INTRODUCTION

The vision of the National Institute for Health Research (NIHR) is to improve the health and wealth of the nation through research.

This document sets out in detail the process for an open competition to designate and fund a single NIHR Horizon Scanning Research and Intelligence Centre (NIHR HSRIC). The NIHR HSRIC will act as a centre of excellence in provision of advanced notice to national policy makers of key new and emerging health technologies that might require evaluation, and consideration of clinical and cost impact or modification of clinical guidance typically at around 2-3 years prior to launch on the National Health Service (NHS).

The current NIHR HSRIC is provided by The School of Health and Population Sciences, University of Birmingham and the new contract for the NIHR HSRIC will run from 1 April 2017.

This document invites research organisations in England that wish to undertake horizon scanning activities and form a centre of excellence for horizon scanning to submit an application.

Further details about the process are given on page 4 (Process and timetable) and a more detailed list of priority requirements is given in Annex 1 and eligibility criteria in Annex 2.

BACKGROUND

NIHR HSRIC is funded by the NIHR and the output of its research informs national policy and decision making for the NHS in England. It does this by identifying and providing research based information, at an appropriate level, on key selected new and emerging health technologies that are becoming available for possible adoption by the NHS. This activity is carried out in support of the policies and strategies of NHS England (NHSE), in particular the Five Year Forward View.

Current horizon scanning services are based on a 2-3 year horizon with a major focus being early warning of pharmaceuticals to plan for NICE assessment. Medical devices, diagnostic tests and procedures, therapeutic interventions, rehabilitation and therapy, public health and health promotion activities make up most of the remaining activities, along with dialogue and collaboration with other parts of NIHR on policy, strategic initiatives and scoping of specific themes for funding calls and with industry sources to identify interventions of interest. The international aspect of healthcare innovation requires the service to incorporate appropriate worldwide outreach. There is an important expectation that 10% of time is used for
researching horizon scanning methodology itself. In common with all NIHR commissions, patient and public involvement (PPI) and engagement (PPE) is also expected.

ROLE OF THE NIHR HSRIC
The NIHR HSRIC’s role is to support the NHS in England in the assessment and appropriate adoption of new and emerging health technologies by providing early warning and through appropriate alerts.

The National Institute for Health and Care Excellence (NICE) will be the main customer but there are a number of other significant customers requiring HSRIC outputs including, but not limited to:

- UK National Screening Committee (UK NSC)
- National Specialised Commissioning Team
- The NIHR Health Technology Assessment (HTA) programme
- Joint Committee on Vaccination and Immunisation (JCVI)
- NHS England Innovation
- Research Funders (e.g. NIHR)

The outputs from HSRIC will impact on both the implementation and execution of several Government policies and strategies including but not limited to:

- Five Year Forward View (2015)
- Health and Social Care Act (2012)

REQUIREMENTS
The work of NICE is referenced in the Health and Social Care Act 2012 and their prominent role in producing guidance for NHS treatments continues in the Health and Social Care (Safety and Quality) Act 2015 and is integral to delivery of the Five Year Forward View. NICE and other policy customers need to know what new treatments (drugs and devices) are in the pipeline for use in the NHS. These need to be identified and their potential impact upon the NHS (efficacy and costs) assessed early. Horizon scanning will be integral to the implementation of recommendations from the Accelerated Access Review.

The NIHR HSRIC must have access to a balance of sources including focused routine scanning, a speciality-based work programme and in-depth scanning. An appropriate IT infrastructure to support a horizon scanning knowledge base, its management, analysis, output and dissemination is essential. In addition, it is expected that HSRIC will support a continuous learning environment, playing a prominent role in method development and patient and public involvement (PPI) both nationally and internationally.

The NIHR HSRIC must remain responsive to changing customer needs and pro-actively work to develop new systems to support innovation.

Confidential discussions with companies and trade organisations are integral to carrying out effective horizon scanning, so a reputation for trust, integrity and independence is vital.
The successful contractor will provide regular reports to the NIHR Central Commissioning Facility (CCF), the commissioning body, which will manage HSRIC on behalf of DH on delivery of outputs and financial performance with annual reviews with the CCF and DH. In addition key stakeholders will be provided with an annual report detailing activities carried out over the previous year and the future programme of work, coupled with an annual stakeholder forum.

A more detailed description of the requirements is given in Annex 1

SCOPE OF THE AWARD

The contract will normally be awarded to a single institution but a consortium would be acceptable where the value of the contributions is made clear. Sub-contracting for cost-effective access to value-added services is acceptable but must be clearly justified and described. For further information please refer to Annex 2.

It is anticipated that the expected outputs and dissemination pathways of this research will evolve over the contract period in response to customer requirements and/or changing methodology. These will normally be considered within the scope of the contract. Step changes in expectation or significant variations will be managed by contract amendments.

