NHS research and development strategy : finance guidance for the regions / NHS Management Executive.

Contributors

Great Britain. Department of Health. NHS Management Executive.

Publication/Creation

[London?] : NHS Management Executive, 1992.

Persistent URL

https://wellcomecollection.org/works/b3djh9yh

License and attribution

You have permission to make copies of this work under an Open Government license.

This licence permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited.

Image source should be attributed as specified in the full catalogue record. If no source is given the image should be attributed to Wellcome Collection.

Wellcome Collection
183 Euston Road
London NW1 2BE UK
T +44 (0)20 7611 8722
E library@wellcomecollection.org
https://wellcomecollection.org

AT

April 1992

NHS research and development strategy

Finance Guidance for regions

NHS Management Executive

PS

WELLCOME
LIBRARY
P
7930

22501853740

April 1992

NHS research and development strategy

Finance Guidance for regions

INFORMATION SERVICE
7892 20 MAY 1996 X PS11 Nat
Wellcome Centre for Medical Science

NHS RESEARCH AND DEVELOPMENT STRATEGY - FINANCE GUIDANCE FOR REGIONS

INTRODUCTION

1. This guidance is intended to assist RHAs to discharge their financial responsibilities in preparing and implementing regional R&D plans as part of the national NHS R&D Strategy.

PURPOSE

2. The purpose of what we are asking Regions to do is:

a) to provide a knowledge baseline for the R & D function;

b) to develop systems to use that knowledge to enable R & D activity to be managed;

c) to identify where work is needed to improve the management system cost effectively to include coverage and accuracy of information;

d) to report to the Research and Development Directorate (RDD) to enable a national picture to emerge which will be relevant to planning a path to the 1.5% target.

BACKGROUND

New NHS R&D Strategy

3. The second strategy for achieving the objective of "Better Targeted Health Services" which is the first part of the goal and strategies of the Chief Executive and the Management Executive of the National Health Service for 1992/93 is:

"To strengthen through the Research and Development

programme the scientific basis for defining strategies in health care, operational policy and management"

and the Management Executive believes that this as well as the other strategies form the core of the agenda in its management of the NHS for the next and future years.

4. This new R & D strategy, which addresses the needs of the NHS, forms part of a wider R&D strategy which will provide a basis for the allocation of funds through the Department's centrally commissioned R&D programme and provide the framework for interaction with the MRC and other research funding bodies.

A national framework for NHS R&D

5. The Central Research and Development Committee (CRDC) has been established to provide a framework within which R&D priorities will be set for the NHS. The Committee is reviewing NHS activity to identify areas where further work would be of value. The CRDC is chaired by the Director of Research and Development, Professor Peckham and brings together senior NHS managers, leading researchers and clinicians, lay members and others with experience in industry. The CRDC will be recommending:

a. a number of areas of national priority which merit central NHS funding;

b. other areas of national importance on which NHS R&D should focus;

c. NHS needs that might be drawn to the attention of other funders, such as the MRC.

6. The CRDC will be setting priorities from the following perspectives:

a) disease-related work;

b) organisation and management of services;

c) client groups;

d) consumer issues.

e) emerging technologies

The role of Regions

R&D management

7. Most of the management of R&D is being devolved to Regions. Regions are better placed than the centre to identify possible NHS R&D needs, and to research and respond to local needs. Regions will be able to:

a. bid to manage programmes of work in the areas of national priority identified by the CRDC for central funding;

b. finance and manage work in the areas of national importance identified by the CRDC which are not centrally funded;

c. finance and manage work in areas they themselves identify as local priorities;

d. provide other support for R&D, eg continuing support for centres of excellence.

8. The strategy is still at an early stage. Regions have a great deal to do to think through the principles of how they intend to manage R&D and to put the necessary structures in place.

Tasks for 1992/93

9. Regions' key task is to prepare, publish resource and implement (and be held to account for) R&D plans. The first plans are due to be published by the end of September 1992. However, Regions are unlikely to be able to provide comprehensive information in the first year of the strategy nor to change the direction of existing R&D proposals and projects. Regions will probably need some years to develop fully-fledged plans which address a complete set of priorities.

