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Dear Ian

**Re: Support for UK Innovation, Research & Technology Organisations during Covid 19 pandemic**

I am writing on behalf of AIRTO, the Association of Innovation, Research & Technology Organisations.

**We are tremendously grateful to the Her Majesty's Government for all the hard work it is doing to save lives during the Covid-19 pandemic.** We recognise that both the government and Civil Service are working under intense pressure to make the right decisions at pace for the whole population, and we recognise all the hard work that is going into the national fight against this disease, and the economic consequences. **AIRTO and its members are keen to support the government and our society during this time of unprecedented national challenge.**

As you know, AIRTO represents the UK's Innovation, Research & Technology (IRT) sector (encompassing Public Sector Research Establishments, PSREs, Catapult Centres and long-established Research & Technology Organisations, RTOs), which employs more than 57,000 highly skilled people and adds an estimated £34Bn of GVA per annum to the economy. **Many of our members are involved in governmental and public service work which underpins the UK's safety and security, through providing testing services, and run important, unique pieces of infrastructure which are critical to the continuation of business, health and daily life in UK.** Many of these laboratories are reliant on support from Innovate UK to continue their important work in the service of UK plc, and to serve businesses to drive innovation.

There are number of immediate issues presented by the Covid-19 crisis that are impacting AIRTO members. I am sure that you are already aware of many of these, and that Innovate UK is looking to roll out a plan to help businesses and the national innovation infrastructure to adjust to the circumstances they face. However, I wanted to raise these issues with you from an AIRTO member perspective to ensure that you are fully aware of our concerns, many of which are urgent. **There are some immediate steps that Innovate UK could take to alleviate the pressure on organisations in receipt of Innovate UK grants etc. to help 'buy' some precious time for strategic planning and more immediate cash flow management for survival – these issues are outlined in the table below.**

Issue	Action required by UKRI/Innovate UK
<p><b>Continued access to project grant funding:</b> In line with the government's action to request that immediately non-essential activity and geographical movement in the population ceases labs and their business and SME partners have 'downed tools' on projects and programmes, but still need to pay their staff and other fixed costs and maintain a revenue stream so that they are available to resume work and help get the country moving again once the crisis has passed. Those in receipt of funding (grants, loans etc.) from Innovate UK, under the current rules, will be unable to draw down funding by the end of the current quarter and financial year ending (31 March 2020) if this is tied to project milestones. This, in turn, will create a cashflow issue for many of our members and their industrial partners, particularly SMEs.</p>	<p><b>Urgent action by Innovate UK to allow funding to be 'drawn down' on grants etc. by 31 March 2020 –</b> on the basis of costs incurred, even in the absence of project milestones being fully achieved.</p>
<p><b>Identifying 'key workers' in laboratories:</b> Some organisations are simply not able to request that all staff work from home, if they are going to keep certain critical operations moving to support the country. Members are therefore very concerned that they need certain roles to be identified as key workers to ensure their children can be cared for whilst they work. E.g. food safety work, biological and medical research to address Covid 19, manufacturing support for medical and other critical equipment.</p>	<p><b>Clarification is still needed for roles delivering critical services</b> which are being impeded by this issue for activities, which are going to impact directly on the population and on the UK in the months ahead. AIRTO has already raised this with the Department for Education, but anything which UKRI could do to highlight the urgency of this problem would be immensely helpful.</p>

Issue	Action required by UKRI/Innovate UK
<p><b>Diminishing R&amp;D budgets of customers including SMEs:</b>  Many members, by virtue of their mission to serve the research and innovation needs of businesses in the UK, undertake scientific, testing and analytical work for large companies and SMEs. At this moment many of those companies are facing tremendous financial pressures. Some wish to retain investment in R&amp;D but are not currently deploying funds and project work that has been contracted to members has come to a halt. Others are having to slash budgets in order to survive and support their employees. The pressure on SMEs is particularly intense. In the more medium and longer term as businesses try to get 'back on their feet' once the crisis begins to dissipate, we are likely to see continuing downward pressure on R&amp;D budgets for UK industry.</p>	<p>Urgent action by government to support those organisations which invest in R&amp;D and outsource projects to the IRT sector This includes support to encourage large businesses to continue investing in R&amp;D once the crisis period is over – essential to helping to kick start the economy, and to help the UK continue towards its goal of seeing 2.4% GDP for R&amp;D by 2027. The government must protect the pledges to R&amp;D spending announced in the 2020 Budget.</p> <p>For innovative SMEs, in particular, measures need to be taken to ensure business survive in the short-term.</p>
<p><b>Harnessing the capabilities of the IRT sector:</b>  Some of the IRT sector's talent is already being directed towards solutions for tackling Covid 19 e.g. via development of clinical testing methodologies and the Ventilator Challenge. However, many IRT organisations are furloughing some staff who are not able to continue work on existing projects. These capable, creative and highly trained individuals represent an asset to UKRI/Innovate UK and should be harnessed. If public funds are being used to continue employing staff, those skills should be deployed to positive effect.</p>	<p>Identify opportunities to commission new research resulting from the unique circumstances presented by the UK population's movement restrictions, so as to avoid furloughing skilled staff. Examples of such opportunities for research and learning lessons from the situation relate to some of the UK's Grand Challenges, including:</p> <ul style="list-style-type: none"> <li>• The impact of changes in transport and population movement on carbon emissions and the environment.</li> <li>• The implications of social distancing for the ageing population and application of technological solutions to those isolated in their own homes.</li> <li>• The implications of an increase in homeworking on our national infrastructure, built environment and national IT/internet capacity.</li> </ul>

There may be further issues to consider. **On behalf of our sector, I am appealing to Innovate UK and UKRI to support the UK's IRT sector through this crisis.** I would like to offer AIRTO's assistance in working to help you deploy positive measures for the UK's innovation ecosystem and IRT organisations, to ensure it is in the best possible shape at the end of this crisis, and is standing fit and ready to help the UK and its innovative businesses get 'back on their feet'. Might I suggest that we speak in the next day or so, so that we can discuss what steps may be appropriate and what AIRTO can do to assist?

Yours sincerely,



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