

academic salaries, and knowledge transfer initiatives.

### A) The United Kingdom's R&D Budget for 2002

In 2001-2002, the British Government's total expenditure on Science, Engineering and Technology (SET) activities was in the order of **£7.8 billion**. The Science Budget, which supports research at universities and institutes through the seven UK Research Councils, accounted for £1.76bn. Universities also received £1.37bn in grants from the higher education funding councils through the dual support system. R&D in Government departments was £2.39bn for defence, and a further £1.85bn in civil departments, the largest programmes being at the Department of Health (£510m), the Department of Trade and Industry (£420m), and the Department of the Environment, Food and Rural Affairs (£210m). Finally, the UK also contributed £440 million to the European Union's R&D budget.

Whilst total government investment in SET is set to increase by 11% in real terms between 2000/01 and 03/04 as a result of the 2000 spending review – with significant increases in both the science and engineering base and for civil departments – it is important to note that UK spending across the whole of Government, in real terms, will still be less than it was in the mid-eighties.

Since entering office in 1997, the Labour Government has been committed to enhancing the strength of the UK's science and engineering base: The 1998 spending review increased the Science Budget by more than 15% over the three year period (99-01) and the July 2000 review continued in this vein with an additional £725 million added to the Science Budget for the years 01/02-03/04 (an average real-terms increase of 7% per year). These increases keep the Office of Science and Technology well on course for meeting its "unofficial" target of doubling the value of the Science Budget over a 10-year period. The Science Budget is 'ring-fenced' and its size is determined for a three year period by the Government in the Spending Review. In contrast, the R&D expenditure within most departments is to support statutory functions or to inform policy development, hence decisions on the size and allocation of budgets are primarily matters for departments themselves. In many cases, the total R&D spent is the sum of individual R&D components of many budgets within the department's expenditure, and is not determined centrally. The July 2000 Science and Innovation White Paper committed individual departments to each produce a Science Strategy, outlining clearly their research priorities and plans for innovation, and giving details of fixed funding commitments.

### The Science Budget

The Science Budget for the current financial year 02/03 is **£1,910 million**. This is broken down into:

<b>Research Council/Learned Societies allocations</b>	<b>£1616m (85%)</b>
Medical Research Council	£372m
Biotechnology and Biological Sciences Research Council	£232m
Natural Environment Research Council	£205m
Engineering and Physical Sciences Research Council	£462m
Particle Physics and Astronomy Research Council	£220m
Economic and Social Research Council	£83m
Central Laboratory for the Research Councils	£8m
Royal Society	£29m
Royal Academy of Engineering	£5m