10. Regions have been asked to decide how their research management responsibilities should be undertaken. They have been asked to designate an Authority member to be responsible for R&D and to appoint a Regional Director of Research and Developemnt (RDRD) at the start of 1992/93. They should also appoint a Regional Research and Development Committee (RRDC) as soon as possible, in time to assist with the development of the Regional plan.

11. In order to prepare a plan, Regions need to identify resources already being used for R&D and related activity. This information is also relevant to the development of the national framework. Regions therefore have been asked to report their estimated R&D expenditure in 1991/92 by the end of June 1992. They have also been asked to report their R&D expenditure plans for 1993/94 by the end of August.

Identification of current R&D expenditure

12. Secretary of State has set a target of 1.5% of NHS resources to be spent on R&D. Regions have been asked to identify their current expenditure on R&D. This information will be used to plan the movement towards the target of 1.5%.

13. Identifying R&D expenditure is not entirely straightforward. Some elements of it are easy to identify, eg:

a. <u>NHS Locally Organised Research Scheme (LORS).</u> Regions distribute funds for research within the Regions through Regional Research Committees. LORS budgets and expenditure should be readily identifiable.

b. <u>Service Increment for Teaching and Research (SIFTR).</u> The "R" of SIFTR represents funds which are earmarked and allocated to Regions for the specific purpose of funding the excess service costs of research in teaching hospitals. SIFTR is distributed by Regions after consultation with medical and dental schools and other research interests, taking account of research activity, and in support of jointly agreed plans for medical and dental education and research;

c. <u>non-SIFTR scheme.</u> A similar scheme for service support for research in a small number of hospitals that do not teach undergraduates but have significant research activity will operate from 1992/93. It will provide funds to six hospitals in 1992/93, and the relevant Regions have been notified.

14. However, other elements of support for research are less easy to quantify. Activity undertaken under other budget headings, eg management consultancy, may fall within the description of the scope of R&D under the strategy (see below). The NHS also devotes other resources to R&D, eg, staff time, such as sessions for research in consultant job plans. All these elements will in principle need to be costed and will count towards the 1.5% target. It will, however, be important to avoid double counting.

15. The description of what should count as R & D is still

under discussion. However, the following passages are extracted from a paper circulated to the CRDC and should prove adequate for the tasks for 1992/93 that this guidance is about:

"<u>Research</u>
The term "research" is used to describe a wide range of activities involving the systematic collection and/or analysis of information to provide an answer to a clearly defined question. Research included in regions' R&D plans should:

- follow a clear, well defined protocol;

- have had the protocol peer-reviewed;

- report findings so that they are open to critical examination - this will normally involve publication in a scientific journal;

- be generalisable - that is it should be conducted and reported in such a way that it is of value to those with similar interests outside the particular locality or context of the project.

The following activities should be included in regional R&D plans if, but only if, they are being carried out in the context of research, that is if they are being conducted primarily to provide an essential information base for research, or if they are being used to devise new approaches:

- surveys, surveillance, monitoring of health in a locality, studies of the prevalence of disease or disability in a locality;

- routine collection of information about patient care;

- surveys of patient/population satisfaction and/or expectations.

Although the routine use of audit procedures does not constitute research, R&D may contribute to the effectiveness of audit and audit may contribute to R&D. All work which seeks to establish generalisable relationships between treatments and outcomes should be planned and managed as research and included in RHAs' R&D plans.

<u>Development</u>

Like research, the term "development" can describe a wide range of activities. Health care and health services are continually evolving, and an element of development is an important part of the responsibilities of NHS health care professionals and managers at all levels. Development projects included in regions' R&D plans should:

- follow a clear well-defined protocol;

- have had the protocol peer-reviewed;

- include a formal evaluation as an integral part of the project from the outset;

- have clearly defined arrangements for project management;

- report outcomes and conclusions in such a way that they are open to critical examination;

- be designed to lead to a generalisable model for the organisation or re-organisation of services or service delivery of importance to the NHS.

