

The Foundation for Science and Technology Meeting 10th July, 2007

Changes to the Machinery of Government
Department for Innovation, University and Skills (DIUS)

Phil Willis MP,
Chair, House of Commons Science and Technology Select Committee

THIS SPEECH SHOULD BE READ WITH THE SLIDES THAT APPEAR AT THE END OF THIS DOCUMENT.

I would firstly like to compliment The Foundation for Science and Technology for putting on this evening's debate so swiftly after the Departmental changes announced a mere 10 days ago.

It seems that you either had immense foresight or a tip off!

In any case it is **important that we have an opportunity to influence the way the new Department prioritises its agenda** and to do that forums like the FST are hugely influential.

And I thank you for the opportunity to contribute.

Of course Departmental change is hardly a new phenomenon for the science community.

Indeed it appears that successive governments have wrestled with the challenge of **where to place science within government and what influence it should have within policy formulation.**

It is **unfortunate that all too often it takes some national or international disaster to convince politicians that science has a fundamental role to play** – as was the case with BSE and FMD – and as increasingly the case with energy and the environment.

It is also a given that no change of departmental structures will win universal approval – all one can reasonably hope for is that the proposals **reflect current national as well as political priorities.**

Departmental change no matter how plausible will suffer if it is seen to be born of political expediency rather than national priority.

The break up of the Home Office being a graphic example.

And indeed **many in the room this evening will remember the almost universal condemnation** of the move in 1995 to take the **Office for Science and Technology** out of the **Office of Public Service and Science** in the **Cabinet Office** and place it in the DTI.

By contrast the proposal to set up DIUS comes not from any sense of failure or political frustration towards OSI but from the stark realisation that our **economic, social and cultural well being will depend on the UK having a stronger focus on science, innovation and skills.**

The Prime Minister's vision is ***“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.”***

Is hardly a vision anyone here tonight would challenge.

And it is because a) reorganisation is not as a result of failure and b) is seen as a coherent response to a coherent challenge from business, academia and politics that there has been almost universal support for DIUS.

The response to creation of DIUS:

Sir Keith O’Nions has given a very clear resume of the new structures and **let me quite unashamedly thank Sir Keith and Professor Sir David King** for their hugely important work at the OSI.

I suspect that science would not have the same high profile in the new Department without their efforts – **building, I should add, on the work of their distinguished predecessors.**

It is therefore somewhat surprising that the word **‘SCIENCE’** has not appeared in the title? An observation made so admirably by Lord Rees on behalf of the Royal Society.

Surely if science is to play such a crucial role then it not only needs to be represented at the cabinet table – but should be proclaimed as the central focus of this new department.

Extending the title to **DEPARTMENT OF INNOVATION, UNIVERSITY, SCIENCE AND SKILLS** would send out the strongest of signals to UK PLC that science is central to almost every aspect of public policy.

So what are the challenges that face DIUSS and how easy will they be to meet?

Of course the devil is always in the detail and it may well be that in the course of this evening Sir Keith and others can **assuage some concerns** but let me present a few for purposes of debate.

1. Leitch proposals on skills
2. FE sector
3. Department for Children, Schools and Families
4. Funding of research and future of Dual Funding mechanism.
5. Basic versus translational research
6. The dominance of the University sector
7. Department for Health and other Government Departments.
8. Scrutiny of Science

I stress that these are not in any specific order of importance though you will notice that all are inter-dependent and require formal and informal communication links.

The Separation of Science from Business:

Inevitably there are concerns about the possible disconnecting of science from business and no doubt guests this evening will wish to probe this.

“We are cautious about the separation of science and industry, as the UK needs to become better when it comes to the economic exploitation of science. Our creation and use of knowledge in the years ahead will define our ability to compete in tomorrow’s global economy.”

