



DEPARTMENT OF EDUCATION AND SCIENCE

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FROM THE SECRETARY OF STATE

Sir Alec Merrison  
Chairman  
Advisory Board for the  
Research Councils  
Elizabeth House  
York Road  
LONDON SE1

1 December 1982

*Dear Sir Alec.*

THE SCIENCE BUDGET

I am most grateful to you and the other members of the Advisory Board for the Research Councils for the advice given to me in "The Science Budget: A Forward Look 1982". While I do not, as you know, agree in every respect with the Board's advice, I recognise the care and thought that has gone into the Report and the hard decisions that have been involved; and I was pleased to agree that on this occasion it should be published.

You already know that I have accepted the conclusion of the Board about the East Infill project at the Natural History Museum. I welcome your willingness to consider the Museum's needs further with the Trustees and look forward to receiving further advice in due course. You also know that I have not felt able to accept the Board's view about the level of funding for the Social Science Research Council. But my intention is that - subject as ever to each year's public expenditure decisions - the Board should be able to redeploy the money saved by my reduction in the grant to the SSRC; and I would ask them, in doing this, to give first priority in using the funds in 1984/85 and 1985/86 to perceived need for new blood in the natural sciences, in the research institutes of the Councils as well as in the universities, in the light of progress on this year's allocation.

Prospects for inflation have changed since the ABRC completed their advice (particularly paragraphs 30-32) in July. While relevant pay settlements in the current year have been in the range 5 - 6%, the extra cost of these has been offset, at least in part, by lower than expected price increases. For 1983-84, the Government have set a planning assumption on pay at 3½% and the prospects are for price increases averaging 5%. The cost of

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international subscriptions will have increased in the light of the recent fall in the value of the pound but that fall followed a rise earlier in the year and the level today is not significantly different from that obtaining when the distribution of the Science Budget was considered towards the end of 1981.

I have decided on a figure of £516.8m for the Science Budget in 1983-84. I cannot yet give you the final planning figures for 1984-85 and 1985-86 but I expect to do so shortly. If costs are contained, the figure of £516.8m should be sufficient broadly to maintain the existing level of support for science while allowing for additional funds for the BAS, for information technology and for research grants to support new blood.

I have also agreed to make available to the University Grants Committee, subject to each year's public expenditure review in the usual way, about £30m over the next three years for new blood appointments in the universities, mainly in the area of the natural sciences. Although this money is being made available through the University Grants Committee, I am glad to know that the Research Councils will be closely involved with the UGC in the choice of posts where the need for new blood is greatest. The provision of these funds is therefore a direct response to the recommendation in your Report, where you said that "solving this problem probably represents the most important issue facing scientific research management". I shall be announcing further details soon.

I turn now to your recommendation about the increased allocation for SERC and the reduced allocations for the ARC and NERC. I have had the benefit of a discussion with the ARC. I do not wish to dissent from the Board's view of scientific priorities which led to their recommendation about the size of allocations over the years 1983/84 to 1985/86. But I would ask the Board to consider in-detail with the ARC their plans for contraction in line with the allocations recommended for later years so that the Board is aware in formulating their advice to me for 1984/85 and 1985/86, of what science would have to contract or cease and of any insuperable problems facing the ARC. I am glad to note that the Board will be considering the implications of the recommendations in the ACARD Report on Food Technology that a Food Directorate should be established within ARC.

One aspect in particular continues to exercise me. I am aware, from a number of sources, that the Research Councils are having to reject a proportion of applications from universities for research grants that they would regard as being of alpha quality and would wish, if possible, to fund. Perhaps this has been the





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FROM THE SECRETARY OF STATE

1) Mr Roberts *14/12*

2) Pave Murlet

*R*

T Flesher Esq  
Private Secretary  
10 Downing Street  
London SW1

*14*

December 1982

*14/12*

*Dear Tom,*

ANNOUNCEMENT OF SCIENCE BUDGET  
ALLOCATIONS FOR 1983-84

*ms*

I am writing to give you notice of my Secretary of State's intention to make an announcement tomorrow of the science budget allocations for 1983-84. I enclose a copy of the draft announcement, which is to be made in the form of a written Answer.

*Yours ever,  
Inogen Wilde*

MRS I WILDE  
Private Secretary

DRAFT

ANNOUNCEMENT OF SCIENCE BUDGET ALLOCATIONS 1983-84 : DECEMBER 1982

PARLIAMENTARY QUESTION AND ANSWER

QUESTION: to ask the Secretary of State for Education and Science how the Science Budget for 1983-84 would be distributed between the research bodies, and if he will make a statement.

ANSWER: SIR KEITH JOSEPH -

Having considered the recommendations of the Advisory Board for the Research Councils, I have decided that the Science Budget for 1983-84 should, subject to approval by Parliament of the Estimates in due course, be allocated as follows:

	<u>1983-84</u>	<u>£m (cash prices)</u>
Agricultural Research Council		46.0
Medical Research Council		113.7
Natural Environment Research Council		62.5
Science and Engineering Research Council		254.5
Social Science Research Council		22.4
British Museum (Natural History)		12.7*
Royal Society		5.0
		<u>516.8*</u>

\* Including expenditure of £3.3m by PSA on behalf of the Museum.

The advice I received from the ABRC this year was published, with my agreement, and I <sup>set out below</sup> attach the text of a letter I have sent to Sir Alec Merrison, Chairman of the ABRC, in response.