In view of the importance of ensuring that existing and future research findings of potential value to the NHS are taken up

within the service, it is expected that most of the development projects that RHAs include in their R&D plans will be aiming to develop generalisable models for the implementaion of research findings. However, RHAs may also wish to include some well conceived projects on service developments or organisational changes that do not arise directly from research findings provided they satisfy the criteria set out above."

EXCHEQUER EXPENDITURE

16. An additional £7 million is being made available to the Regions for 1992/93 for R&D to enable them to fund the major management changes they need to make as a result of the new R&D strategy, e.g. the appointment of a Regional Director of Research and Development, the setting up of a Regional Research and Development Committee. In addition it will provide help towards increasing the capacity for commissioned research in the light of the need to set priorities.

17. Regions should let the Department know the total spend from Exchequer funds i.e. public funds, but they should also report amounts spent through non-Exchequer sources in order to establish the overall scale of NHS involvement in R&D. Where reference is made to RHAs it includes the use of Exchequer money that flows through the RHA via contracts.

18. This will be made up of:

a) Service Increment for Teaching and Research (SIFTR) - initially allocated to RHAs and distributed in accordance with current guidance.

b) Commissioned Research;

c) responsive funding e.g.the Locally Organised Research

Scheme(LORS);

d) infrastructure;

e) other service support for research

These main categories are further explained below:

19. **SIFTR** - it has been decided for 1992/93 that each RHA should count 25% of SIFTR allocations as the Research "R" element. Regions that have undertaken work to try to identify more precisely the "R" element of SIFTR should nevertheless record 25% of their SIFTR allocation for this exercise. It would be helpful if, in such cases, their more precise figure were included in their covering letter, together with details of the methodology used.

20. **Commissioned research**
Count all research currently commissioned by Health Authorities - (RHA,DHA including DMUs, FHSAs, Trusts and GP Fundholders). There is no CRDC money managed by Regions to count yet but we see this as a major item in future years. Any recording system should therefore allow for this expansion.

21. **Responsive funding**
Any funds allocated from Regional budgets which support requests from Authority employees for research grants should be counted:
- Locally Organised Research Scheme (LORS)
- any other grants.

22. **Infrastructure**
- Support for research units, centres of excellence etc
- Support for research in universities

- Registers, tissue banks etc maintained <u>primarily for research purposes</u>. Registers maintained for monitoring purposes, tissue banks for education purposes etc should not be included.

23. **Other service support** for research (where identifiable and not covered by SIFTR). In future payments by the ME under the non-SIFTR scheme should be included.

NON EXCHEQUER

24. Although the main interest from the Department's point of view is in research funded from Exchequer sources it will still be necessary to record details of other research carried out in the Region in order to allow as full a picture as possible of the totality of research and development activity. This will enable Regions to find out what areas of expertise already exist within their geographical boundaries and allow them to know about all the impacts on the NHS of research activity i.e. industry funded R & D. The sort of funds which might be recorded here are:

Trust funds
Special trustee accounts
Payments by commercial funders for NHS service support.
Research grants by Charities
Medical Research Council grants and units

SOURCES OF INFORMATION

25. **Health Authority Manual for Accounts**
The references made to R&D in the Health Authority Manual for Accounts are as follows:

a) Chapter 3.2.6 Appendix 3;
b) Chapter 3.9

c) Chapter 7.7.2.1;
d) Chapter 8.2.13;
e) Chapter 8.5.13;
f) Chapter 9.10.27
g) Appendix 2, page 8
h) Appendix 3, page 3
i) Appendix 4, FR23

SIFTR: Chapter 4.3.6; Chapter 9.8.62.
Special Trustees: Chapter 8.5.13
Trust Funds: Chapter 8.2.13; Appendix 3, page 3

26. Any queries on this guidance should be addressed to:

Miss Linda Barnard RD4
Room 1227, State House
High Holborn, LONDON WC1R 4SX
Telephone 071 972 3947

Further copies of this guidance are available from:

Heywood Stores
No 2 Site
Manchester Road
Heywood , Lancs
OL10 2PZ