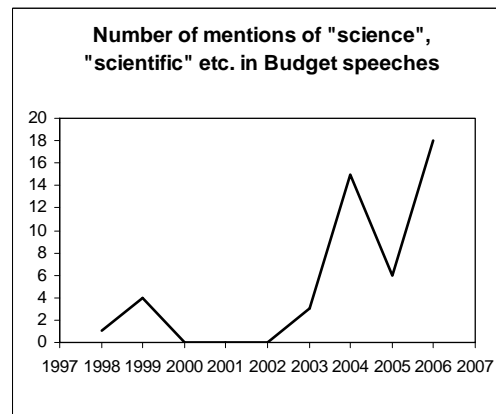


Science in the Budget Statement and Report

An initial analysis of the effect of the Chancellor of the Exchequer's Budget on some aspects of science and engineering in the UK

General tenor

The Chancellor followed the pattern of recent years in mentioning science repeatedly. As the graph shows he beat his previous record for a Budget speech with 18 mentions of the words 'science,' 'scientist' or 'scientific'.



While that emphasis on science was welcome, the detail paints a more patchy picture of what this Budget will do for science.

Education

Setting ambitions to increase the number of people studying science is admirable, but there needs to be real action to make it happen. In general, this is weakest element of the package of measures, but it is also one of the most important.

Unless children are taught basic maths and science at school, there is no chance of delivering any of the other scientific ambitions the Chancellor has set out.

In particular:

- i. CaSE is in favour of minimal bureaucracy, but given that the Schools Accountability Framework is a political reality, we would rather science was included than not.
- ii. CaSE believes that an "entitlement" for all pupils to study three science disciplines is so fundamental that it is a sign of how bad things have become that the Chancellor needs to announce it in his

- Budget. Creating a theoretical entitlement is all very well, but unless there are enough teachers, it will not mean anything real.
- iii. The measures to increase the recruitment of science teachers are welcome, but much, much more needs to be done. It will not help that Government policies are partly to blame for the closure of some science departments in universities, since they are the source of the graduates who will become science teachers.

Abolishing the Research Assessment Exercise

This is excellent news, with the only reservation being that the 2008 RAE is presumed to be going ahead. It should be abolished immediately.

Combined budgets of the National Health Service and the Medical Research Council

In principle, CaSE sees potential merit in this proposal, if this means that the NHS research budget is used more effectively.

However:

- i. The promised budget of "at least £1 billion" is, according to the Chancellor's own figures published today, less than the current combined budget
- ii. The "single, jointly held" fund will allow the Department of Health and Department of Trade & Industry each to claim that some areas are the responsibility of the other, leaving some research to fall between two stools

Encouraging private sector research and development

Additional support for R&D for companies between with between 250 and 500 employees is welcome, although CaSE notes that it may be blocked or curtailed after discussion with the European Union.

Moreover:

- i. The costs of industry of investing in British research have been driven up by the new system of so-called 'full economic costing' so companies can get research cheaper in other countries. Unless something is done to reverse this, collaborations between universities and industry will decline, to the detriment of the UK.
- ii. Overall tax rates are what matters. By introducing low rates of corporation tax, Ireland has attracted high-technology investment.
- iii. Companies in the UK are not required to report their research investment in their annual accounts, so investment analysts do not use it as a benchmark for decisions. In some other countries, where R&D investment is a mandatory line in legal reporting, it is taken more seriously by people deciding where to invest large sums.

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