ELIGIBILITY

All research active organisations are eligible to apply.

Applying organisations must have a track record of world-class research-based horizon scanning of value to the NHS in England and of methodological research in this area, ideally published in peer reviewed publications.

Annex 2 lists a number of essential requirements for any organisation wishing to apply for this research contract.

FUNDING

Funding will be awarded for a period of 5 years commencing 1 April 2017, with, as a minimum, an annual review as described in \textit{Requirements} above. The amount of funding allocated will reflect the scale, nature and quality of the research to be conducted and up to £2m per annum at current market rates is available.

Full costings for the proposed NIHR HSRIC are required. Applications should only include research based activity that can be undertaken within existing facilities or planned facilities in which the organisation is investing, alone or with other external organisations, with confirmed funding.

Further finance details are provided in Annex 3.
APPLICATION PROCESS

The NIHR HSRIC will be selected by a single stage open competition. All applications will be considered by an independent Selection Panel, who will make recommendations to the Department of Health on NIHR HSRIC funding. This will be followed by the necessary due diligence and contracting.

TIMETABLE

The timetable for this call is as follows. This is intended as a guide and whilst the CCF does not intend to depart from the timetable, it reserves the right to do so at any stage.

<table>
<thead>
<tr>
<th>Key Actions</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Call Opens</td>
<td>1 March 2016, 9am</td>
</tr>
<tr>
<td>Deadline for submission of applications</td>
<td>12 April 2016, 1pm</td>
</tr>
<tr>
<td>‘Wet-ink’ Declaration and Signatures section deadline</td>
<td>19 April 2016, 5pm</td>
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<tr>
<td>Peer Review</td>
<td>April/May</td>
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<tr>
<td>Selection panel reviews applications, conducts interviews and provides recommendations</td>
<td>June 2016</td>
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<tr>
<td>Notification of outcomes to applicants</td>
<td>July 2016 (specific date to be advised)</td>
</tr>
<tr>
<td>Contracting process starts</td>
<td>1 August 2016</td>
</tr>
<tr>
<td>Contract work starts</td>
<td>1 April 2017</td>
</tr>
</tbody>
</table>

SELECTION CRITERIA

The selection criteria will include:

- The volume, breadth and quality of internationally-excellent relevant research
- The existing research capacity and any plans for increasing capacity in horizon scanning
- The track record of applicants in terms of peer reviewed research in the area of horizon scanning
- The track-record of the applicants in conducting world-class research based horizon scanning for healthcare technologies
- The strength of the strategic plan for the NIHR HSRIC
- The strength of the strategic plan for patient and public involvement and engagement
- The proposed commitment and contribution from the lead organisation to the NIHR HSRIC
- Integration with, collaboration and synergy with relevant components of the NIHR research system and wider industry and academia
- Value for money.

The overarching principles for NIHR funding of transparency, competition and contestability will also be applied. The NIHR HSRIC will be expected to work in accordance with the requirements of the Department of Health Research Governance Framework for Health and Social Care 2.
APPLICATION DETAILS

The application will need to set out:

1. Details of the proposed NIHR HSRIC

Please provide details of the partners in the proposed NIHR HSRIC, to include:

- The lead organisation
- The lead department/institute/centre
- The proposed Centre Director
- Where applicable, the additional university(s) and/or partners involved in the proposed NIHR HSRIC.

2. Plain English Summary

Please summarise the goals and objectives of the proposed Centre and the potential impact it will have in delivering its objectives. The plain English summary (250 words maximum) is aimed at members of the public, rather than researchers or professionals. It should be written clearly and simply, without jargon and with an explanation of any technical terms that have to be included. If we feel that your plain English summary is not clear and of a good quality then you may be required to amend your summary prior to any final approval of funding. Guidance on writing in plain English is available online at NIHR ‘make it clear’ www.involve.nihr.ac.uk/makeitclear.

3. Track Record

Please provide an overview of:

- The volume, breadth and quality of internationally-excellent horizon scanning
- The existing strengths and track record of the lead organisation in conducting horizon scanning research
- The track record of any co-applicants including collaborating with the applicant to deliver such research
- The track record of the lead organisation in translating research into benefits for patients and the public
- The track record of the lead organisation in providing tailored information to policy and decision-makers
4. Research Leaders

Please detail:

- The Senior Leadership Team
- The leadership and expertise of the proposed NIHR HSRIC Director and Senior Researchers should be clearly demonstrated and include:
  - Evidence that they are at the forefront of their fields
  - Evidence of their ability to influence the practice and delivery of research based horizon scanning for healthcare technologies
  - Their respective track records in terms of (a) publication output and (b) conducting successful research in horizon scanning methodology.

