

# WELSH GOVERNMENT INTEGRATED IMPACT ASSESSMENT

## Impact of the All Wales Research and Development Delivery Funding Model

### SECTION 1. WHAT ACTION IS THE WELSH GOVERNMENT CONSIDERING AND WHY?

#### Background to developing the all-Wales Research and Development Delivery Funding Model

Health and Care Research Wales is a networked organisation, supported by Welsh Government, which brings together a wide range of partners across the NHS in Wales, universities and research institutions, local authorities, and others. It has a remit to stimulate research excellence, build capacity and capability, and support research delivery in translational and applied health and care research. This covers translational bio-medical research, through to clinical trials to service organisation and delivery, population and public health, social care and wellbeing.

Health and Care Research Wales supports health and social care organisations, and HEIs, through providing funding for research infrastructure and administering competitive schemes. The budget for Health and Care Research Wales is approximately £42m a year of which approximately £15m is distributed directly to NHS organisations to support and deliver commercial and non-commercial research.

In 2012/13, Health and Care Research Wales (via its predecessor organisation – National Institute for Social Care and Health Research - NISCHR) introduced a new NHS Research and Development (R&D) funding formula called ‘Activity Based Funding’ (ABF) - a model predicated on an assumption that NHS organisations that are more research active in previous years will be more research active in the following year. Through using a fixed budget each year, the model therefore used retrospective research activity as a proxy for future research support needs. The ABF model was introduced at a time when greater clarity was needed on how the NHS R&D funding was allocated to NHS organisations and it enabled NHS organisations to receive ring-fenced funding for research from Welsh Government, report on its use, without it being mixed up with service funding - which historically had been the case.

Up until April 2019, the ABF model had been in place for seven years and whilst it had supported raising the profile of research in the NHS and facilitated the delivery of a wide range of studies across disease areas and healthcare service improvements in primary (including dental, optometry, community) and secondary care, discussions with stakeholders highlighted that improvements could be made.

A series of engagement sessions and briefing events particularly highlighted the need for a funding approach to be: more agile and responsive to the need to support current research underway and align to future research; drive greater collaboration between NHS organisations to open studies

over multiple sites for patient benefit, and overcome the challenges of undertaking small sample size studies in areas such as paediatrics and novel therapies.

In April 2019, Health and Care Research Wales commissioned a Task and Finish Group to review the ABF model and put forward recommendations to address the limitations. A set of recommendations developed by an all-Wales research delivery funding model task and finish group were submitted to Welsh Government and proposed a move away from ABF to a model supporting a 'needs based approach' whereby funding follows the actual costs required to deliver (or support the delivery of) research when and where those costs are incurred and not based on a formula. The recommendations for a new all-Wales research delivery funding model were accepted by Health and Care Research Wales in November 2019 and were developed to reflect the five ways of working in the Well-being of Future Generations (Wales) Act 2015.

### **Long term**

The recommendations for a new all-Wales research delivery funding model facilitates the increased opportunities for people in Wales to join health and care research studies. This aligns with the *Health and Care Research Wales strategy* and its remit to support and fund research across the life-course.

### **Prevention**

There is a growing evidence base that research active organisations provide better care and have better patient and public outcomes than those NHS organisations that undertake less research. As well as the benefits conferred to patients, research generates evidence which ultimately transforms practice. As a result, research should be embedded within the clinical care pathway and considered alongside other treatment options.

### **Integration**

The recommendations for the new all-Wales research delivery funding model have been considered alongside *Prosperity for All: The National Strategy for Wales*, and aligns closely to one of its key themes 'Healthy and Active'. The recommendations will foster increased collaborative working across NHS organisational boundaries to deliver real improvements in health and well-being for the population of Wales through facilitating developing a broader portfolio of research that affords the public and patients real and increased opportunities to participate in research studies.

