Department for Science, Innovation & Technology

Lord Vallance
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Department for Science, Innovation & Technology
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9th April 2026

Dame Chi Onwurah MP
Chair of the Commons Science, Innovation and Technology Committee
House of Commons
London, SW1A 0AA

Dear Dame Chi,

Thank you for your letter of 26 March and for the further questions relating to scientific research funding at UKRI, including in STFC.

We appreciate the Committee's continued engagement on this important issue as we go through a period of significant change and enhancement in UKRI and have set out our responses to the questions below in turn.

Q1 Whether the Prime Minister's answer to me at the 23 March Liaison Committee hearing accurately represents an assessment made by DSIT and/or UKRI.

In the 23 March Liaison Committee hearing, your question touched on how the choices for investments in AI and quantum interact with PPAN. Over the Spending Review (SR) period, UKRI will invest c.£1.6bn and £1.0bn on targeted research and innovation programmes directed at the AI and quantum sectors respectively, aligned to our Modern Industrial Strategy, and shaped by programme boards for each sector with leaders from across government, industry, and academia. These vital and significant investments were not tensioned against STFC's PPAN portfolio, which is largely funded from the curiosity-driven research funding stream.

These strategic investments in AI and Quantum will complement UKRI's targeted investments in other government priority areas, as well as build upon and synergise with UKRI's wider portfolio of investment in the underpinning disciplines, foundational infrastructure, institutes, university block grants, and international partnerships that enable and strengthen the UK's thriving research and innovation system. Of course, these areas are important and exciting areas for physics, including particle physics at the cutting edge of research and innovation, and both areas will enable fundamental discovery research. As well as more directed research areas, we have been clear that fundamental discovery curiosity led research will be protected, and its budget will grow as the economy grows.

Taken together, this portfolio supports delivery of UKRI's mission to advance knowledge, improve lives and drive growth and responds directly to the priorities UKRI has been set by HM Government. For the avoidance of any doubt, the actions required to bring STFC's finances to a more sustainable position are critical to ensuring UKRI can continue to deliver on its mission over the long term. For the reasons described above we do not see a risk to delivering on HM Government's priorities in AI and quantum and this was indicated by the Prime Minister on 23 March.

Q2 A more detailed explanation as to why the international deadline for grant letters to be issued was missed, and if UKRI or DSIT failed to intervene with STFC.

We want to take this opportunity to reiterate that we acknowledge that this is an urgent matter that the deadline was missed and we do take this seriously. In your letter, you selectively reference part of a comment that was made by Lord Vallance during the Select Committee that "somebody thought it wasn't such a big deal". Please do note that his next comment was "I think it is a big deal, and we can get that right" and he made it very clear that this was something that needed to be and would be corrected.

As outlined in our letter to you on 19 March, the process of agreeing UKRI's budget was confirmed in December 2025, which was quicker than in previous Spending Reviews. However regrettably STFC did not proceed with issuing the grant letters in time for the international deadline for Particle Physics Theory postdocs. STFC did not re-engage the relevant peer review panel until the Allocation Explainer was made public on 17 December 2025 and the review panel was not reconvened until 14 January 2026. This date was chosen because it meant it coincided with a meeting of STFC's Council at the same location. Advice was exchanged between STFC Council and the peer review panel that day. Despite these best efforts, it was decided that no outcomes could be announced before due diligence on the full financial implications of the entire call were understood and signed off. It is clear that this was a mistake and one that it is essential is not repeated.

Decisions on the timing and sequencing of individual grant call processes are handled at an operational level within UKRI councils and would not routinely be expected to be visible to Ministers or officials outside the councils. In that context, we accept that appropriate actions should have been taken within UKRI so that the international deadlines could have been met. As UKRI CEO, Prof Chapman takes responsibility for not realising that this deadline was upcoming and expediting action in good time. UKRI was implementing a significant change to its budgeting approach, and this timing detail was missed during a period of intense work. Now that allocations are in place for the next four years, there ought to be no reason for not having sight of such deadlines in future.

Q3 An assessment of how many postdocs you expect to be recruited out of cycle during 2026, what steps have been taken to prevent a similar issue from arising in future years, and whether you are seeking bridging funding to minimise disruption caused by the missed deadline.

For 2026 UKRI have issued grant awards for approximately 20 theoretical particle physics postdocs so far. As these will be new posts, based on new cases for support as prioritised by peer review, they are not a continuation of existing funded grants, and so no bridging is implied. Grant rounds for the other disciplines within PPAN come later but overall, across the PPAN grants programme, we will fully and immediately restore the funding level for postdocs that was in place before the current SR period (i.e. in the last financial year 2025/26 as determined by the previous SR settlement and UKRI allocation).

For the avoidance of doubt, the 20 FTE mentioned above and referred to in our letter dated 19th March are for the theoretical particle physics post-docs awarded through UKRI grants so far in 2026. We acknowledge that the theoretical particle physics post-doc FTEs awarded in successive rounds from 2011 to 2019 were ~28-32 FTE, with 41FTE initially awarded in the 2022 round (later uplifted to 58FTE with an exceptional one-off top up in that year). The increase in these specific post-doc numbers over the last decade has happened from a combination of a short-term increase in budget and a reduction in academic time supported within the PDRA grants. We stated in our 19th March letter that "there will be no reduction in PPAN post-doc numbers", and that remains our position, noting that this will result in increasing financial commitment as the costs per FTE increase over time.

