interest. There is, however, a co-ordinating body -- the Office of Science and Technology (OST) -- which sits within the Department of Trade and Industry (DTI) and is headed by the Chief Scientific Adviser, Prof. David King. Whilst the OST is not directly involved in the setting of departmental objectives, it does develop and co-ordinate Government S&T policy both nationally and internationally, and is responsible for keeping all publicly funded S&T activity under review. This is achieved through various mechanisms to promote the exchange of information at a strategic level, such as: A Cabinet Committee on Science; the Chief Scientific Adviser's cross-departmental committee; the production of departmental science strategies; and the publication of the *Forward Look* which brings S&T spending plans and priorities across Government together in a single document.

The OST, through the Director General of the Research Councils (DGRC – Dr. John Taylor), is also responsible for allocating the Science Budget to the Research Councils and Learned Societies. The Research Councils are autonomous, non-departmental public bodies, funded principally by the science budget with additional contracts from government departments and the private sector. Six of the seven Councils support research in keyleading-edge science, engineering and technology areas right across the spectrum. About 57% of this research takes place in universities, 32% in the Councils' own Institutes, Centres and Surveys, and the bulk of the rest occurs overseas in collaboration with other countries in international organisations such as CERN and the European Space Agency. The seventh Council – the Central Laboratory of the Research Councils – provides the national facilities and expertise for very large physics instruments, such as neutron and synchrotron x-ray sources and lasers. The Research Councils also have a key role to play in technology transfer and promoting the public understanding of science. The DGRC is responsible for strategy and policy issues relating to the work of the Councils and for identifying a cross-Council agenda.

The OST also oversees the UK's Foresight programme, the LINK scheme-- the Government's principal mechanism for supporting pre-competitive collaborative research between academia and industry -- and activities to promote informed public debate on S&T issues. In this regard, the OST supports the British Association for the Advancement of Science's annual science festival, National Science Week (which in 2001 included 2500 events, staged by 1500 organisations, throughout Britain and attracted 1.4m people) and the work of COPUS – the Committee on the Public Understanding of Science.

In addition to receiving grants from the Research Councils, universities also receive support for academic salaries and infrastructure costs *etc.* from the Higher Education Funding Councils *via* the dual support system. University allocations are determined by a Research Assessment Exercise, conducted every 4 years, which grades departments on their research performance. Arts and Humanities research in the UK is currentlyunder review, with calls for the establishment of an Arts and Humanities Research Council. However, issues such as how the new body will be funded, and whether it will sit within the OST alongside the other Research Councils or remain an agency of the Department for Education and Skills, are currently under debate.

Whilst the health of the UK's S&T knowledge base remains a primary responsibility of the OST, the uptake of this knowledge, and its successful exploitation by industry, falls within the remit of the DTI. The DTI has recently undergone a series of reforms to its structure and operation and a new unit, the Science, Technology and Innovation (STI) directorate, has been created. The STI has responsibility for innovation strategy, transfer and exploitation of S&T, business support for R&D, standards and technical regulation and environmental policy. It also handles relations with the Patent Office, the British National Space Centre and the National Weights and Measures