Dear Andrew,

Science & Research allocations in the BIS Winter Supplementary Estimate 2010-11

Thank you for your letter of 20 December 2010 raising some questions the Committee has asked about the Department for Business Innovation and Skills (BIS) Winter Supplementary Estimate 2010-11, related to the resources allocated to science and research. I shall respond to the questions in the same order as you raised them.

1. In the March 2010 Budget BIS was committed to finding £5 million of savings in expenditure from its marketing, communications and consultancy budgets given the state of the public finances. The £496k reduction was the contribution from the Science & Research Budget towards the departmental total and reflected an anticipated lower level of spending on Science and Society programmes. There was no change to the allocations to the Research Councils or to the sums devoted to funding science and research projects. This budget adjustment was separate from the 24 May 2010 savings announcement.

2. The £1.3m addition to the Research Capital Investment Fund was funded from sums available and unallocated within the Large Facilities Capital Fund. Therefore this transfer did not result in reductions to any of the Research Councils budgets.

3. The adjustments to the grant-in-aid of four of the Research Councils do not arise because of any changes in budgets of the Councils. Grant-in-aid is the Councils cash requirements to fund their activities. It also includes working capital adjustments related to the planned timing of cash payments. The changes simply reflect the revised views of the Councils of their cash needs during 2010-11.
4. As you noted there was no draw down of EYF for Science and Research in the Winter Supplementary Estimate. In the current financial climate the government is minimising access to EYF in order to keep public spending down. The Research Councils and other budget holders fully understand this and are carefully managing their expenditure to keep within existing 2010-11 budgets. Consequently there are no plans to draw down any EYF during 2010-11.

5. The Estimates from the Department from 2011-12 onwards will be presented quite differently from the current structure. In the Part II Subhead detail, the Department will present a separate line for each of its primary areas of activity where it spends directly, followed by a line for each group of NDPBs that it funds. This means that the ring-fenced Science & Research funding will not be separately identifiable as a single figure on the face of the published Estimate. The Department will continue to provide a more detailed breakdown of its programmes in the Estimates Memorandum to the Select Committee which accompanies each Estimate, so that the amounts within the continuing ring-fence for Science & Research can be identified. Resource allocations will still be identified separately from Capital allocations.

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THE RT HON DAVID WILLETTS MP