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PRIME MINISTER

HOUSE OF COMMONS EDUCATION, SCIENCE AND ARTS COMMITTEE REPORT:
THE FUTURE OF THE SCIENCE BUDGET: GOVERNMENT REPLY

1. I write to seek your agreement, and that of our Ministerial colleagues concerned, to publication of the proposed Government reply to this Report, as a Command Paper; a copy of the text is enclosed with this minute. It has been the subject of wide consultation at official level.

2. I think the reply must be published before the recess. I should therefore be grateful to hear from colleagues soon that they are content with the text - if possible by 8 July.

3. Copies of this letter and enclosure go to John MacGregor, Geoffrey Howe, Michael Jopling, Nicholas Ridley, Norman Fowler, Peter Walker, George Younger, Paul Channon, Norman Tebbit and to Robert Armstrong and John Fairclough.

K.B.

24 June 1986

Department of Education and Science

GOVERNMENT RESPONSE TO FIRST REPORT FROM THE EDUCATION, SCIENCE AND ARTS
COMMITTEE: SESSION 1984-85: THE FUTURE OF THE SCIENCE BUDGET

INTRODUCTION

1. The Government welcomes this first Report from the Committee on the Science Budget and the science base, as recognising their importance and the significance of this expenditure by the Department of Education and Science; and as contributing to public understanding, awareness and debate. It notes, in particular, three of the Committee's main conclusions (para. 70) viz:

"1. The economy of a modern industrial state depends especially on the efficiency with which it can exploit science and technology and that basic or pure research, and related strategic research, is essential to this purpose.

3. The basic and strategic research supported by the Science Budget is of particular importance because it is this source, in combination with universities and polytechnics, which provides the science base for the development of new industry and advanced skills.

8. The Research Council system has served the nation well in the past and can do so in the future provided it has adequate resources."

The Government concurs in these conclusions, and shares the broad aims of the Committee's recommendations:- the desirability of securing the best possible value from the Science Budget; of sustaining and strengthening the dual support system under a single DES Minister with scientific and higher education responsibilities; and of improving the co-ordination, within Government, of policies and expenditure for research and development.

2. The Department has recently (Hansard 11 March) set out the aim and objectives of its science policy:

"- To maintain and enhance the strength and quality of the science base in higher education and the Research Councils.

Consonant with this, the objectives are to encourage

- greater concentration and selectivity of research activities;
- closer and better working with industry and commerce;
- more funding from private sector sources;
- better management yielding greater value for money;
- increased flexibility enabling faster response to new scientific opportunities;

and to keep under review the balance between international and national scientific endeavours:

thereby

- to strengthen the knowledge and skills of the United Kingdom in science and technology;

and

- to improve the efficiency, competitiveness and innovative capacity of the United Kingdom."

3. The Government alone cannot realise these aims and objectives; it is for the science community and its institutions - the universities and the Research Councils, the UGC and the ABRC - to act. They are responsible for addressing these matters in detail when they decide how to spend public money. The Government acknowledges and commends the positive and constructive way in which the scientific community has responded. Significant progress has been made on each objective as exemplified by: the new UGC policy on selectivity; the rationalisation of sites by the Research Councils; the steadily growing collaboration between universities and industry, with external funding for universities rising by a third between 1980/81 and 1983/84; developments in Research Council collaboration and contracts with the private sector; the sharpening formulation of Council priorities as a basis for

their published corporate plans; the major restructuring being undertaken by Councils; the new initiatives taken in response to scientific opportunity and national needs, as in food science, molecular medicine, atmospheric chemistry, geology of the sea bed, opto-electronics, and the leading world development of the new SERC spallation neutron source ISIS.

4. The Government sees in these achievements evidence of the sustained high quality of UK science. It reaffirms what is said in the Green Paper on Higher Education. It values the general cultural benefits of research; it sees the universities as the principal guardians of pure academic excellence and the main source of creative research; they have, and will retain, the chief role within higher education in fundamental research. But it reaffirms the aim, for the science base, of helping to improve the efficiency, competitiveness and innovative capacity of the United Kingdom economy. And it sees a continuing need for attention to quality; to selectivity and the priorities that underlie that; and to a productive relationship with the users of its results and its trained manpower. The expenditure devoted to the science base will be judged against these dimensions, as well as in the wider context of policy on public expenditure. This is the context in which the Government has addressed the Committee's detailed recommendations.

