the success of each of the assortment of policies included in the plan.

**Commenting on the publication of the BIS Select Committee Report, AIRTO President Professor Richard Brook OBE FREng, said:**

*"A clear and distinctive roadmap identifying how Britain will close its productivity gap is something AIRTO has been calling for, and was a key issue highlighted when AIRTO gave oral evidence to the committee back in November 2015. We are pleased to see that this gap in the Government's strategy has been challenged and stand ready to support Government however possible as it works to develop a roadmap. Unless this omission in the planning is rectified and unless the proposed measures are implemented in a coordinated manner it is hard to see how this plan will make much difference and whilst the Government will be able to claim that it is doing something, in reality nothing much will change".*

The Innovation, Research and Technology (IRT) sector plays a pivotal role in driving economic growth and innovation for the UK, frequently acting as the aggregator of scientific and technological demand from businesses and markets. Thus AIRTO has a special interest in the science and innovation aspects of the Productivity Plan, and the health of the UK skills base.

### **Note to Editors**

AIRTO represent approximately 80% of the UK's IRT sector. The IRT sector as a whole continues to punch well above its weight in the national economy, as shown by an independent study commissioned by AIRTO and carried out by Oxford Economics in 2014. The IRT sector:

- has tripled in size to £6.9Bn per annum since 2006
- consumes just 0.3% of Government spend
- displays productivity 45% higher than the national average

- generates a contribution of >£32bn to UK GDP (>2.3% of the total) and >£13Bn to UK tax revenue
- supports 140,100 jobs - equivalent total employment of Milton Keynes
- directly employs >57,000 highly skilled people, equal to total academic staff of the Russell Group, and considerably more than Germany's Fraunhofers

The sustained growth of the IRT sector has the potential to significantly enhance UK productivity. Research suggests that every £1 spent in this area in recent years has generated, on average, £7 for the wider economy and that, more broadly, every £1 of public spending on R&D adds £4 to the value of market sector output.

### [Find out more from the Oxford Economics report](#)

Any future enhancement to the level of public resource to the IRT sector - either directly (such as capital investment) or indirectly (via investment in skills) - would therefore boost sector activity and catalyse significant returns for the wider UK economy. It would also contribute to increased international competitiveness of UK research and industry, improved ability to attract and train our desperately needed highly-skilled workforce, and, ultimately, improved quality of life.

### [Read AIRTO's written submission to BIS Select Committee Inquiry of the Government's Productivity Plan](#)

### [Read AIRTO's oral evidence to BIS Select Committee Inquiry of the Government's Productivity Plan \(transcript\)](#)

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