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Professor Adrian Smith
Director General Science and Research
Department for Business, Innovation and Skills

20 December 2010

Dear Adrian

SPENDING REVIEW

At their December meeting the Council asked us to pass on their congratulations to you and your colleagues on the excellent outcome to the Spending Review.

The rich CST discussion surfaced a number of issues, all of which you and David Willetts are aware of, but which the Council felt should be emphasised.

CST is conscious that the period of fiscal constraint means we will need to refresh continually the evidence base to demonstrate why science and research is vital to both economic growth and social well-being. The power of narrative is crucial, and first rate case studies on impact will be important in sustaining the case for continuing investment in the science and research base. Clear understanding between Government as a provider of resource and researchers as deliverers of excellence and impact will be crucial. Making the Technology and Innovation Centres successful on a modest budget will also be important here.

We must ensure that cuts to capital expenditure do not create irreversible serious damage. We do need to secure better value for money from our international subscriptions and important steps are being taken to achieve this. In our earlier letter to you after the settlement we emphasised the importance of maintaining longitudinal studies, and the trick will be to ensure that these do not inadvertently squeeze out other important areas of economic and social research.

We believe that institutional restructuring at the university level will be an inevitable consequence of the present fiscal situation - mechanisms to achieve less fragmentation, more efficiency, enhanced collaboration between the strongest groups in the UK to create genuine critical mass, between UK and other universities around the world and

better exploitation should be the main drivers - and Government will need to think carefully how best to facilitate these changes. Our report *A vision for UK research*, together with the Hauser Report, provide important starting points.

We are concerned about the effects of an immigration cap. You know our views on the need to focus on top quality researchers at all levels. When the stimulus packages end, particularly in the US, there will be a real opportunity for the UK to attract top quality researchers from around the world if we have the mechanisms in place. However top researchers are deterred from coming to the UK if they believe that they will have major problems in hiring the best staff to support them. Having the right sort of fellowship schemes to attract and retain the best 21-35 year old researchers who can then go on to build their careers within the UK is also key. The immigration cap risks jeopardising these developments. The GCSA and Departmental Chief Scientists are meeting the new acting head of the UK Border Agency urgently to set out concerns.

We are concerned that public engagement and dialogue is fragile. Maintaining them will be important, not least in terms of attracting more young people to study STEM subjects.

We should be very happy to discuss these issues further with you. We will be putting it on the CST website.

We are copying this letter to Vince Cable and David Willetts.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'John Beddington'.

Professor Sir John Beddington
Co-Chair CST

A handwritten signature in black ink, appearing to read 'Janet Finch'.

Professor Dame Janet Finch
co-Chair CST