THE COMMITTEE'S RECOMMENDATIONS

5. The Committee grouped its recommendations into three main headings (page iii of the Report); this response sets out, and comments on, each group of recommendations in turn.

I RECOMMENDATIONS DIRECTED TOWARDS INCREASING THE AMOUNT OF THE SCIENCE BUDGET THAT "BUYS SCIENCE"

(i) Superannuation: The Superannuation costs of the Research Councils' staffs should be funded as a separate item on the DES Vote, and should not be met from the Science Budget (para. 64).

(ii) Restructuring: The Department of Education and Science, in consultation with customer Departments and the Treasury, should revise the formula currently used to calculate Research Council charges for commissioned research, so as to require Departments to pay a fair proportion of the costs of any substantial changes in requirement, or cancellation (para. 65).

The DES, jointly with the Advisory Board for the Research Councils, should review the consequential costs of Departmental cancellations to the Research Councils in recent years and an amount equivalent to those costs should be made available by way of grant-in-aid to the Research Councils concerned to assist with restructuring. This sum should not form part of the normal Science Budget allocation (para. 65).

(iii) International subscriptions: The major part of the cost of international scientific subscriptions should be borne on a Departmental (in most cases Foreign and Commonwealth Office) Vote, but a proportion should continue to be borne by the appropriate Research Council (para. 66).

6. In these recommendations the Committee identifies three elements of costs which it believes should be met from outside the Science Budget, on the grounds that this would increase the amount of the Science Budget that would "buy science". This belief derives partly from considerations of the nature of such costs, and their appropriateness for consideration within a "science" context, but also from the implied assumption that if these elements were transferred outside the Science Budget they would be met by a new and additional source of funds.

7. The Government would make two general comments. First, the Government accepts that the cost structure of supporting science is complex. There are some costs that can be seen as directly buying science and others where the link is less direct. Nevertheless, these other costs still arise as a consequence of supporting scientific work; and, wherever the responsibility lies for meeting them, they must be subject to scrutiny.

8. Secondly when, within Government, the case is accepted for a transfer of responsibility for some elements of a programme from one vote to another, this transfer of responsibility is normally accompanied by a transfer of funds. While the receiving organisation will continue to operate within the framework of overall government policy and will continue to take account of other Departments' views, transfer of responsibility implies that the receiving organisation will be responsible in the first instance for determining whether or not the level of funding should stay the same, increase, or decrease, in relation to its own priorities and cash limits. The activities supported by the Science Budget would only benefit from the recommendations of the Committee if there were no transfer of funds, and if it were guaranteed

that increases in cost in relation to transferred responsibilities would be met. This would amount to an increase in expenditure on these activities and further automatic increases thereafter.

9. The Government's mechanism for determining the size of the Science Budget is through successive annual public expenditure surveys, in the light of advice submitted to the Secretary of State for Education and Science by the ABRC. When giving its advice the ABRC takes into account the financial pressures on the Science Budget from various sources, and relates these to the level of scientific activity which it considers should be supported. The financial pressures it has identified in the past have included those indicated by the Committee in its recommendations. Thus the mechanism already exists for the Government's attention to be directed towards difficulties arising from these considerations, and the Government's decisions on the size of the Science Budget in the past have been influenced by them. The Government regards this, in principle, as the right approach. The case for departing from it for particular cost elements would only be compelling if the science-related aspects of those elements were of less relevance. With that in mind the Government's comments on the three elements of costs identified by the Committee are as follows.

SUPERANNUATION COSTS

10. Superannuation costs arise from decisions on levels of staff recruitment and retirement policy taken by the Research Councils themselves as employers. Their employment of scientists and necessary support staff flows from their scientific judgement of what is needed and can be afforded within their prospective financial allocations. The Government considers that, in exercising this judgement, it is right for the Councils to have regard to the total financial costs of employment, both salary costs and pension costs, and that these should continue to receive attention within the context of the Science Budget as described in paragraph 9.

RESTRUCTURING COSTS

11. Similar arguments apply to restructuring costs. The Select Committee distinguishes restructuring costs that arise from restructuring to meet new scientific opportunities, and restructuring costs arising from changes in Departmental commissions (para. 65). In both cases, however, the origin of the changes lies in a reordering of priorities. The costs of restructuring

may not buy science directly but they are an unavoidable cost of undertaking science on a continuing basis. The need, which both parties already recognise, is for the Research Councils and commissioning Departments to build into their plans and organisational framework the flexibility to deal with change.