Provide a Curriculum Vitae for the proposed NIHR HSRIC Director and for each proposed member of the Senior Leadership Team, using the template provided (Curriculum Vitae HSRIC-2016-xxxxx.docx).

5. Strategy

Please provide in detail the NIHR HSRIC's overall strategy to act as a centre of excellence in horizon scanning research to include:

- Specific short (1-2 years), medium (2-3 years) and long term (4-5 years) objectives
- A description of how the NIHR HSRIC will support its key customers in delivering their objectives and functions
- The expertise and intended roles that each named partner organisation will play in delivering the strategy
- A brief outline of the proposed organisational structure and how it will support and enable the overall research strategy of the NIHR HSRIC
- How, working with others, the NIHR HSRIC will translate advances in horizon scanning research into benefits for its customers, patients and the public
- How the NIHR HSRIC will provide high quality research evidence to inform decision-making by NICE, NHSE and other key stakeholders.

6. Methodological Research Plan

Please provide:

- A description of the proposed research projects in horizon scanning methodology that will be pursued within the first two years of the contract
- A brief description of the proposed projects over the remaining three years
- The role that each Senior Researcher will play.
7. Capacity

Please describe:

- Existing capacity, to include:
  - Facilities the lead organisation and partners can provide to the NIHR HSRIC
  - Research and training posts which will form part of the NIHR HSRIC
- Plans to develop the capacity of the organisation over the period of the contract
- How the NIHR HSRIC will adapt to changing requirements over the award period

8. Patient and Public Involvement and Engagement (PPI/E)

Please outline the organisation’s strategic plan for patient and public involvement and engagement. This is a key requirement for the NIHR and successful applicants will be contractually required to submit a fully developed PPI/E strategy by the end of their first year.

Patient and public involvement and engagement in research are distinct but often interrelated activities. Please use NIHR INVOLVE’s definitions of ‘involvement’ and ‘engagement’ in your plan:

Patient and public involvement and engagement in research are distinct but often interrelated activities. Please use NIHR INVOLVE’s definitions of ‘involvement’ and ‘engagement’ to differentiate between these areas in your plan:

A strategic plan for involvement, engagement and participation is more than a list or programme of activities. Developing your plan will be likely to involve a wide range of stakeholders and to include:

- Aims and objectives that align with the recommendations from the NIHR’s ‘Going the Extra Mile Report’
  (http://www.nihr.ac.uk/documents/about-NIHR/NIHR-Publications/Extra%20Mile2.pdf)
  and support the delivery of, the overall aims and objectives of the Centre;
- A programme of activities to deliver the strategic aims and objectives over a given time period. This is likely to include plans for involvement and engagement in individual research projects and research themes, in capacity development as well as in the organisational structure and governance of the Centre itself;
- A description of the resources likely to be required to deliver the strategic plan, including key staff, training and support, consumables, fees and expenses for members of the public, partners and collaborators with whom some aspects of the strategic plan may be shared and/or jointly delivered, a process for regularly monitoring and reviewing delivery of the plan, a process of capturing examples of impact, a reporting line that ensures
progress in delivering the plan feeds into the management and governance processes of the Centre.

9. Outputs and Dissemination

Please provide details of how the NIHR HSRIC will:

- Meet the priority objectives of output delivery (see Annex 1)
- Ensure that outputs from NIHR HSRIC:
  - Meet the needs of its key customers – for quality and timeliness
  - Reach other policy and decision-makers who may benefit
  - Support new policy and direction in the NHS eg Accelerated Access
- Increase the confidence of policy and decision-makers in the information provided by the Centre
- Increase understanding of horizon scanning methodology and output in peer reviewed healthcare and medical journals (eg BMJ, NEJM)
- Work with the NIHR Dissemination Centre to:
  - Avoid duplication of effort
  - Maximise the value of both Centres.

10. Management and Governance arrangements

Please provide details on:

- The management and governance arrangements for the NIHR HSRIC, including the arrangements for joint working between the research organisation and its partners, the role of the Centre Director and the Senior Researchers
- A proposed organogram outlining the management and governance arrangements for the NIHR HSRIC, including confirmation that the proposed Centre Director will have responsibility for finance, and any external advisory groups or oversight groups that may be established, if appropriate.

11. Justification of Resources

Please provide:

- A breakdown of research costs associated with undertaking the Award and justification for the resources requested. This should include the following costs: staff costs, travel, subsistence and conference fees, equipment (including lease versus purchase costs), consumables, patient and public involvement, other direct costs, sub-contracts and patent and legal.
- Each cost item requires a justification, explaining why they are required, how they have been calculated, and how they provide value for money.

