

# Briefing: What the Conservative victory means for science and engineering

The Conservative Party has won the 2015 General Election, allowing David Cameron to form a new government with a Commons majority.

This briefing looks at the commitments the party made in the run-up to the election and what the science and engineering community can expect from a government led by David Cameron.

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For further information please contact the CaSE team.

Email: info@sciencecampaign.org.uk Phone: 020 7679 4994

# The Conservative Government and science and engineering

# Investment in science and engineering

David Cameron and George Osborne have repeatedly stated that science is at the heart of their "long-term economic plan" and have spared science and innovation from the worst of the cuts in the past five years. In his <u>letter to CaSE</u>, Cameron told us that we could be "assured that a Conservative government will be committed to investing in science and engineering" but their manifesto contained no new money for science and no commitment to continue the Science Budget ring-fence.

The Conservatives aim to eliminate the deficit and begin reducing national debt. Unlike the other parties, the Conservatives say they are committed to balancing the overall budget by 2018, not just everyday spending, which leaves them less room to borrow for investment. However, their plans do allow for increases in spending towards the end of the Parliament. This could see a repeat of patterns seen in the past five years, where early cuts were followed with later investment. This rollercoaster approach creates uncertainty, damaging science and engineering and long-term private sector investment.



With a Conservative majority government, large cuts can be expected across almost all departments. According to the Institute of Fiscal Studies, total departmental spending would need to be cut by 7.1% between 2014-15 and 2018-19 under Tory plans. This would be a slightly slower rate of cuts than over the previous parliament (an average cut of 1.8% per year compared with 2.4% per year between 2010-11 and 2014-15). Outside of aid, the NHS and education (which have been promised various levels of protection by the Conservatives), other departmental spending looks to be facing cuts of 17.9% between 2014- 15 and 2018-19.

Such a cut to the Department for Business Innovation and Skills will put pressure on research budgets, including the £4.6 billion Science Budget and Innovate UK's budget, which has risen significantly over the past Parliament and currently stands at over £500 million. Unlike in 2010, the savings will not be able to be found by cutting the science capital budget as the Conservatives manifesto restated their commitment to increase it in line with inflation up until 2020.

There has been much talk of a "Northern Powerhouse" during the Conservatives campaign. This strategy to rebalance the economy and win northern votes hasn't gained the Conservatives any seats in the Northern cities but they have made gains in the suburbs and rural areas. The manifesto mentioned science capital investments in the north already committed by the Coalition Government as part of this strategy and the Nurse Review is expected to make recommendations on how the Research Councils could support the government's regional development policies (you can read CaSE's response to the Nurse Review <a href="here">here</a>.) The question of how research funding is allocated, whether according to scientific excellence or influenced by other government priorities, is likely to be a major area of discussion in science funding policy in the next few years under a Conservative government.

#### **Education and Skills**

The Conservative manifesto committed to protecting the education budget and predicts a real-terms increase over the Parliament due to more children entering school age. It also promised more maths and physics teachers, 3 million apprenticeships, and loans to allow more people to do post-graduate degrees.

The Conservatives consider their policy on tuition fees to have been a success because the number of students from disadvantaged backgrounds has risen over the past five years. They have not ruled out further increases, which could be used again to find savings in the BIS budget. Although there would be significant opposition to fees increases in the House of Commons, the Conservatives' majority would probably be able to see it through. The manifesto also commits to abolishing the cap on student numbers, allowing over-subscribed universities take more students. Addressing the current financial disincentive to expand costly lab-based courses will be essential if the expansion in numbers is to lead to the much-needed training of more scientists and engineers.

The last Science Minister of the Coalition Government, Conservative Greg Clark, repeatedly said that his party does not want to put off talented scientists and students coming to this country who contribute to our science base and our economy. But, in continuation of the trend we've seen over



this term of parliament, the Conservative immigration policy proposals seem to be at odds with their science policy aims. Next year, visa applications from skilled workers are expected to exceed the cap that the Tories have tied themselves to in their manifesto. This, along with conditions around the use of the shortage occupation list, could be a real concern for companies looking to bring in scientists and engineers from abroad. It will be important for the Conservatives to consider how their immigration policies affect the ability of the UK to attract and retain skilled workers in science and engineering. This is an issue the newly-elected MP and Conservative heavy-weight Boris Johnson is very familiar with from his other role as Major of London, a city dependent on skilled immigration.

### Science and engineering in government

A slim majority means Cameron will be under extreme pressure to move quickly on renegotiating Britain's membership of the European Union and hold a referendum. He has promised to do this by the end of 2017. A possible exit from the EU is of great concern to businesses and universities and even the referendum itself will create a lot of anxiety among investors and EU students. UK researchers are affected by EU regulation (in good and bad ways), the UK also makes an overall net profit in R&D funding from the EU, and movement of people and free trade is so important for the many multinational science and engineering companies based here so exit would have knock-on effects for science and engineering.

Reform of the House of Lords is very unlikely to be on the agenda for this Parliament despite Labour, the SNP, and the Liberal Democrats supporting an elected second chamber. Peers with expertise in science, engineering and medicine, not to mention others with a strong interest in science, will remain in Parliament for the foreseeable future.

### A list of the Conservative manifesto commitments

#### On investment in science and engineering

- Will continue with the measures in the Science and Innovation Strategy, including investing £1.1 billion in science capital each year, rising with inflation up to 2020/21 (p21)
- Will direct further resources towards the Eight Great Technologies among them robotics and nanotechnology (p21)
- Will seek to ensure that the UK continues to support world-leading science, and invests
  public money in the best possible way through the Nurse Review of the Research Councils
  (p35)
- Will put the "NHS at the frontier of science" (p37) and prioritise funding for dementia research in the NHS (p67)

# On science and engineering education and skills

- Will train 17,500 more maths and physics teachers (p34)
- Will prevent Ofsted awarding top marks to schools that do not provide GCSE science (p34)
- Will require Job Centre advisers to supplement school and college careers advice (p18), create 3m more apprenticeships, and maintain no cap on university places (p33)



- Will abolish the student cap for universities (p35)
- Will introduce a national postgraduate loan system for taught masters courses and PhD study (the latter of which was not in the Science and Innovation Strategy but is currently being consulted on by the government) (p35)
- Will ensure there is a University Technical College in every city (p35)
- Will require those regularly utilising the Shortage Occupation List to provide long-term plans for training British workers (p31)
- Will reform the student visa system with new measures to tackle abuse, including reviewing the highly-trusted sponsor system, and reduce the numbers of students overstaying once their visas expire (p30)
- Will maintain the skilled workers immigration cap at 20,700 during the next Parliament (p30)

#### On the use of science and engineering in government

- Will implement the findings of "our <u>Innovative Medicines and Medical Technology Review</u>" (p39)
- Will work to accelerate the global development and take-up of alternatives to animal testing where appropriate (p55)
- Are in favour of Britain staying in the EU with reforms and will hold an in/out referendum by the end of 2017 (p30)
- Do not see reforming the House of Lords to create an elected second chamber as a priority (p49).