



Department for
Science, Innovation
& Technology

Department for Science,
Innovation and Technology
100 Parliament Street
London SW1A 2BQ

www.gov.uk/dsit

Dame Chi Onwurah MP
Chair of the Science, Innovation & Technology
Committee
House of Commons
London SW1A 0AA
chi.onwurah.mp@parliament.uk

4th July 2025

Dear Dame Chi Onwurah,

Thank you for your correspondence of 23 June and for your request for further information following the Department's Main Estimate submission and Spending Review announcements. I have responded to each point in order:

1. Estimates Subheadings

We note the request from the Select Committee for the Estimate subheadings to be restructured, to allow the Committee full use of the Estimates documents.

To ensure that the Estimate is transparent and informative for the reader of all future publications, the structure of departmental subheadings will be reviewed, with an intention to improve the detail of the capital spend.

Our reporting and administrative structures are complex and embedded within financial reporting systems, containing not only core departmental data but also those of the Department's Arm's Length Bodies. Any changes to integrated structures require consideration, consultation and impact assessment.

Whilst we are committed to implementing changes to provide more information in future Estimate publications, the Estimate guidance stipulates that such changes should be made in time for the start of the financial year, and not within year, where at all possible. The department will endeavour to provide disclosures no later than in the 2025-26 Supplementary Estimates.

My officials will engage with the Parliamentary Scrutiny Unit to work through the Committee's requirements and agree a plan to revise subheadings format as requested.

2. DSIT's Income Sources and Trends

We note the request from the Select Committee for a more detailed explanation of the Department's income sources and trends and plan to disclose within section 4.2 of the Supplementary Estimates Memorandum 2025-26.

We are revising our projections and assumptions during the current planning round and will provide a comprehensive analysis of income streams and sources with explanatory commentary.

We have reviewed our income policy against the Consolidated Budgeting Guidance and Managing Public Money and confirm in line with this that we retain dividend income when received as paid from current earnings.

We currently receive and retain dividends from the Intellectual Property Office (IPO), the Met Office and Ordnance Survey. We may receive dividends from other organisations, including National Physical Laboratory (NPL), Eutelsat / OneWeb, SaxaVord and Orbex, when specific conditions have been met.

3. Spending Review Allocation

Following confirmation of departmental funding settlements on 11th June, we will work quickly through the internal processes necessary for ministers to allocate funding across policy priorities and organisational boundaries. Announcements made on specific programmes at the Spending Review and Industrial Strategy will be funded, but the Research and Development allocations published in the Autumn will set out more detail on the annual funding envelopes across the period. We aim to confirm all budget allocations by the end of the calendar year, though these will be actively managed in the coming years to ensure delivery of commitments made.

We will confirm specific Resource and non-Research and Development Capital budgets through the Department's business planning process. The Committee should then refer to future Estimates for further detail on these allocations. As noted above, we are reviewing the structure of departmental subheadings to ensure that the Estimate is transparent and informative for readers.

4. Administrative Budget Reductions

Delivery of the required workforce to 2030 will be guided by the DSIT Strategic Workforce Plan, an internal working iterative document which ensures our workforce strategy and employee value proposition are aligned with departmental priorities and the Spending Review 2025 settlement.

The Department's agreed Spending Review efficiency savings, net £31.5m, will be delivered through four key areas of work covering integrating AI throughout our operating model, improving and expanding our shared services, increasing our organisational effectiveness and streamlining our Arm's Length Body sponsorship. Increasing our organisational effectiveness covers several interventions, including streamlining and reducing duplication e.g. shadow corporate processes and functions, getting great value out of our commercial contracts, and reviewing and reducing our spans, spines and overall SCS numbers. Through these targeted interventions, we aim to release capacity without impacting core delivery work. We will also be managing these changes carefully across the SR period, to ensure that the new operating model we design is robust and provides appropriate leadership and accountability and all levels, including deploying AI to enable teams to spend less time on admin and more on core delivery.

To ensure that we have the capacity and capability in place to deliver our strategic priorities to 2030, we will balance bringing in new and expert skills using recruitment and mechanisms

such as our Expert Exchange Secondment programme, building skills internally particularly focused on our critical professions such as Science, Policy and Digital and deploying our people effectively using our business planning processes to ensure workforce capacity and capability are aligned to departmental priorities.

5. Use of Core Funding in Relation to ODA

The Department reports all ODA-eligible activities, including those delivered by UKRI and the Department's Executive Agencies, as ODA through the standard Statistics on International Development (SID) process.

I hope this information is helpful.

Yours sincerely,



Emran Mian

Permanent Secretary