



Submission to:

The House of Commons Science and Technology Committee Brexit, Science and Innovation: Preparations for 'No-Deal' inquiry

Response to the call for written evidence

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From:

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AIRTO's response:

1. This document is in response to the House of Commons Science and Technology Committee's call for evidence on the effect of a "No Deal" Brexit on science and innovation, dated 19 December 2019.
2. As requested in the [terms of reference](#) issued by the Committee, only additional points that relate to the immediate effects of a "No Deal" exit from the European Union are given in this submission.
3. This submission builds on the previous submission made by AIRTO in February 2018 as a part of the House of Commons Science and Technology Committee's "Brexit: Science and Innovation Summit".
4. AIRTO has two issues of immediate concern in the event of a "No Deal" Brexit. These are:
 - 4.1 The capacity of the UK's infrastructure for product assessment and certification to 'cope' with new and innovative products and services being introduced.
 - 4.2 The detailed planning necessary for the UK government to meet its stated commitment to underwrite the costs of the participation of UK organisations in EU programmes.
5. A more detailed explanation of these issues is given in the following paragraphs.
6. The current EU system of Notified Bodies allows certification and CE ("Conformité Européene", meaning European Conformity) marking undertaken by any of the ~1800 such bodies wherever they are in the EU to be recognised everywhere in the EU and EEA. This recognition will fall away for the UK once it is no longer an EU member state. In the event of a "No Deal" Brexit, product certification will become the responsibility of the UK government, with the loss of the supporting EU infrastructure to conduct technical assessment. This burden will be compounded by UK organisations losing their "Notified Body" status, by which they are authorised to award EU-recognised certification of products. Loss of Notified Body status for UK organisations, and the UK's non-recognition of EU based "Notified Bodies" will affect the export and import of new products and services, and could disrupt existing trade. Contingency plans need to be in place to ensure there are no restrictions in mutual recognition of product certification, particularly in key areas associated with safety and product liability. To understand the potential scale of the impact, the Committee needs to know that:
 - 6.1 The UK has 180 of these bodies, and they will all lose the ability to certify and 'CE' mark products destined for the EU market (and with that much of their international business).
 - 6.2 The main consequence of this change is that UK exporters will have to send products destined for EU markets that require testing away to an EU Member State for approval, incurring delays and additional costs. Another consequence is that in some areas (e.g. plant health) where the UK has world leading expertise and has the only Notified Body in the whole EU entrusted with examination of some plant species, loss of Notified Body status will inevitably lead to the EU setting up competition for UK leadership in global markets.
 - 6.3 Lengthy queues will build up for testing services, resulting in new products incurring delays before reaching the market.
 - 6.4 On the import side it is not clear if the UK has sufficient capacity to 'police' regulatory compliance when we can no longer rely on testing and approvals being carried out elsewhere in the EU.

7. The UK government has made the commitment to underwrite the current participation of UK organisations in existing EU programmes after Brexit. In the event of a “No Deal” Brexit, this underwriting will need to commence immediately. It is not clear to organisations participating in EU programmes what the mechanisms for this underwriting will be, nor is it clear which government department will provide this support going forwards, and when it will be available. Any delay in provision of this underwritten funding could have serious cash flow implications for UK industry, research organisations and universities. This could lead to UK organisations suspending their work on EU programmes, which is likely to cause the breakdown of collaborations with EU partner organisations or, in extreme cases, threats to UK organisations financial viability.
8. Further complications could arise for UK organisations which are current participants in EU programmes, in the event of a “No Deal” Brexit, where they could be deemed to be in breach of contract, as they would no longer be part of an EU country, and hence would become ineligible for participation. Again, evidence of contingency planning for this eventually by the UK government is essential before Brexit occurs.
9. AIRTO’s members have expressed grave concerns about the effects of Brexit on their immediate, medium-term and long-terms operations, as well as those of their partners’ and clients’ organisations. A “No Deal” Brexit accentuates these concerns, particularly in the short-term. In February 2018, AIRTO’s submission to the Committee, we requested that more details of the government’s Brexit planning for science and innovation organisations be made public. We suggested that better communication was required about the government’s strategy, scenario planning and progress relating to the impact of leaving the EU on UK science and innovation activities. There is little evidence that steps have been taken to meet this request.

About AIRTO

AIRTO is the Association of Innovation, Research and Technology Organisations. Its membership comprises approximately sixty of the principal organisations operating in the UK's Innovation, Research and Technology (IRT) sector. The IRT sector has a combined turnover of £6.9Bn, employing over 57,000 scientific and technical staff (equivalent to the academic staffing of the Russell Group of universities) and, for comparison, it is significantly larger than the network of Fraunhofer Institutes in Germany both in size and its scope of activities. The sector contributes £34Bn to UK GDP. AIRTO's members work at the interface between academia and industry, for both private and public sector clients.

Members include independent Research and Technology Organisations, Catapult Centres, Public Sector Research Establishments, National Laboratories, some university Technology Transfer Offices and some privately held innovation companies.

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