Note that some proposals will have included full cost benefit analysis as part of the design; for others, a broad indication of likely benefits is all that is required. You should describe the value for money of the Award itself.
Further finance details are provided in Annex 3.

12. Relevant Additional Research Funding, Fees & Investment

The volume and source of relevant external research funding received by the organisation provides an indication of the quality and scale of research conducted and the capacity to leverage external sources of research funding.

Organisations are therefore asked to provide details of the external grant funding awarded for research or payments made for services directly relevant to research-based horizon scanning research from 1 April 2010 to 1 April 2015, with details of the research funder or payee. Please submit this information as Supporting Information on a separate sheet. Please also provide the total value of any additional investment by the applying organisation into the provision of horizon scanning research since 1 April 2010.

13. Confidentiality

Applications are considered confidential by the NIHR CCF and all reasonable steps are taken to ensure that this confidentiality is not breached. Further information and guidance can be found within the Confidentiality Guidance Document.

14. Declarations and Signatures

A declaration signed by representatives of the lead research organisation and any other partners that they fully endorse the application and that appropriate support will be provided to the NIHR HSRIC should the application be successful.

SUBMITTING THE APPLICATION

Applicants can request an application pack, which includes the application form, guidance notes, a form for Curricula Vitae and a Finance template, by clicking the link on the competition webpage.

All application documents should be completed in font no smaller than 10-point Arial.

1. Downloading your Form
   - Visit the competition webpage
   - Read the Privacy Policy and Terms of Service
   - Enter your email address into the text box
   - Complete the “anti-spam” box
   - Click on the “Request Application Pack” button
   - Check your email to ensure that the application pack has been received
2. Creating the Application
Save the application form, guidance notes, a form for Curricula Vitae and a Finance template to your local drive using the file names provided in your email.

3. Your Application Reference Number
This is the reference number for your application. It is important to make a note of this number as you will need it for all subsequent enquiries. If your application is successful, this reference number will stay with the programme for its lifetime.

The reference number must be included on all forms to be submitted.

SKILLS AND KNOWLEDGE TRANSFER

It is essential that the methods used for identification and filtration, and assessment and/or any other relevant knowledge gathered for the successful fulfilment of the requirements during the contract are made available to the NIHR CCF at the end of the contract period and tenderers must agree to this condition of the tender. If the requirement is ongoing after the contracting period this will enable NIHR to make provisions for a smooth transition to another provider of research-based horizon scanning.

FURTHER INFORMATION - PAYMENT

Payments will be made quarterly in arrears and will be based on a quarterly report submitted by the provider that details what activities have been undertaken within the quarter. The quarterly output targets are based on the 2015 baseline as detailed in Annex 1.

Payments will be adjusted in the last quarter of each year should these targets not be met. These targets will be reviewed on an annual basis as a minimum.

In addition to this, CCF will request feedback from stakeholders on the performance of the provider on a quarterly basis and this will be formally reviewed at annual meetings to which all key stakeholders are invited.

ENQUIRIES

We wish to ensure that applicants fully understand what is needed in their application before submission. We are therefore very happy to respond to requests for clarification from the application lead or their nominated person. We cannot provide advice on what an applicant should say or how they say it.

Any enquires should be sent to: HSRIC2016_inquiries@nihr.ac.uk
ANNEX 1 – DETAIL OF PRIORITY REQUIREMENTS

Research Methods

The quality standards developed by NICE apply to both medicines produced by pharmaceutical companies and new medical technologies. The first stage in these processes is the early identification of new treatments.

The research methods used to enable this early identification should use a balance of sources including focused routine scanning, a specialty-based work programme and in-depth scanning.

This will require a level of expertise in identifying appropriate resources and securing cost-effective access. Expertise in filtration, synthesis and analysis of the data obtained from focused alerts and in-depth database searching and provision of appropriate reporting of this new knowledge about the development and diffusion of new technologies to key stakeholders.

Effective use of the UK Pharmascan database is essential to the provision of appropriate alerts on new drugs to NICE. Advocacy with Pharma companies to provide their data in a timely way through UK Pharmascan is another important role for HSRIC and will help deliver a key metric on new drugs notified in a timely manner.

It is expected that HSRIC ensure that methods and systems remain responsive, supportive, high quality and fit for purpose. In order to maintain the current national and international leadership position in “Early Awareness and Alerting”, it will, therefore, be important to be active in developing new methodology for horizon scanning, outputs and the diffusion and impact of health technologies and to pro-actively apply new methods for the benefit of existing and new customers.

Patient and Public Involvement and Engagement (PPI/E) is integral to all NIHR activities and HSRIC is expected to ensure patients and the public can access and contribute to the work through appropriate and proportionate PPI/E processes.