Richard Lambert Director-General CBI

“The question of innovation will fall between DIUS and DBERR and become the victim of the machinery of government”

NESTA (*Business Enterprise Regulatory Reform*)

“Innovation and science should be located in the same ministry as enterprise and skills. I fear we will continue to be held back by the traditional interdepartmental boundaries”

David Brown – Chief Executive Institution of Chemical Engineers

Equally there are those who believe there will be an overemphasis of wealth creation goals to the exclusion of basic science and that not only the **‘medieval seekers of truth’** but **other areas of research** that do not have an obvious utilitarian use will see funding removed.

Perhaps a more pressing concern is whether, within a ring fenced science budget the drive to fund translational or 3rd stream activity will be at the expense of basic science.

“Will the headline funding statements be diluted by diverting some of the ring-fenced budget into other activity?”

David Hughes – MD Business Innovation Group

There is a need to address both these concerns **but they can be over exaggerated.**

The retention of the Technology Strategy Board and the key responsibility for delivering on the Leitch agenda in DIUS create a powerful platform for a positive link between research and industry.

Equally bringing Universities and the Research Councils together in the same Department for the first time since 1992 **emphasises the crucial role the university and basic research communities have in creating knowledge for the future economy.**

The almost universal support from Universities UK, The Russell Group, CMU, and the 1994 Group supports the view that the academic community sees DIUS as a positive move forward for science and innovation.

Concerns about loss of dual support:

Dual Support

Inevitably any reorganisation creates uncertainty over funding and the fact that HEFCE and RC Budgets have been brought under the DIUS umbrella has already raised speculation that some form of rationalisation will take place.

Indeed **Bob May** was perhaps mischievous when he commented to Research Fortnight that the new Department might rationalise its use of resources. However he was in many ways stating the obvious!

“the idea of having two altogether separate mechanisms – each elaborate and time consuming – when they end up demonstrably putting money in the same place at the institutional level is the silly thing”

“opens opportunities to run the enterprise in a more sensible and integrated way. After all, the outcome of all this is pretty much a one-to-one correlation between the two things. So why do we have two processes?”

Lord Bob May – Former GCSA

Not surprisingly there is little support for the view that Dual Funding should be replaced, **and indeed Bob May made clear that the two strands were vital**, but the question tonight should be what are the advantages of **retention against streamlining** if more actual resource can be made available to our research groups?

“It is crucial that the integrity of the dual support system for funding research in universities with an unhypothecated stream of resource is not lost”

Drummond Bone – Universities UK President

I have to report from a conversation that I had with the Minister last night that such a move is NOT on the cards and indeed Gordon Brown assured the science community that Dual Support would remain in tact.

But watch this space!

And remember too that having all the funding streams under one roof may seem to have huge advantages - particularly when it comes to the next CSR but it also gives the Government unprecedented power to direct science as never before.

So watch that space as well.

So much for the conspiracy theories now for some immediate challenges.

Coordination between DIUS and DCSF (Children Schools and Families)

It is enormously beneficial to have TWO ministers with responsibilities for education and skills in the Cabinet and therefore coordination should be easier but it would be naive to believe that this will be straight forward.

Both Departments have huge and diverse portfolios and it will be all too easy to concentrate on departmental rather than national priorities.

A key challenge to DIUS will be to increase the number of students studying STEM subjects, vital to the science and engineering agenda,— yet to mechanisms to do so will be the responsibility of DCSF.

Without careful cross departmental planning it is not easy to see how DIUS could deliver on one of its core responsibilities.

The problem is amplified when examining the changes to the FE sector which will now have two masters, two funding streams and arguably an ever more impatient business sector to satisfy.

14 -19 education in Schools, FE and 6th Form Colleges will now be funded by LEA's which is fine for traditional GCSE and A level courses.

But the new 14-19 Diplomas aimed at improving vocational skill levels will also be funded via LEA's despite the fact that the courses are designed by business and require accredited by higher education for skills progression – a key aim of the Leitch Report and therefore a key responsibility of DIUS!

Just to add more confusion the Prime Minister wants all young people to stay in education or training until 18 and though the expansion will inevitably happen via the vocational skills route the responsibility for this initiative will rest with DSCF!

