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From the President Lord Rees of Ludlow OM

11 November 2010

Our ref: MJR/TMcB/JB



Following the Spending Review and our meeting of 28 October, you asked us to respond with further advice on the allocation of research budgets.

May I begin by reiterating our appreciation of your efforts in maintaining the ring-fence around the science budget. This will give researchers much needed confidence and security in the coming years.

Our Fellowship covers all scientific disciplines. For this reason we are reluctant to offer detailed advice on the allocation of budgets between Research Councils. However, as you know from earlier correspondence (and from our evidence to the Commons' Select Committee), we think it important that your decisions on these allocations should be informed by input analogous to that provided in the old days by the independent members of the Advisory Board for the Research Councils. At this stage I would nonetheless emphasise that the special protection offered to the MRC may impose a squeeze on all other areas, even though the latter are more vulnerable in that they cannot draw on such substantial charitable support to supplement government funding.

Given the new and existing uncertainties within higher education and the apparent efficacy of current arrangements, we see no reason to alter the balance of funding between Research Councils and Hefce's QR funding stream. To do so would risk destabilising parts of universities that are particularly dependent on either stream. This view is shared by the British Academy, and I know that Adam Roberts has written to you reiterating this point.

We remain concerned about the distribution of capital investments for research. In the short-term, cuts to capital expenditure will present acute problems for those Research Councils that are committed to long-term capital projects. In the long-term, while cuts to infrastructure are less visible than cuts to jobs and student numbers, they can be just as damaging to the UK's research base and expensive to reverse if left for too long. In the 1980s, cuts to labs and equipment budgets contributed to a stagnant research environment in the UK, a situation which has only recently been reversed. We would therefore urge that capital investment is prioritised as soon as the public finances improve.



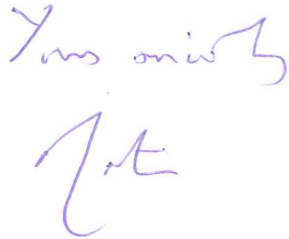
President Lord Rees of Ludlow OM
Executive Secretary Stephen Cox cvo

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Our final concern regards the research expenditure of other government departments. John Beddington has improved BIS's oversight of departmental R&D, but it remains in a precarious position. Parts of the research base have built up strong links with particular departments but cuts to R&D budgets will reduce the UK's strategic research capacity in key areas. Moreover, there is a danger that Research Councils will be expected to compensate for these cuts, which will put pressure on their other programmes.

I hope you have found our contributions over the last year useful. We would be interested in finding ways to work together over the coming months and years to monitor the scientific health of the UK and ensure that we maintain our scientific leadership.

A handwritten signature in purple ink, consisting of two lines of cursive script. The first line appears to read 'Yours sincerely' and the second line is a stylized signature.

Martin Rees