

SCIENCE AND INNOVATION IN THE 2004 SPENDING REVIEW: TERMS OF REFERENCE FOR THE TEN-YEAR INVESTMENT FRAMEWORK

As set out by the Chancellor in the Pre-Budget Report on 10 December 2003, the 2004 Spending Review will conclude in summer 2004, and will determine departmental spending plans for 2005-2008.

A ten-year investment framework for science and innovation will be published alongside the Spending Review. The terms of reference for this project are:

- To articulate the Government's ambition for UK science, especially its contribution to economic development and public services, over the next decade, and the attributes and funding prospects of a research system capable of achieving this goal.
- To take stock of the current policy framework for funding the science base, including:
 - To review the evidence base on the outputs and outcomes of public expenditure on the science base; and
 - To review the extent of implementation of the Government's 2002 science strategy *Investing in Innovation*¹, the 2002 Roberts Review of the Supply of Scientists and Engineers², and the science policy aspects of the 2003 DTI Innovation Report³.
- To consider whether the achievement of the above-mentioned policy goals is on track, and where further progress is necessary.
- To take forward policies to enhance the successful exploitation of the research base to improve UK innovation performance, including

¹ *Investing in innovation: A strategy for science, engineering and technology*, July 2002.
(www.hm-treasury.gov.uk/Spending_Review/spend_sr02/spend_sr02_science.cfm)

² *SET for success: The supply of people with science, technology, engineering and mathematics skills*, April 2002.
(www.hm-treasury.gov.uk/Documents/Enterprise_and_Productivity/Research_and_Enterprise/ent_res_roberts.cfm)

³ *Competing in the global economy: The innovation challenge*, December 2003.
(www.dti.gov.uk/innovationreport/index.htm)

presentation of the full Government response to the recommendations of the Lambert Review of Business-University Collaboration⁴.

- To review the development of partnership funding of the UK science base involving businesses, charities, other Government departments and Regional Development Agencies.

This framework will cover the Office of Science and Technology and the Research Councils, which fund on a UK-wide basis, and the research and knowledge-transfer funding provided to Higher Education Institutions in England from the Department for Education and Skills. The review team will be discussing with colleagues in the Devolved Administrations their involvement in this work, including policy and funding priorities to ensure complementarity and to exchange ideas and best practice.

The project team will be conducting a dialogue with stakeholders (including the scientific community, business and regional and devolved bodies) in drawing up this framework. This project will be taken forward at official and ministerial level by HM Treasury, the Office of Science and Technology, the Department for Trade and Industry, and the Department for Education & Skills.

The framework will build upon the substantial analysis and consultation of recent years: the Lambert Review of Business-University Collaboration; the Government's science strategy *Investing in Innovation*; the Roberts Review of the Supply of Scientists and Engineers; the DTI Innovation Report; the consultation by the Office of Science and Technology on the sustainability of university research⁵; and the consultation by HEFCE and UK funding bodies on research assessment⁶. Specifically, it will encompass the following areas:

⁴ *Lambert review of business-university collaboration: Final report*, December 2003. (www.lambertreview.org.uk)

⁵ *The sustainability of university research: A consultation on reforming parts of the Dual Support system*, May 2003. (<http://www.ost.gov.uk/policy/universityresearch.pdf>)

⁶ *Review of research assessment: Report by Sir Gareth Roberts to the UK funding bodies*, May 2003. (http://www.ra-review.ac.uk/reports/roberts/roberts_summary.pdf)

UK science: context, impact and vision

- Strengths of, and opportunities for, the UK science and research base
- Weaknesses and risks to continuing current levels of performance
- Aims for scientific outputs and outcomes in the next 5-10 years

Management of the science and research base

- Sustainability of the research base in the medium term
- Maintaining and recognising excellence in research assessment, taking account of sustainability
- Capital investment
- Delivering a creative, competitive and cost effective public science base

Knowledge transfer

- Successful exploitation of the research base to increase UK innovation performance, including the Government response to Lambert Review of Business-University Collaboration and the development and implementation of the DTI's Technology Strategy

Science, engineering and maths skills

- Responsiveness of the supply-side to the demand for science, engineering and technology skills, building on and complementing the Government's Skills Strategy

Partnership funding

- Working across Government and with the charity sector, business and Regional Development Agencies on the funding and use of the UK science and research base.