12. In relation to commissioned research this means a clear recognition by all parties of the logistical implications of programme changes and the maintenance of close contact between Research Council and commissioning Departments. The parties need to develop jointly plans which allow any changes that may be needed to be linked to the capacity of Research Councils to respond over a reasonable period of time. The charges for commissioned work are already intended to cover full economic costs. As to contracts (a relatively little used mechanism), if a Department were to cancel an existing contract the contractual arrangements allow for appropriate consequential costs to be met.

13. The Government recognises that problems can arise when existing structures are not flexible enough to cope with rapid change, and the prospect arises of other areas being damaged by the need to make the necessary adjustments. In such cases it would expect the ABRC to bring the problem to the Government's attention for the Government to consider whether additional funds should be made available, having regard to its existing plans for the Science Budget and for public expenditure in general. This is the basis on which the size of previous years' budgets has been determined. The Committee recommends that the consequential costs of Departmental cancellations to the Research Councils in recent years should be reviewed, and an additional sum made available to the Research Councils on that account. The Government cannot accept that past years' settlements can be reopened in that way. This does not, of course, preclude the ABRC from offering advice that additional funds are needed - on these or other grounds - in future and indeed one element of its advice in 1985 was that neither AFRC nor the Science Budget as a whole were able to absorb the consequential costs of the MAFF reductions in commissioned research schedules for 1986-87 and 1987-88. The Government accepted this advice, and added £2.38M to AFRC's grant-in-aid in 1985-86 by a Supplementary Estimate; and intends to augment it similarly (though the amounts will differ) in 1986-87 and (by adjusting the Council's planning figures) in 1987-88 and later years.

INTERNATIONAL SUBSCRIPTIONS

14. On international subscriptions the Select Committee argues that - although the prime rationale for international cooperation is and should be scientific - there are nevertheless other factors, relating to Government international obligations and exchange rate variations, which lead them to recommend that the major part of the cost should be borne by other Departments, in most cases the Foreign and Commonwealth Office.

15. The Government recognises that there are a range of factors which bear on subscriptions to international scientific organisations. The prime reason for participating is normally scientific, and the responsibility for assessing the scientific case in relation to other claims on the Science Budget rests with the Research Councils and ABRC. Where the Government belongs to such an organisation it will necessarily need to become involved in the overall assessment. An example concerns international agreements on CERN. The Kendrew Report, jointly commissioned by the SERC and the ABRC, came to the conclusion that some of the UK funds devoted to high energy particle physics, of which the CERN subscription was a major part, would be better deployed in other areas of science. The Government accepted the scientific recommendation; and also accepted that it had a responsibility to discuss with other Governments how savings could be achieved and their implications for CERN. Thus although, as the Select Committee recognises, the Research Councils are not free to act entirely independently in international matters that affect Government, the Government accepts that it should respect scientific judgements and determine its actions in the light of those judgements.

16. Another example of how existing mechanisms work relates to the subscription to the NATO science programme. It was agreed in 1985 that the prime rationale for this subscription lay in the Treaty obligations to NATO, rather than in the scientific programme which the subscriptions funded. It was accepted that, while the quality of the scientific work was good, had these funds been freely available for redeployment within the Science Budget they would probably have been directed to areas judged to be of higher scientific priority. In the circumstances it was agreed that it would be more appropriate for the FCO to take over responsibility for the subscription. This was implemented for the 1986-87 financial year, with a corresponding transfer of funds from the Science Budget to the FCO - £1.98M in 1986-87, to be revalued in later years by the uplift factor.

17. The Government also recognises that abrupt increases in international subscriptions, arising from exchange rate changes or GNP changes working through in the formulae used to determine national contributions, can create difficulties. When problems do arise the Government would, in the first instance, look to ABRC for advice on the problems caused. In 1983 a particular problem arose with a sudden increase in the CERN subscription paid by SERC. This led to the formation of an inter-departmental working party which considered what action should be taken. It was agreed that SERC (and MRC) should have increased flexibility, by being able to carry over 4% of their international payments from one year to the next; and that SERC should be free to buy currencies forward to meet international obligations. It was also agreed that consideration could be given in annual public expenditure surveys to providing additional funds to meet increased costs from this source. In 1984 additional funds were made available.

