

provides access to seed funding. Awards totaling £120m have recently been announced for these four knowledge transfer competitions and this co-ordinated approach is a first step towards permanent, continuous third stream funding for university knowledge transfer.

In addition, the recently introduced *R&D tax credit* for SMEs is being extended to larger companies; a *Small Business Research Initiative* has been introduced to encourage SMEs to procure research contracts from Government departments and Research Council Institutes-- the target is for such businesses to gain contracts worth £50 million a year; the number of *Faraday Partnerships* which facilitate links between the science base and business networks to tackle specific areas of research, has been extended; and £90m has been allocated for the industrial exploitation of research arising for the enhanced investment in genomics, e-science and basic technology. To help promote business clusters and regional economic growth *University Innovation Centres*, a £50m *Regional Innovation Fund* and a £75m *Incubator Fund* have been established, which aim to cement the role of universities as the drivers of regional competitiveness. Through the Regional Development Agencies, these funds will support clusters and incubators and new regional networks of scientists, entrepreneurs and financiers.

A Confident Society

Finally, Government has a key role to play in assuring the public that they can be confident in scientific developments because the risks are properly assessed and controlled, and in communicating those risks clearly, simply, and in a timely fashion. The White Paper on science and innovation sets out Government's commitment to an independent and transparent advisory framework for science and new initiatives to raise confidence in the way science is used in policy-making, decision taking and implementation include: Stenghtened guidelines, *Guidelines 2000*, on the use of scientific advice in policy-making; and a new *Code of Practice* for scientific advisory committees, which commits members to high levels of openness and transparency and addresses issues such as how to deal with potential conflicts-of-interest, and working practices, including early identification of issues and risk assessment.

4. Future S&T Directions in the United Kingdom

The 2002 Spending Review: The summer of 2002 will see the Labour Government conclude it's third spending review since entering office in 1997. Both previous reviews ('98 and '00) resulted in substantial increases for the science budget and it is expected that, despite economic circumstances being more difficult than in previous rounds, science will again be a winner. SR2002 will extend plans and set budgets to 05-06.

In order to inform SR2002, the Treasury commissioned a science and research review scrutinising funding of the UK science base and the effectiveness of departments' own R&D programmes. Among the priorities for the review is 'raising productivity' through improved skills, research and infrastructure, and two independent studies on the supply of scientists and engineers, and investment in university research infrastructure have been commissioned separately to help influence the Treasury's decisions. The first calls for more permanent university research positions, fewer contract researchers and better salaries. The second recommends £3.2 billion to address the backlog in research infastructure, an annual project-based infrastructure scheme, and improvements to the funding of the indirect costs of research. The overarching review also considers a number of options for improving the in-house scientific competence of the civil service and for enhancing the quality of departmental conducted or commissioned science. Led by the Chief Scientific Adviser, the review makes some very radical proposals for improving the effectiveness and value for money of departmental R&D. Hence, the