Research Outputs

The primary aim of the scanning function is to provide advanced notice of significant new and emerging health technologies to the National Institute for Health Research and national and local policy making bodies and organisations. This will include such outputs as:

- Network with experts and policy-making organisations
- Network and establish/maintain links with pharmaceutical and non-pharmaceutical developers, manufacturers and distributors
- Attend and participate at customer collaboration and prioritisation meetings
• Implement, maintain and seek to improve robust information systems to log and monitor emerging health technologies
• Maintain and develop horizon scanning methodology
• Provide investigation notes on promising non-pharmaceutical developments
• Provide technology briefings on non-pharmaceutical products
• Provide technology briefings on products for small patient groups
• If required review and update technology briefings
• Develop a horizon scanning review format that is acceptable to publishers of peer-reviewed medical/health journals (eg BMJ, NEJM)

Quantification of Outputs

The expected process for output generation is:

• Identification and filtration of new and emerging health technologies using a balance of sources to identify advances up to 3 years before launch in the English National Health Service (NHSE).
• Minor developments are discarded and related technologies grouped together and a final selection made dependent on agreements with each national decision-making body, generally including filtration around timing and level of innovation:
  - The technology is emerging or new to the NHS or is a significant change in indication or use of an existing technology, and
  - The technology has something innovative about it:
    - New drug class or pharmacological target for the specific patient group
    - May be more effective than current preventative, diagnostic, treatment or rehabilitative options
    - May have a better risk : benefit ratio than current options
    - May offer improved identification of those who may benefit or be harmed by an intervention
    - May offer significant potential for cost savings or expenditure if fully adopted
    - May require significant service re-organization for optimum use

The successful applicant is welcome to independently propose technologies and developments that may require attention.

Technology Assessment

If a technology is selected for further investigation, information is provided to the Department of Health and national policy makers in the form of technology briefings. The briefings (2-5 pages long) should include the following content:

• A description of the technology,
• A description of the patient group (with estimated patient numbers),
- The current diagnostic or treatment alternatives,
- An estimated unit cost of the technology (if available),
- The current research evidence of clinical effectiveness,
- Details of any ongoing or related research activities.

For both drugs and non-drugs the deadline for completion of a technology briefing submission will be 4 months.

For pharmaceuticals there is a requirement to submit filtration reports (1-2 pages) to NICE to enable them to undertake a preliminary filter. In 2014/15 191 filtration reports were submitted.

Once passed through the filter there will be a requirement for a full technology briefing. The deadline for the full briefing will be 1 month from the time at which the pharmaceutical passed through the filter.

The applicant is required to detail in their proposal how they intend to deliver and manage the overall requirement.

The applicant may be required to review and update technology briefings.

Indicative numbers of outputs are based on the 2015 agreed expectations:

<table>
<thead>
<tr>
<th></th>
<th>NICE - drug technology briefings</th>
<th>Filtration forms on pharmaceuticals for NICE</th>
<th>MedTech Alerts</th>
<th>Intelligence emails (MedTech &amp; Drugs)</th>
<th>Reviews completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015 Baseline</td>
<td>100</td>
<td>120-150</td>
<td>40</td>
<td>10</td>
<td>8</td>
</tr>
<tr>
<td>Requirement Per Qtr</td>
<td>25+</td>
<td>30+</td>
<td>10+</td>
<td>2+</td>
<td>2+</td>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>Pharma company meetings</th>
<th>MedTech company meetings</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015 Baseline</td>
<td>20</td>
<td>30</td>
</tr>
<tr>
<td>Requirement Per Qtr</td>
<td>4+</td>
<td>6+</td>
</tr>
</tbody>
</table>

The following expectations for customer collaboration and prioritisation meetings:
- NICE
  - Technologies Advisory Committee – monthly
    - Appropriate level of representation determined by agenda for meeting
  - MTEP (Medical Technologies Evaluation Programme) – at least once per year

NIHR Horizon Scanning Research and Intelligence Centre
Invitation to Submit v1
The successful applicant will contribute along with others including:

- NHS England Innovation
- NHS Innovation Hubs
- The National Institute for Health and Care Excellence (NICE)
- Academic Health Science Networks (AHSN)
- National Institute for Health Research (NIHR)

Dissemination

Applicant will be expected to have in place or implement a strategy to ensure effective dissemination of the outputs of the research. In particular, it is essential to ensure that all key stakeholders are alerted to the availability of the relevant outputs in a way to allows easy access to the content. All outputs should be made available publicly except where company confidential information is contained or where the information is confidentially requested.

Patient and Public Involvement and Engagement (PPI/E)

Applicant will be expected to implement or have in place a strategy for engaging patients and the public in the horizon scanning process and to explore innovative approaches for this. To demonstrate value from and to continuously develop this aspect of the work.