### **Collaboration & Involvement**

The recommendations have been developed by the all-Wales research and delivery funding model task and finish group working in collaboration with key stakeholders (from the NHS and HEIs), who were invited to help shape the recommendations at two key stages via briefing and discussion events. There have also been focused meetings on the developments at the all wales R&D Directors group (known as NHS Support and Delivery Collaboration Group). Other relevant stakeholders include NHS Research and Development staff, clinical leads responsible for research by diseases/themes known as 'Specialty Leads', staff who assist in trial methodology based in Clinical Trials Units in HEIs and research staff responsible for delivering and supporting the research.

## **Impact**

The all-Wales research delivery funding model task and finish group developed recommendations based on an options appraisal that reflect the principles of value based healthcare; that is to achieve high value from delivering the best possible outcome for patients and public in the most efficient way. The outcomes that matter are:

- Opportunities to take part in research are available to the population rather than driven through process measures or targets. This will allow more people to receive the best care or experience new services, or make a contribution to healthcare improvements, through research. This will include those participating in research by virtue of their health or social care needs, or their use of health or social care services, or as healthy members of the population.
- Investment is allocated and determined to create the maximum value out of the resource available to support high quality research.
- Engagement should involve those who deliver the research and those involved in studies themselves (through study set-up or by participation in a study) to be more closely involved in value based decision making. Allowing all to participate in resource allocation or addressing a particular need will incentivise and drive value (particularly in the context of a fixed budget).
- Good quality information is used to make informed decisions and undertake cost evaluation to assess value. As part of implementation, collecting information that drives best outcomes (e.g. recruitment planned, efficient study set up) will be key.

The new approach will better facilitate studies opening across multiple NHS organisations through ensuring the resources needed will be provided to those relevant organisations.

## **Costs and Savings**

Health and Care Research Wales will continue to manage the existing funding for NHS research. The new proposed funding model is about the way the funding is distributed rather than around savings. It is however anticipated that the new model will maximise the use of funding, as the funding will directly support the research activity involved in live studies underway rather than be allocated to NHS organisations based on historical study data from previous financial years.

## **Mechanism**

No legislation is proposed.

## SECTION 7. CONCLUSION

### **How have people most likely to be affected by the proposal been involved in developing it?**

There has been high levels of engagement in the development of All Wales Research and Development Delivery Funding Model notably with researchers in the NHS and HEIs, NHS R&D Directors, NHS Research and Development staff, clinical leads responsible for research by diseases/themes known as 'Specialty Leads', and research staff responsible for delivering and supporting the research e.g. research nurses and other research support staff.

Consultation has also taken place with NHS Medical Directors and assistant Finance Directors, who signalled their support for the principles underpinning the all-Wales research delivery funding model.

On acceptance of the recommendations presented by the task and finish group, key stakeholders including NHS R&D operational leads from each NHS organisation have advised on the transition arrangements including the new operational processes and guidance for future ways of working.

### **Impact**

In terms of positives, the new model will:

- introduce a more responsive and agile approach to distributing research delivery funding;
- facilitate increased access to a wider portfolio of research studies - aligned to population health needs
- facilitate increased opportunity to participate in rare diseases, or high intensity/complex studies;
- incentivise collaboration between NHS organisations and their respective networks;
- assist NHS organisations achieve better patient and public outcomes through maximising the use of funding to support research across primary, secondary and community settings.

The implementation will require a transition period that will involve continuous levels of engagement with NHS organisations and this will be embedded in normal 'business as usual' activities.

In terms of negative impact, there is a risk that overtime, research activity levels could increase significantly and the budget available outweighs demand for resources. The risk will be mitigated through robust monitoring and evaluation processes. Issues will be escalated to the Health and Care Research senior management team for review if further consideration is required, to avoid any detrimental impact on NHS research activity.

The new all-Wales research delivery funding model has the potential to have a positive impact on the wider determinants of health contributing to the well-being objectives embedded within 'A Healthier Wales: Our Plan for Health and Social Care in Wales'.

The seven well-being goals of the Well Being of Future Generations (Wales) Act have been considered – notably 'a resilient and healthier Wales'.

## **Monitoring and evaluation**

Health and Care Research Wales undertakes robust monitoring for the funding that it distributes and this will continue under any new arrangements e.g. through ongoing review of NHS organisations' monthly financial returns, assessment of research activity levels and other efficiency based key performance indicators.