18. The Government view is that it would be inefficient and confusing to share the cost of international scientific subscriptions between two votes on the basis of a distinction between scientific responsibility and international obligations. Present arrangements are preferable in that they leave clear responsibility with one Department able to take account of all factors including the views of other Departments and the ABRC. As a general rule for international scientific subscriptions funding responsibility should go together with scientific responsibility. This does not rule out, however, contributions from Government Departments to Research Council programmes on scientific grounds, and there will be occasions when joint funding for such reasons is appropriate.

II RECOMMENDATIONS RELATING PRIMARILY TO DUAL SUPPORT

(i) The "dual support" arrangements, upon which the effectiveness of a significant part of Science Budget expenditure depends should not be undermined or weakened by the reduction of university research funding towards the provision of "well found" laboratories or departments (para. 69).

(ii) Provision for advanced equipment in higher education institutions should be coordinated with provision of equipment to meet Research Council requirements (para. 69).

DUAL SUPPORT

19. The Government shares the Committee's view (para. 67) of the continuing importance of the contribution of the universities to producing highly qualified manpower, maintaining vigour and vitality in research, and stimulating innovation. The Government's aim, as set out in 'The Development of Higher Education into the 1990s' (Cmnd. 9524) is that the contribution of the higher education system to the nation's research effort should continue on about the present scale (para. 5.3). But the universities, like any other organisation spending the taxpayer's money, have a responsibility to strive year by year to operate with greater economy and efficiency. In these circumstances, as the Committee recognises, the effectiveness of the "dual support" arrangements can only be sustained if the distribution of funds by the UGC pays more attention to the establishment of research priorities and the identification of institutes and departments where particular areas of research should be fostered. With Government encouragement and support the UGC has therefore embarked on a policy of selectivity in support of research which has underlain the allocation of recurrent grant to the universities for the 1986-87 academic year announced in May. The research element in these grants was allocated mainly on a formula basis in relation to institutions' income from the Research Councils and other relevant bodies, and partly on the basis of judgements about research quality that led to the ratings of individual Departments that were also communicated to institutions in May. In forming these judgements the UGC had available universities' own assessments of their research strengths and priorities, prepared as part of the UGC's planning for the late 1980s and was also able to draw on the advice of the Research Councils and of distinguished members of other learned bodies.

ADVANCED EQUIPMENT

20. There are already a considerable number of informal and formal links between the Research Councils and the UGC in relation to provision of advanced equipment:

- (i) The main source of funds within universities for advanced equipment is the annual equipment and furniture grant from the UGC. This amounts to £95.1M in 1986-87. This is allocated by the UGC as a block grant to individual universities, which are responsible for deciding how to spend it. In doing so they have to have regard to the needs

of both teaching and research. There is a considerable flow of information about research provision between university departments and the Research Councils, derived from research grant applications; and the relationship between university-provided equipment and Research Council-provided equipment is an important aspect of the assessment of grant applications.

(ii) Over the four years 1985-86 to 1988-89 the Government has provided in all an additional £34M for selective equipment grants to allow research equipment in selected departments to be upgraded. These funds are being allocated by the UGC on the advice of a special committee which includes Research Council and Royal Society representation.

(iii) Capital grants for computing and communications equipment in universities are provided by the Computer Board, and about £15M will be allocated in 1986-87. In formulating its policies and in assessing the needs of the universities the Board has access to Research Council advice, and in turn advises the Councils on their requirements. Many studies, such as the recent Forty Report on Future Facilities for Advanced Research Computing are undertaken jointly with the UGC and ABRC and the Research Councils. Arising from the recommendations of this report, additional funds have been provided by Government to enhance the Joint Academic Computing network (JANET); and the ABRC, with help from the Computer Board and the UGC, has decided to recommend the use of Science Budget funds to provide a substantial increase in advanced research computing (super computing) capacity for the UK academic community. The Government has accepted this recommendation. A Cray XMP 48 super-computer has been purchased for just under £14M, to help to meet the advanced computing needs of the universities and other institutions of higher education and of all of the Research Councils. It will be installed at the Atlas Centre at the SERC's Rutherford Appleton Laboratory during the first quarter of 1987, with broadly based control by the user bodies.

III MAIN RECOMMENDATIONS RELATING TO THE FUNDING OF THE SCIENCE BUDGET AND TO THE APPROPRIATE STRUCTURE FOR THE ORGANISATION AND MONITORING OF RESEARCH AND DEVELOPMENT; WITH PARTICULAR REFERENCE TO THE ABRC AND ACARD

(i) Funding: Annual increases in the Science Budget should, for the time being, be at least 3 per cent above the general movement of prices indicated by the GDP price deflator (para. 72).