Clinical Expertise

For the successful delivery of high-quality horizon scanning research outputs, there needs to be sufficient:
- medical advice and input to all horizon scanning outputs,
- public health expertise on estimation of possible impact of developments on patients, health services and costs,
- epidemiological and critical appraisal expertise in interpretation of health information and research findings,
- critical appraisal experience (or training) for all levels of research staff,
- project management skills to deliver outputs to a changing health service environment in a flexible manner.

Any clinical staff are required be registered with the GMC and have the appropriate specialist training.

Applicants must describe how they will meet the requirements above.

**Information Systems**

Applicant will be expected to implement or to have in place a robust information system to log and monitor emerging health technologies. During the life of the contract the provider is also required to maintain and improve this system.

In particular:

- Research data must be generated using sound scientific techniques and processes.
- Research data must be accurately recorded in accordance with good scientific practices by the people conducting the research.
- Research data must be analysed appropriately, without bias and in accordance with good scientific practices.
- Research data and the results must be stored accurately and be easily retrievable.

The Applicant is to describe in detail what systems shall be used to register the emerging health technologies and how it shall be maintained and developed during the life of the contract.

**Contract Management**

Applicant will be expected to formally report at least quarterly on outputs against expected targets and to provide a summary of expenditure together with any explanations of deviation from the expected plan. In addition, any known or likely risks to delivery of the research in a timely and cost-effective manner should be highlighted.

A full annual report is expected to detail what research has been carried out and the full list of outputs for the year along with a proposed plan for the following year derived from discussions with key customers. This is reviewed at an annual review meeting with representatives from the policy- and decision-making bodies that NIHR HSRIC is carrying out research for. The outcome of this meeting forms the deliverables for the next year.
ANNEX 2 – ELIGIBILITY

Where sub-contractors will play a significant role in the delivery of services or products under any ensuing contract, please indicate in a separate annex (by inserting the relevant company / organisation name) the composition of the supply chain, indicating which member of the supply chain will be responsible for the elements of the requirement.

If the potential provider bidding for a requirement is a consortium, the following information must be provided:
- full details of the consortium; and
- the information sought in in respect of each of the consortium’s constituent members as part of a single composite response.

Potential providers should provide details of the actual or proposed percentage shareholding of the constituent members within the consortium in a separate Annex. If a consortium is not proposing to form a corporate entity, full details of alternative proposed arrangements should be provided in the Annex. However, please note the Authority reserves the right to require a successful consortium to form a single legal entity in accordance with regulation 28 of the Public Contract Regulations 2006.
ANNEX 3 - APPLICATION FINANCES: FURTHER INFORMATION

The finance template should provide a breakdown of costs associated with undertaking the Award as described in the proposal.

Required reading

The AcoRD guidance clarifies the distinction between the three categories of costs associated with non-commercial research studies/programmes:

- Research Costs
- NHS Support Costs
- NHS Treatment Costs


General Information

- Applications should be costed at current (2015/16) prices, based on current salary scales and scale increments. Annual salary increments or other equivalent annual increases should be included in future years but not any other anticipated pay increases (e.g. nationally agreed pay awards). Should an award be made, we may provide annual uplifts, depending upon the budget available to NIHR. In all cases, the value for money of the proposal will be an important selection criterion.
- The NIHR will not support any costs incurred prior to or following the research Award.
- It is important to undertake a thorough, realistic and accurate costing. You must provide a clear and full justification for all costs. You must also ensure that you include all costs, including those required to secure good research management and governance.
- Payments will be made to the contracted organisation only and the contracted organisation will be responsible for passing on any money due to their partner organisation(s) where appropriate.
- All applications are expected to have appropriate NHS, Higher Education Institute (HEI), and other partner organisation input into the finance section of the application form where appropriate.
● Years should be calculated starting from the anticipated start date of the proposed activity within the award. For example, if your research is expected to start on 01 April 2017 then its second year starts 01 April 2018.

● Further itemisation of costs and methods of calculation may be requested to support the application at a later date.

● It is permissible for funds to flow to partners via a subcontract with appropriate justification. Appropriate sub-contracts must be put in place for any element of the award which is to be paid to another organisation.

● Once an award has been made, the Department of Health will require NHS organisations to provide regular financial statements regarding the use of funds provided under the NIHR funding scheme. The Department reserves the right to send independent auditors to the NHS organisation to confirm the actual use of funds.

● All applications are expected to have appropriate NHS, HEI, commercial and other partner organisation input into the finance section of the application form.

● Please note that the NIHR does not fund PhD studentships through its research grants (NIHR's main training opportunities can be accessed here: http://www.nihrtcc.nhs.uk). It is possible, however, for a researcher employed on an NIHR grant to register for a PhD based on the funded project, though the NIHR will not reimburse fees.

