

2007 Pre-Budget Report and Comprehensive Spending Review

Department for Innovation, Universities and Skills

Increased funding for science, research, innovation, skills and higher education

To ensure the UK has the skills, science and innovation base it needs to prosper in the increasingly competitive global economy, the 2007 CSR announces 2.2% annual average real growth for the Department for Innovation, Universities and Skills, taking its total budget from £18.0 billion in 2007-08 to £20.8 billion by 2010-11.

Over the CSR07 period spending on the public science base will rise by an annual average rate of 2.5 per cent in real terms to £6.3 billion by 2010-11. This meets the Government's 2004 commitment to increase investment in the public science base in line with GDP growth. It will deliver increased investment in basic research, creating new ideas and new economic opportunities. As part of this settlement the Medical Research Council will contribute £682 million to the £1.7 billion single health research fund that will be managed by the Office of Strategic Health Coordination, fully funding the recommendations of the Cooksey Review.

The 2007 CSR enables total public funding of over £1 billion for business innovation led by the Technology Strategy Board over the CSR period including co-funding of at least £120 million committed by the Research Councils, and co-funding of £180 million committed by the Regional Development Agencies.

To deliver the workforce we need, and to ensure that every individual has the opportunity to succeed, the 2007 CSR confirms that DIUS will increase spending on Higher Education and adult skills by an average of 2.0 per cent a year in real terms, rising from £14.2 billion in 2007-08 to £16.4 billion¹ in 2010-11. This will include funding for Higher Education to enable:

¹ This includes DIUS funding for research and knowledge transfer in English Universities

- greater and wider participation in higher education as funded student numbers rise to around 1.2 million by 2010-11 – 50,000 more than now; and
- two thirds of students to qualify for non-repayable grants with over 250,000 students benefiting by 2010-11.

The 2007 CSR enables the Government to make real progress against the Leitch ambitions for world-class skills, including:

- a significant rise in the number of adults gaining qualifications at all levels between 2008 and 2011; and
- expansion of the employer-led Train to Gain programme, taking expected investment to more than £900 million a year by 2010-11.

The Department for Innovation, Universities and Skills (DIUS) was created by the Prime Minister in June 2007 to drive forward delivery of the Government's long-term vision to make Britain one of the best places in the world for science, research and innovation, and to deliver the ambition of a world-class skills base.

John Denham, the Secretary of State for the Department for Innovation, Universities and Skills said

“ DIUS exists to enable adults to develop their skills and knowledge to the full extent of their ability; to deliver world class research and scholarship; and to ensure we make the full use of that research in making Britain the best place in the world to build an innovative business. This settlement enables us to make real progress in each of these areas. In doing so we will build a strong economy and a cohesive society that can meet the global challenges of the 21st century.”

NOTES FOR EDITORS

1. The creation of DIUS was announced by the Prime Minister in June 2007, bringing together science and innovation from the former Department of Trade and Industry and Higher Education and Skills from the former Department for Education and Skills.
2. The Technology Strategy Board became an executive Non-Departmental Public Body of DIUS on 1 July 2007 in line with recommendations arising from the Sainsbury Review.

3. The additional funding provided by this CSR settlement will be accompanied by value for money reforms realising annual net cash-releasing savings of at least £1,543 million by 2010-11.

Table

Innovation, Universities and Skills baseline and additions				
	£ million			
	Baseline	Additions		
	2007-08	2008-09	2009-10	2010-11
Resource DEL	16,039	849	1,610	2,654
<i>of which near-cash</i>	14,471	545	1,135	2,067
<i>of which administration</i>	72	-2	-3	-5
Capital DEL	2,057	-67	148	203
Total DEL¹	17,986	747	1,706	2,792
	£ million			
	Estimate	Projections		
	2007-08	2008-09	2009-10	2010-11
Total UK science spending ²	5,397	5,608	5,903	6,287
<i>of which:</i>				
<i>DIUS science budget</i>	3,383	3,525	3,746	3,971
<i>DIUS funding for research and knowledge transfer in English Universities</i>	1,655	1,710	1,775	1,926
UK science spending as a proportion of GDP (per cent)	0.38	0.38	0.38	0.39

¹ Full resource budgeting basis, net of depreciation.

² Actual outturns are subject to spending decisions by the devolved administrations. Excludes non-cash items.

For further details of DIUS's settlement and Departmental Strategic Objectives for the CSR07 period, please see *The 2007 Pre-Budget Report and Comprehensive Spending Review: Meeting the aspirations of the British people* at:

www.hm-treasury.gov.uk/pbr_csr/pbr_csr07_index.cfm

The Government today announced 30 cross-departmental Public Service Agreements, setting out the top priorities for the CSR07 period. For further details on these please see:

www.hm-treasury.gov.uk/pbr_csr/pbr_csr07_index.cfm

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