Meanwhile the rest of FE sector will be funded through the Learning and Skills Council whose own future is now seriously in doubt. Why I ask cannot HEFCE not be expanded to deal with FE as well?

Skills

For me one of the most challenging aspects for the new department will be delivering on the Leitch Report proposals, particularly the drive to achieve a 40% graduate workforce by 2020.

With the UK ranking 17/30 in the OECD for Basic Skills; 20th for intermediate Skills; and only 11th for graduate skills there is little doubt that raising skills levels must be a top priority for both DIUS and DSCF

Nothing new?

“by world standards the British workforce is uncompetitive”

Sir John Cassells - Chairman Manpower Services Commission 1990

But given that 1/6 currently leave school functionally illiterate and innumerate and that 70% of the 2020 workforce has already left school I cannot see how this is remotely possible without a huge investment in Level 2 and Level 3 qualifications in the workplace.

And as for level 4 ,unless we address the situation where young people from the poorest 10% of households are 6 times less likely to go to university than those from the 10% wealthiest households – we simply cannot succeed.

It may well be that initiatives like 'Train to Gain' and the Skills Pledge will turn more employers on to supporting their workforce with development of skills but will the government have the courage to make such a commitment mandatory in 2010 if voluntarism is not working.

And is it really the job of our universities to meet a workforce training pledge set by government?

I see some serious battles occurring round the cabinet table in the not too distant future.

Let me conclude by raising an issue close to my heart and one where I have been staggered by the response of the science community – that of scrutiny of science across government by the **Science and Technology Select Committee**.

SCRUTINY OF SCIENCE ACROSS GOVERNMENT

One of the potential casualties of the move of Office for Science and Innovation from the DTI into DIUS may be the loss of a dedicated Science and Technology select committee to scrutinise not only the work of the OSI and the Research Councils but the way government.

There will of course be a DIUS Select Committee but given the wide ranging responsibilities of DIUS – in particular universities and skills, **science scrutiny is likely to be squeezed and cross cutting science scrutiny may disappear altogether.**

Does it matter? After all Lord Broers and his Science Committee in the LORDS can continue to look at science in parliament.

Well yes it does. Without a committee who develop specialist knowledge to question ministers on space policy, marine policy, future legislation like hybrids and chimeras, the work of the Research Councils, etc etc science may well lose its current sharp focus.

What is more the Science and Technology Select Committee is a **vehicle for Learned Societies, NGO's, Professional Associations, Business and Academia to present views and opinions to parliament.** With all the good will in the world it is hard to see how the DIUS committee will be able to fully represent the science, technology and engineering community at a time when your voice must be heard.

Having said my peace I am still enthusiastic about the new arrangement and leave you with a commitment we received from the new Minister for Science Ian Pearson in the House yesterday.

"I understand that Dius was the Roman God of Oaths; I express a personal oath that science will run through and be at the heart of the new Department's policies. The hon Gentleman will not find us lacking in making sure that science is regarded as being of the utmost importance to our Department."

Thank you.

Changes to the Machinery of Government

The Creation of the DIUS

Phil Willis MP

Chair, House of Commons Science and Technology
Committee



Change of science in Government

“extremely concerned” Sir Ron Oxburgh, Imperial College

“It is clear that not a lot of deep thought has gone into this...” **New Scientist**

“Emerging as one of the most controversial decisions of taken by John Major” **FT**

“This is one step the government will come to regret bitterly.
Reducing science merely to a hand servant of industry is madness...”

David Triesman, now member of DIUS

“There is also concern that the move will inevitably undermine efforts... to use the OST’s central position within cabinet office to increase impact and awareness of science in all spheres of government” **Nature**



The Prime Minister's 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.”



