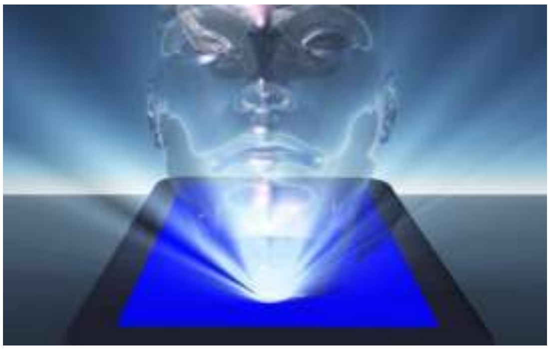
In November, Philip Hammond delivered his first Autumn Statement as chancellor; setting out the government's forecast for the position and aims of Britain's economy for the next five years. Many viewed the announcement as rather bleak, with a predicted £59bn less available for public finances as a consequence of Brexit due to inflation, lower migration and a slower growth in production. Further, the uncertainty on the timing and form of our exit from Europe leaves many matters unclear, and it is difficult to assess the level of damage that has been done so far and shall be done once the leave finally occurs. Nonetheless, there is a silver lining for the science and technology industry that can be appreciated as a result of the Statement.

Firstly, an additional £400 million (to create a total of £1 billion) is being set aside for venture capital funds; equity financing devices that give small and medium sized companies the ability to raise funds. Such funds are high risk/high return by nature, and due to this fact, they often take a more proactive role by offering assistance and guidance to their investments, which may well be desirable to those young companies with less experience. This financing will be provided by the British Business Bank, which was founded by the State in 2013 for this purpose of helping start-up companies gain access to capital. The main logic behind this decision was to provide funds that would allow small and entrepreneurial companies to grow and thrive without being bought up by larger companies. Indeed, foreign companies spent over £100bn acquiring businesses in the UK over the course of 2016, and many within the tech industry and beyond expressed disappointment when in July, ARM Holdings was purchased by the Japanese company Softbank. Being one of the UK's largest tech firms, which manufactured microchips for Apple and the like, many use this transaction to highlight the poor protection the government provides to prevent foreign takeovers. As such, these venture capital funds hope to quell the need and allure of buyouts from the larger and overseas firms, and help companies grow in the wake of the Brexit vote.

A new body known as the National Productivity Investment Fund (NPIF) has been created which will focus spending in four key areas; research and development, transport, housing and digital communications in order to tackle the poor productivity in these areas following the fallout of the Brexit vote. Overall, the NPIF is to spend around £170 billion in these areas over the next five years.

Primarily, there is to be a substantial increase of 20 per cent for the overall R&D budget, which has been frozen in cash terms since 2010. While even with this we still lack behind many developed countries and most of Europe in terms of the percentage of our GDP used, this is an encouraging step for the scientific community that is hoped will stimulate much needed business. Two funds of interests are the new Industrial Strategy Challenge Fund and the Biomedical Catalyst fund. The Industrial Strategy Challenge Fund is modelled on the DARPA programme in the US, and is intended



to work with companies to build on existing research and developments strengths within the UK, which in turn should boost economic growth. Further announcements on the more precise direction the Fund intends to go are expected to be announced this spring. The Biomedical Catalyst is one such benefactor of this increase in scientific stimulation, recently receiving an extra governmental £100 million, and is vital for helping small UK drug and research companies acquire the required capital in order to hold their own in a market dominated by Pfizer and GlaxoSmithKline. Projects including the development of a wider effecting influenza vaccine and the prevention of brain cancer metastasis which have benefitted from the fund highlight the need for this R&D investment.

As previously mentioned, transport will be a key area of public spending. The NPIF will oversee the investment of £390 million into the production of new self-driving and low emission vehicles, and trials of these autonomous cars are set to be seen on the streets of London in July. Modernisation of the UK train network is a second key part in Hammond's plan for transportation, which will help support the growing tech communities in cities throughout the country. The new Cambridge-Oxford Expressway is one such example, connecting the two research strengths of the universities hoping to trigger an influx of scientific interest and investment to the area. The £450 million pledged to be used to develop digital signalling technologies will further improve reliability of the train networks and provide some much needed rejuvenation. Currently, any of these transport measures are in their more preliminary stages, and it is yet to be seen the true impact of this investment.

As such, it is not doom and gloom for all following the vote to leave Europe. These new measures set out in the Autumn Statement indicate the government is committed to stimulating the development of the tech and scientific industry within the UK, and wish to provide support for innovative entrepreneurs who cultivate their business in Britain. Nevertheless, with the economic uncertainty in the coming years, it is to be seen whether these measures will create some real change, or in fact are more style over substance.

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