(ii) The Organisation of Research and Development: The Government should reconsider the establishment of a body similar in scope to the "Council on Science and Technology" recommended by the House of Lords Select Committee on Science and Technology in 1981; but based upon the Advisory Board for the Research Councils (ABRC) and subsuming both that Board and the Advisory Council for Applied Research and Development (ACARD) and the functions of both bodies (para. 80).

FUNDING

21. The Committee acknowledges that the Government, in the light of advice from the ABRC, has found new resources for the Science Budget. Between 1981-82 and 1985-86 the Science Budget has increased in real terms by 6% measured against average inflation (GDP price deflator) that is, a little more than 1% per year. In its 1985 PES advice, the ABRC recommended that additional sums of £15M in 1986-87, £30M in 1987-88, and £45M in 1988-89 should be found on top of existing planning figures. The Government accepted the ABRC's advice in full for 1986-87, and made an addition of £15M to the Science Budget in that year and succeeding years. Thus on present plans, and assuming the same deflator, the Science Budget will broadly maintain its value to the end of the decade. The case for further increases in 1987-88 and later years will be reviewed later this year in the light of advice from the ABRC.

22. The following table shows the movements, on present plans, from 1979-80 to 1988-89.

SCIENCE BUDGET 1979/80-1988/89, CASH AND INDEXED IN REAL TERMS USING THE GDP DEFLATOR: 1985 PUBLIC EXPENDITURE SURVEY PLANS

FY	Expenditure on Research Councils etc £M (cash)	Index of Expenditure in real terms (1979/80 = 100)
1979/80	340 (outturn)	100
1980/81	393 "	97.3
1981/82*	451 "	101.6
1982/83	482 "	101.4
1983/84	516 "	103.9
1984/85	550 "	106.2
1985/86	584 (estimated outturn)	107.4
1986/87	614 (planned expenditure)	108.0
1987/88	628 " "	106.8
1988/89	644 " "	106.3

*from 1 April 1981 £14M (cash) was transferred back to the Science Budget (MRC) from the Health Departments

23. The Committee points out that some of the cost increases that the Research Councils face currently exceed annual inflation; but these cannot be considered in isolation from the rest of Research Council expenditure, some of which is likely to be increasing at less than the average rate of inflation. Although the ABRC has made estimates of the reduction in purchasing power of the Science Budget on various assumptions, it has also acknowledged that these need to be extended and refined. The Committee itself acknowledges (para. 72) that a specially compiled "Science Budget index" would be needed to measure more accurately the increased costs of research; even then it would be difficult to disentangle the costs of continuing a given level of scientific activity from the costs of increasing that level, which may be the price of working in the forefront of a given subject.

24. The Committee recommends that annual increases in the Science Budget should be at least 3% above the general movement of prices indicated by the GDP price deflator for five years, and then be reviewed. The Government is not prepared now to make such a commitment over such a period. The level of the Science Budget will need to be reviewed each year in the light of a wide range of considerations including the calls on public expenditure in other areas, what the taxpayer can afford, and increases in national wealth, as well as the growth in needs for, and demands of, science. Such reviews have in recent years resulted in real growth in the Science Budget, as may be seen in the Table above. This growth has been matched by real progress by the Research Councils and universities in rationalising their use of resources and getting better value for money.

25. As to future reviews, the Government is more likely to be persuaded of the value of increasing public investment in science if the scientific community, and the users of its products, can point to increasing economic and social benefits, and in particular to prospects for increased national wealth. This is not to imply that the Government questions the value of scientific enquiry for its own sake, or the unpredictable market benefits that certainly will arise from knowledge and understanding gained from research. It is simply to recognise that the test for any public expenditure programme is not how much money is spent but what it buys. Resources are limited, and increased public investment in science is the more clearly justified when the nation can reasonably expect a return in terms of increased wealth generation. All countries in the developed world are facing up to the dilemma that the growth in scientific opportunities, and hence in demands for expenditure, are outstripping the ability of finite national budgets to pay for

it. It is therefore increasingly important that priorities are clearly determined so as to secure the best possible advantage from these opportunities. There has to be a sound and high quality scientific base to support the economy of a modern industrial state; but the "right" amount of money to be spent on supporting that base is necessarily a matter for judgement rather than exact calculation.