INFORMATION ON DIFFERENT TYPES OF ORGANISATIONS

Higher Education Institutions (HEIs)
HEIs should determine the Full Economic Costing (FEC) of their research using the Transparent Approach to Costing (TRAC) methodology. For HEIs, up to 80 percent of FEC will be paid, provided that TRAC methodology has been used.

NHS Bodies and other providers of NHS services
For applications where the contractor is an NHS body or other provider of NHS services, up to 100% of direct costs will be paid.

Commercial Organisations
For commercial organisations/consultancies, please fill in direct costs and commercial indirect costs. Indirect costs should be charged in proportion to the amount of research staff effort requested on the funding application form. Up to 100% of costs will be paid.

Other Partner Organisations
For other partner organisations (e.g. charity or NGO), please fill in direct costs and other partner organisations indirect costs. Indirect costs should be charged in proportion to the amount of research staff effort requested on the funding application form. Up to 100% of costs will be paid.
Summary of eligible costs
The NIHR will ONLY fund Research Cost as described in AcoRD. The finance template categories the Research Costs into the following:

- Direct Costs
- Indirect Costs

Direct Costs
These are costs that are specific to the research, which will be charged as the amount actually spent and can be supported by an audit record. Only costs that can be classified as research costs can be itemised under Direct Costs. Research costs are derived from the core research activities that are being undertaken to answer the research question(s), and will end when the research ends.

Direct Costs are further categorised into the following:

- Staff Posts and Salaries & Annual Costs of Staff Posts
- Travel, subsistence and conference fees
- Equipment (including lease versus purchase costs)
- Consumables
- Patient and public involvement
- Other Direct Cost
- Patent and Legal
- Sub-contracts

Staff Posts and Salaries
This section outlines the staff salaries and relevant on-costs (i.e pay increment dates, geographic weighting, superannuation, national Insurance). Salary costs should feed into the Annual Costs of Staff Posts section.

Annual Costs of Staff Posts
This section specifies the total annual costs of each applicant contributing to the Award. You should now allocate the individual staff member costs to each year of the Award, allowing for increments. Use current rates of pay, and build in any known retrospectively, once your research is underway. Please note, inflation should NOT be applied when calculating annual costs of staff posts.

Please note that this section also includes ‘Shared Staff Costs’ which may be located under directly allocated costs in some other funders’ applications. These are costs of an
institution’s research resources which can be charged to the research on the basis of estimated use, rather than actual costs. These may include: applicants’ costs, unless directly incurred or non-chargeable, IT technicians, laboratory staff, and costs of pooled staff efforts.

**Travel, subsistence and conference fees**

This section of the Financial Form includes journey costs, subsistence and conference fees.

*Journey costs*
Enter the total cost of transport for all journeys for destination/purpose. If travel is by car, apply your institution’s mileage rates (however this should not exceed HMRC approved mileage allowance payments, which is 45p per mile for the first 10,000 miles and 25p thereafter). Travel by the most economic means possible is encouraged; NIHR programmes do not usually fund first class travel.

*Subsistence*
Subsistence covers accommodation (if necessary) and meals associated with the travel, excluding any alcoholic beverages.

*Conference fees*
Where national conference fees are included, a statement naming the conference or purpose of travel and the benefit to the award must also be made; failure to adequately justify your attendance at a conference will mean the NIHR will not fund this cost.

*Equipment*
Essential items of equipment plus maintenance and related costs not included as part of estates should be input in this section. These can be lease or purchase costs. The purchase cost of pieces of equipment, valued up to £5,000 excluding VAT, will be considered.

Pieces of equipment costing more than £5,000 to purchase will usually need to be leased. Where applicants are leasing equipment with a purchase price of more than £5,000 a comparison of leasing verses purchasing costs must be provided in the ‘Justification of Costs’ section.

Costs of computers are normally restricted to a maximum of £650 each excluding VAT and a statement of justification must be included, in the relevant ‘Justification of Costs’ section for any purchase above this limit.

*Consumables*
This section includes non-reusable items specific to supporting the delivery of the CRF that would not otherwise be funded by other external research awards. These items should
be research specific, not just general office costs which should be covered by indirect costs.