STFC will be revising the funding levels of its post-doc grants across PPAN to match those of FY2025/26. It is the FY 2025/26 that we have used across UKRI (and indeed across Government) as our reference case for the spending review covering FYs 2026/27 – 2029/30. A 15% reduction in the total cash level of all new STFC grants was imposed that year as part of the agreed single-year spending review and this reduction is unrelated to the present change in approach that UKRI is making. A 15% reduction results in a greater reduction in fundable FTEs due to fixed cost elements, such as funding for the Institute for Particle Physics Phenomenology within the theoretical particle physics grants. This, combined with inflation in the university costs for each post-doc over the previous SR period, means that had new theoretical particle physics grants been issued in 2025, the fundable FTEs would have been 25, down from 41 in 2022.

Again, we commit to maintaining post-docs across PPAN at least at the same level as last year, FY2025/26, and hope to be able to increase this over time. This will enable us to fund more post-docs than have already been awarded for 2026 and as indicated above there will be additional post-doc opportunities related to both quantum computing and AI. For the latest particle physics theory round, the immediate increase will be achieved by awarding additional funding to increase FTEs selectively, according to peer review.

Q4 Minutes from the meetings of UKRI's Infrastructure Advisory Committee where advice was given relating to the four projects your letter refers to, and what steps you will take [to] strengthen these advisory mechanisms given the challenges that have subsequently arisen.

UKRI continues to improve its approach and robust systems for investing in research infrastructure, both domestically and internationally. As acknowledged by the National Audit Office in its recent report on research infrastructure, UKRI has "introduced a more consistent and professional approach to funding research infrastructure, for example ensuring all projects have strong investment cases, meaning these projects have made, and will continue to make, significant contributions to global science". DSIT and UKRI are considering the NAO's recommendations, and any subsequent implementation plans to further strengthen our investment approach and improve portfolio management.

UKRI has undertaken a significant process improvement programme for the way it supports and accesses Business Cases, working closely with DSIT. New governance procedures have been implemented to ensure that all Business Case approvals take into account whole life costs and the necessary contingency, consistent with the project maturity and scale of investment. The Government Internal Audit and Agency are conducting a regular review of these functions in 2026 and will report back to UKRI Audit board on its findings.

UKRI takes advice from its independent Infrastructure Advisory Committee (membership of which can be found here: UKRI infrastructure advisory committee – UKRI) before making decisions about portfolio of investments. This committee comprises a breadth of subject matter experts and numerous members with experience of leading substantial R&I research infrastructures.

We do not put minutes of closed meetings such as this in the public domain. To do so would compromise the effective operations of the committee by inhibiting free and frank exchange.

Q5 More details relating to UKRI's hedging strategy, specifically what it does and does not cover, and whether the strategy will be reviewed given the ongoing global economic pressures.

To manage financial risk from foreign exchange exposure, UKRI have a hedging and exchange rate policy that is aligned with DSIT and HM Treasury's policies and frameworks. At its core is *Managing Public Money*, including its principle that government bodies are not permitted to speculate and should not attempt to anticipate foreign exchange movements.

The only hedging arrangements permitted by UKRI's policy are 'forward-buy' contracts with the Bank of England. These agreements oblige UKRI to purchase a specified amount of foreign currency at a fixed rate on a future date, giving certainty in future cost. To control the risk of purchasing surplus to requirements, they may only be entered into for up to 90% of the expected cost of regular, predictable, and material non-sterling payments. UKRI currently uses these for subscription payments to international collaborations such as CERN.

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The Bank of England's assessment of Sterling's future value against another currency is factored into its price. In effect, this means that the contracts buy certainty over costs and not protection against long-term unfavourable currency movements or potential global economic pressures.

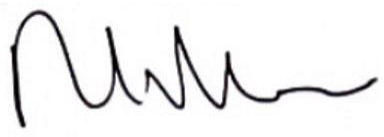
Q6 Regarding the ongoing PPAN consultation, will financial modelling or scenario planning form part of the decision-making process, and what advisory mechanisms will be available to those responsible for making the final decisions?

Q7 Who will make the final decision on the outcomes of the consultation process?

As part of the prioritisation process outlined in the letter of 19 March, it was noted that prioritisation principles include scientific excellence, demonstrable UK leadership, value for money and balancing impacts/long term health on communities and that Science Board PPAN will be presenting scenarios to STFC Council and Executive Board in June, including impact assessments. This process, and the development of the scenarios considered will be informed by financial scenarios so we have a rounded understanding of the impacts of different choices. We reiterate that the modelling of different fiscal scenarios is standard practice in allocation of funding for research.

Advice will be taken through STFC's Executive Board and Council, with recommendations provided to UKRI's Executive Committee. In accordance with UKRI's delegations, it is UKRI's Executive Committee, with Professor Sir Ian Chapman as the Accounting Officer, who make the final decision on the use of STFC's budget.

Yours sincerely,



Lord Vallance

Minister of State for Science, Innovation, Research, and Nuclear

Professor Sir Ian Chapman

CEO, UKRI