ORGANISATION

26. The Committee acknowledges (paras. 13 and 14) the view of successive Governments that individual Departments should have the responsibility for supporting scientific R and D which contributes to the achievement of their policies in their areas. Thus the Secretary of State for Education and Science directly funds educational research for his own Departmental purposes. But his responsibilities for the science base, expressed through the funding of the universities and the Research Councils, are quite distinct; the science base serves the whole of the economy. This functional diversity is one of the reasons why there is no single Minister or Department responsible for scientific R and D through Government; and why, as the Committee noted (para. 13) the coordinating role belongs to the Prime Minister. It does not follow, as the Committee suggests, that the "Research Council system" and the Science Budget are not part of a more comprehensive system, or that each body engaged in R and D does not have a clear role. It does follow that the "system" is complex, with widely distributed responsibilities for decisions and management; and the Government considers that there are strengths in this.

27. The Government acknowledges, however, that such a decentralised system makes it particularly important to have effective links between the different elements and has taken a number of steps to improve those links. These include the establishment of a Chief Scientific Adviser in the Cabinet Office to advise the Prime Minister and the Cabinet, one of whose roles is to chair a Committee of Chief Scientists. Through the Chief Scientific Adviser the Government also publishes an "Annual Review of Government Funded R and D" which gives details of R and D programmes and expenditures across Government Departments. This Review is being increasingly used within Government as a basis for collective consideration by Ministers of the balance of effort in different areas of R and D supported from public funds, and thus acts as a focus for a strategic consideration of priorities.

28. The Committee dwelt specifically on the roles of ABRC and ACARD and recommends that they be subsumed in one body, based on ABRC. The Committee describes the roles of ACARD and ABRC in paragraphs 18-23 of its report; its recommendation for a merger derives from its belief that the House of Lords Select Committee was correct in recommending in its report in 1981 that the UK suffered from "the lack of a body overseeing the whole of scientific endeavour, not least the relevance of Science and Technology to Government policies, provoking strategic thinking and encouraging conditions in which research of quality can flourish and results get assimilated and exploited."

29. In its response to the House of Lords Committee (Cmnd. 8591, para. 7) the Government accepted the need for high-level independent advice, but considered that the improvement in the central advisory machinery should mainly be achieved by encouraging ACARD and ABRC to broaden their fields of study so that there was no gap in the coverage of the research spectrum. The Government therefore gave ACARD the revised terms of reference, which the Committee has set out in paragraph 18 of its report.

30. The Government's view continues that ABRC and ACARD have necessary but distinct, and different roles to play in the machinery of Government:

(i) The ABRC advises a single Departmental Minister - the Secretary of State for Education and Science - on his responsibilities for civil science on the overall resources that should be made available for the Science Budget, and on the distribution of those resources amongst the Research Councils and the other bodies funded through the Science Budget. In exercising this responsibility it needs to assess the health and the needs of the science base, progressively to refine and deepen that assessment, and to develop an understanding of each Research Council's programme and future plans.

(ii) ACARD's role is the much broader one of advising the Government on "applied research, design and development in the UK"; its sphere of interest includes public and private sector R and D; and it reports directly to the Prime Minister. It does not directly advise any Departmental Minister on the adequacy and the distribution of funds for his Departmental programmes.

31. There is, properly, some common ground between the two bodies. The ABRC has an explicit responsibility for promoting the close liaison between Councils and the users of their research. ACARD advises the Government on the coordination, in collaboration with ABRC, of its activities with research supported through DES. It is essential that there should be close links between them. But their roles are nevertheless distinct, and they must organise their work differently to fulfil these roles. The Government sees a continuing requirement for both bodies, although with continuing closer collaboration in areas of common interest.

32. The Government will continue to encourage such collaboration. In its response to the House of Lords Select Committee (Cmnd. 8591 para. 9) the Government outlined arrangements for a joint secretariat between the two bodies and for periodic joint reports from the two Chairmen. Since then additional arrangements have been agreed which will improve further the links between the two bodies. These are:-

(i) cross-representation of the Chairmen on the two bodies. There is already cross-representation through the Chief Scientists of relevant Departments, and through the Chief Scientific Adviser, Cabinet Office;

(ii) membership of sub-groups and working parties to take account of the interests of both parties. For example, representation by the Research Councils, where appropriate, on ACARD working groups;

(iii) for the ABRC to prepare its own comments on the Annual Review of Government Funded R and D, tendering advice as appropriate through the Secretary of State for Education and Science, in parallel with ACARD's advice to the Prime Minister.