

WELSH HEALTH CIRCULAR



Llywodraeth Cymru  
Welsh Government

**Issue Date:** 20 March 2018

**STATUS:** ACTION/COMPLIANCE

**CATEGORY:** POLICY

**Title:** NHS Research and Development Finance Policy

**Date of Expiry / Review** – Under constant review

**For Action by:**  
Chief Executives, Finance Directors, R&D  
Directors NHS Wales Health Boards and Trusts

**Action required by:** 1 April 2018

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**Enclosure(s):**  
This WHC, together with the Annex listed below can be found on the Health and Care Research Wales website  
at: <https://www.healthandcareresearch.gov.wales/nhs-randd-funding-policy/>.  
Annex 1. NHS R&D Finance Policy

## Summary

1. The purpose of this Welsh Health Circular is to set out a clear position regarding the adoption and implementation of the NHS Research and Development (R&D) Finance Policy across all NHS organisations in Wales. The NHS R&D Finance Policy focuses on the management and accountability of research funding in NHS Wales and is aligned with recent guidance on the appropriate governance of Research and Development set out in the UK Policy Framework for Health and Social Care Research (WHC (2018) 004).
2. Ensuring appropriate financial management in support of financial probity is as important in research as in any other area of NHS finance and the use of public funds. Health Boards and NHS Trusts are expected to have a finance policy that aligns to and is compliant with the principles and process of the NHS R&D Finance Policy developed by Health and Care Research Wales.
3. Chief Executives of Health Boards and Trusts should note the status of this document, ensure that this circular is shared with colleagues and highlight the action required.

## Background

4. High quality research can break the legacy of ill health, develop a prosperous society through collaborative engagement with universities, industry and the third sector and create a highly skilled workforce, all of which are included in the key aims set out by the Welsh Government's national strategy 'Prosperity for All'. Executive Boards of NHS organisations therefore have a critical role in leading a culture which promotes continuous improvement in the care offered to patients and the public.
5. In support of this, Welsh Government provides R&D funding<sup>1</sup> to all health boards and trusts to encourage and develop a platform of high quality research. As well as the benefits conferred to patients, research active organisations provide better care not least because research generates evidence which ultimately transforms practice.

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<sup>1</sup> Known as Local Support and Delivery Funding

## **Financial Probity**

6. Ensuring continued success and investment in research is dependant on putting in place effective and efficient funding flow mechanisms which are consistent, fair and transparent to all. The NHS R&D Finance Policy describes the systems in place for the costing, financial management and accounting of all research activity undertaken in NHS organisations in Wales. This includes the investment of income and funding available to the organisation to invest in high quality research through the following:
  - Local Support and Delivery Funding as provided by Welsh Government annually
  - Commercial research income
  - Non commercial research income
  - Charitable funds donated for research
  - Grant income from research led by the organisation
  - Grant income from research undertaken or hosted by the organisation
  
7. The NHS R&D Finance Policy aligns with the principles of financial probity, transparency and accountability as set out in the Managing Public Money document by HM Treasury and reiterated in the Standing Financial Instructions (SFIs) issued by Welsh Ministers to Local Health Boards, using powers of direction provided in section 12 (3) of the National Health Service (Wales) Act 2006.

## **Action**

8. From 1 April all NHS organisations must be compliant with the NHS R&D Finance Policy and Local Support and Delivery funding will be released on this basis. Whilst 2017/18 has been an implementation period, further guidance will be on offer to the NHS on an ongoing basis. Compliance will be assessed through a financial audit of non-commercial and commercial research studies which will form part of annual R&D performance management meetings with R&D Division Welsh Government.

**Distribution to: Board Secretaries, Chief Executives and Chairs of:**

Abertawe Bro-Morgannwg University Health Board  
Aneurin Bevan University Health Board  
Betsi Cadwaladr University Health Board  
Cardiff & Vale University Health Board  
Cwm Taf University Health Board  
Hywel Dda University Health Board  
Powys Teaching Health Board  
Public Health Wales NHS Trust  
Velindre NHS Trust  
Welsh Ambulance Service NHS Trust  
Secretary to Board Secretary Group  
Director, Finance Director and Director of Planning of Welsh Health  
Specialised Services Committee (WHSSC)

**Medical Directors, R&D Directors, Directors of Finance, Directors of Nursing, Directors of Therapies and Healthcare Science of:**

Abertawe Bro-Morgannwg University Health Board  
Aneurin Bevan University Health Board  
Betsi Cadwaladr University Health Board  
Cardiff & Vale University Health Board  
Cwm Taf University Health Board  
Hywel Dda University Health Board  
Powys Teaching Health Board

**Welsh Government**

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