## My intervention in the Advanced Research and Invention Agency Bill debate

Rt Hon Sir John Redwood MP (Wokingham) (Con): In that connection, could the <u>Minister</u> give the House some brief guidance on what he, as the accountable Minister, would expect by way of discussion and influence over corporate plans and budgets and onward reporting to the House?

George Freeman (Parliamentary Under-Secretary, Department for Business, Energy and Industrial Strategy: I am grateful to my right hon. Friend for that question, and he will not be surprised to know that it is one I have also been asking since coming to this role. The point of ARIA is to be a new agency for doing new science in new ways, and it has been structured specifically to avoid meddling Ministers, even those with a good idea, and meddling officials, even those with good intent, and to create an agency that is free.

My right hon. Friend asks an important question. As we appoint the chief executive officer and the chair, the framework agreement will set out, a bit like a subscription agreement, the agency's operating parameters, which will be published in due course. Each year ARIA will have to report on its stated plans. Crucially, as is so often not the case in scientific endeavour, ARIA will report where happy failure has occurred so that we do not continue to pour more money into scientific programmes that have not succeeded, which I know will reassure him. We want ARIA to be free to be honest about that, and not embarrassed. ARIA will be annually accountable through the framework agreement.

Finally, Lords <u>amendment</u> 1 deals with the conditions that ARIA may attach to its financial support. This arises from a series of important discussions in the <u>other place</u> relating to ARIA's duty to commercialise <u>intellectual</u> <u>property</u> that may be generated, which I am keen to address properly. However, the amendment, as drafted, does not actually prevent ARIA from doing anything; it adds examples of conditions that ARIA may attach to financial support, but ARIA already has the general power to do just that. Legally, the amendment simply represents a drafting change. As such, we cannot accept it, but we understand and acknowledge the importance of the point that the noble Lord Browne had in mind.

It is our firm belief that, although it is not appropriate at this stage to specify ARIA's contracting and granting arrangements in legislation, we recognise the substance of the concerns underlying the amendment: namely, that ARIA should have a duty to the taxpayer to ensure it is not haemorrhaging intellectual property of value to the UK. I will outline our position on that.

The amendment focuses principally on overseas acquisition of IP relating to

the principles on which the Government intervene in foreign takeovers of UK businesses, particularly where those businesses have benefited from public investment in research and development activities. The <u>National Security and Investment Act 2021</u>, which fully commenced earlier this month, provides just such a framework, and it marks the biggest upgrade of investment screening in the UK for 20 years.

The <u>NSI</u> Act covers relevant sectors, such as quantum technologies and synthetic biology, that have benefited from significant public investment, and it permits the Government to scrutinise acquisitions on national security grounds. This new investment screening regime supports the UK's world-leading reputation as an attractive place to invest, and it has been debated extensively in both Houses very recently. We do not believe that revisiting those debates today would be productive.

Although the NSI Act provides a statutory framework, a much broader strand of work is under way. As Science Minister, I take very seriously the security of our academic and research community. A number of measures have been taken in the past few months and years to strengthen our protections. We are working closely with the sector to help it identify and address risks from overseas collaborations, while supporting academic freedom of thought and institutional independence.

Members do not need me to tell them that intellectual property is incredibly valuable and we increasingly face both sovereign and industrial espionage. It is important that we are able to support our universities to be aware of those risks and to avoid them. The Bill already provides the <u>Secretary of State</u> with a broad power of direction over ARIA on issues of national security, which provides a strong mechanism to intervene in its activities in the unlikely event it is necessary to do so.