Mr Andrew Miller MP  
Chair, Science & Technology Committee  
House of Commons  
London  
SW1P 3JA

5 October 2010

Dear Andrew,

Thank you for your letter of 9 September relating to the BIS Main Estimate for 2010-11. Let me answer each of the questions in turn.

1) The Grant-in-Aid to the Medical Research Council approved in the Main Estimate 2010-11 shows an increase of 14% from 2009-10 (Spring Supplementary Estimate). What is the reason for this increase in funding?

   • MRC require an increased Grant-in-Aid to fund:
     a) their larger Resource budget for 2010-11. Much of the increase is being applied to grants which support translational research.
     b) higher than usual Capital spending. The construction project to build the new Laboratory of Molecular Biology in Cambridge is scheduled to spend £95 million during 2010-11.

2) Why has funding for the Research Capital Investment Fund fallen by 35% from £49 million in 2009-10 (Spring Supplementary Estimate Memorandum 2009-10) to £31 million in 2010-11 (Main Estimate Memorandum). What are the implications of the reduction in funding for scientific research funding?

   • These RCIF numbers only relate to the grants that go to universities in Scotland, Wales and Northern Ireland. The RCIF grants payable to English universities are managed by HEFCE and are reported separately in the Estimates. There are two factors that have given rise to the decline in funding for the Research Capital Investment Fund (RCIF) in 2010-11:
a) the RCIF grants replace the previous SRIF grant scheme, designed to remedy backlogs in research infrastructure investment, which were paid up to 2007-08. To smooth the implementation of the RCIF grant scheme a tapering profile of transitional grants has been paid in the last three years. 
b) the previous government's policy to accelerate capital expenditure from 2010-11 to support the economy during the recession. This brought forwards £5.7 million out of 2010-11 allocations and added it to 2009-10 allocations.

- Thus there has been no reduction in research capital funding below the planned 2007 Spending Review underlying allocations of £31 million. For the last spending review this was judged to be the appropriate level of capital funding necessary to enable universities to maintain their research asset base sustainably.

3) How are cuts in the Spending Review likely to impact on the Royal Society, Royal Academy of Engineering and British Academy?

The National Academies play an important role in the science and research infrastructure of the UK. I met with the Presidents of the National Academies earlier this month to discuss the implications of the Spending Review, not just as sponsors of research, but as the key representatives of the science and research community. They were also key contributors to Adrian Smith's consultation on the Science and Research Budget which was undertaken as part of the Spending Review process.

The National Academies have been tasked with continuing to deliver efficiency savings in their operations, as have all publicly funded bodies. But no decisions can be taken on allocations to the National Academies until after the SR10 settlement has been finalised for BIS.

THE RT HON DAVID WILLETTS MP