Response to the creation of DIUS

“indicates that a Brown Government is serious about increasing the numbers in the workforce with higher-level qualifications” **Les Ebdon, CMU**

“The Russell Group welcomes the way the new department signals the importance of HE in helping to achieve the government's overriding objectives” *Wendy Piatt, Russell Group*

“Brown has clearly been reading our reports and pinching our ideas” *Ian Taylor, Conservative Party Policy*

“This is an exciting and forward-looking move, which we welcome” *Drummond Bone, Universities UK*

“The creation of a DIUS signals a new and much needed sense of urgency focused on the delivery of the right skills for our economic future” **Richard Lambert, CBI**

“The task of funding scientific research can sit comfortably alongside responsibility for universities... and innovation” **Lord Rees, Royal Society**



But why no science?

“We hope that the importance of maintaining UK excellence in science itself will be fully recognised. Indeed we would have preferred the word ‘science’ to have appeared in the new department’s title” **Lord Rees**



Science

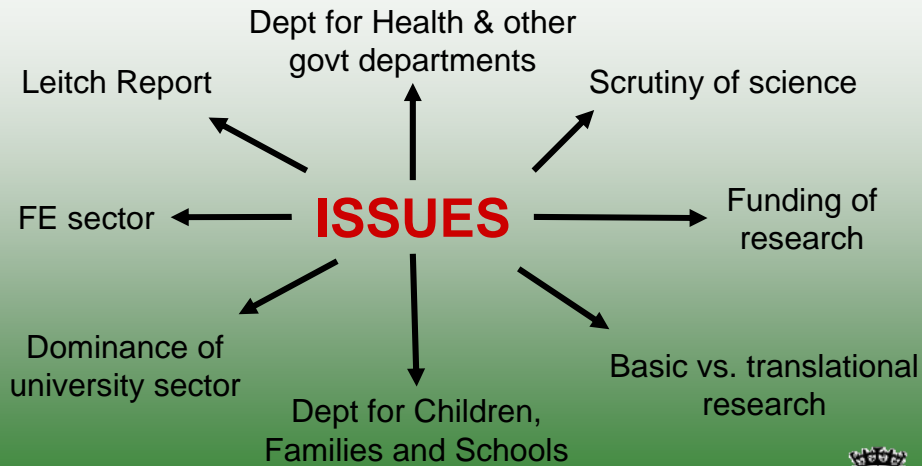


Department for Innovation Universities and Skills

DIUSS



What challenges face DIU(S)S?



Separation of Science from Business

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"The question of innovation will fall between DIUS and DBERR and become the victim of the machinery of government" **NESTA**

"Innovation and science should be located in the same ministry as enterprise and skills. I fear we will continue to be held back by the traditional interdepartmental boundaries" **David Brown, Chief Executive of the ICE**

"Will the headline funding statements be diluted by diverting some of the ring-fenced budget into other activity" **David Hughes MD Business Innovation Group**



Dual Support

“The idea of having two altogether separate mechanisms – each elaborate and time consuming – when they end up demonstrably putting money in the same place at the institutional level is the silly thing”

“Opens opportunities to run the enterprise in a more sensible and integrated way. After all the outcome of this is pretty much one-to-one correlation between the two things. So why do we have two processes?” *Lord Bob May, Former GCSA*

“It is crucial that the integrity of the dual support system for funding and research in universities with unhypothecated stream of resource is not lost” *Drummond Bone, UUK President*



Coordination between:

- Department for Universities, Innovation and Skills (**DIUS**)
- Department for Children, Schools and Families (**DCSF**)



Skills

UK is 17th out of 30 OECD for Basic skills.

UK is 20th for intermediate skills.

UK is 11th for graduate skills.

1 in 6 School leavers are functionally illiterate and innumerate.

“by world standards the British workforce is uncompetitive” *Sir John Cassells, Chairman Manpower Services Commission 1990*



Scrutiny of Science Across Government

“I understand that DIUS was the Roman God of Oaths; I express a personal oath that science will run through and be at the heart of the new department’s policies. The hon Gentlemen will not find us lacking in making sure that science is regarded as being the utmost importance to our department” ***Ian Pearson, Minister for Science and Innovation***

Thank you!