**Patient and Public Involvement and Engagement (PPI/E)**

Please itemise and describe fully all patient and public involvement and engagement costs. This will include:

*Payments for time, skills and expertise:*

Offering members of the public payment for their time, skill and expertise is considered good practice in structuring and operating the proposed CRF. Rates of payment can vary and may be offered at either an hourly or daily rate. The following activities should be considered:

- Reviewing documents
- Attending meetings
- Attending training courses and conferences
- Outreach and dissemination

All out of pocket expenses should be covered. Equal opportunities for involvement are facilitated if expenses are covered. Members of the public should not end up financially worse off for providing a public service. The following expenses should be carefully considered:

- Travel (public transport, taxi fares, or an agreed private car mileage rate which includes wear and tear).
- Overnight accommodation (somewhere in the region of £100 and £150 per night).
- Subsistence (food and refreshment whilst on ‘business’ or bought due to having to be at a certain place at a certain time, but no alcohol) (somewhere in the region of £20-£30 per day).
- Childcare or replacement carer/person providing support (somewhere in the region of £100 per day).
- Costs of a Personal Carer or Support Worker of the individual’s choice.
- Telephone, internet access, fax costs, stationery and other equipment – covering these costs is particularly important for members of the public who work from their own home and therefore may incur considerable costs which may be ‘invisible’ in organisational settings (somewhere in the region of £10 to £20 per day).
- Conference fees and training courses.

INVOLVE has produced an online cost calculator to help staff supporting research identify and calculate the costs of public involvement in their research-facing activities. It includes a guide - [Budgeting for Involvement](#) with step-by-step practical advice, examples and tips. The [Involvement Cost Calculator](#) can then be filled in and downloaded.
**Other Direct Costs**
These are costs, not identified elsewhere, that are specifically attributed to the research. For example, costs associated with the use of research facilities, external consultancy costs, specialist publications, open access publications, computer licensing, recruitment and advertising costs. Please note that for organisations claiming indirect/overhead costs, costs such as recruitment of staff, and general training (e.g. in common IT packages) are costs that should be covered by the indirect costs element of the award being sought and should not appear in this section.

Any costs associated with publication, presentation or dissemination of findings (except related travel and subsistence or consumables costs) should be included here. Any large costs should be further detailed with a breakdown of constituent parts or a timescale profile of the costs. Meetings to share best practice, training events and events to disseminate research findings must be run at the lowest possible cost with minimal catering. ‘Conferences’ which are described as such are not eligible for funding.

If external consultancy costs are included in this section they must be fully justified in the ‘Justification of Costs’ section. Please specify the hourly rate and the number of hours and note that consultants must not be people who are already employed by the applicant’s institution. If they are, any costs should be entered as direct costs in the ‘Details of Posts and Salaries’ and ‘Annual Costs of Posts’ sections.

**Patent and Legal**
The NIHR will consider supporting reasonable costs requested to protect any Intellectual Property which arises from the research project. Any costs will be supported during the period of the research only. Supported costs include, but are not limited to, legal advice, patent and Freedom to Operate searches, patent submission costs and third-party licensing fees. The NIHR will not support any costs incurred prior to or following the research project, including patent maintenance costs. All requests should be fully itemised and justified.

**Sub-Contracts**
A sub-contract is regarded as an external specialist service which cannot be provided by the organisation leading the project or its collaborators. Services include consultancy, design services, or the development and provision of specialist equipment. These costs can be requested for organisations providing these services outside of England, but suitable justification is required.
Indirect Costs
Indirect costs are for activities or services that benefit more than the proposed Award. Their precise benefits to a specific research study are often difficult or impossible to trace.

Indirect Costs should be charged in proportion to the amount of effort requested on the Award. They comprise:

- General office and basic laboratory consumables
- Premises costs
- Library services/learning resources
- Typing/secretarial
- Finance, personnel, public relations and departmental services
- Central and distributed computing
- Charge out rates for shared equipment
- Cost of capital employed

Each organisation involved in the award should have their indirect costs individually itemised in the finance form. Please note, this is only applicable to organisations eligible to apply for indirect costs (see below for more detail).

NHS Bodies or other providers of NHS services
NHS Indirect Costs cannot be claimed through NIHR programme funding. From April 2012, NHS Bodies or other providers of NHS services have been allocated NIHR Research Capability Funding (RCF) to contribute to the cost of hosting NIHR-supported research. The RCF is allocated by the Department of Health to research-active NHS bodies or other providers of NHS services in receipt of NIHR income, or via NHS bodies or other providers of NHS services that host local NIHR Clinical Research Networks. It will enable NHS bodies or other providers of NHS services to meet some, or all of the research-related component of the salary of their researchers and research support staff working on clinical and applied health research, where that component is not already provided by another funding source. It will also contribute towards costs relating to sponsorship and governance, accommodation, financial management, and human resource management. For more information please click on the link below:

http://www.nihr.ac.uk/policy-and-standards/research-capability-funding.htm

Higher Education Institutions (HEIs) Indirect Costs
HEIs can claim for Indirect Costs in proportion to the amount of research staff effort (FTE) requested on the award. Individual institution Indirect Costs rates should have been
calculated using TRansparent Approach to Costing (TRAC) methodology. Indirect and Estates Costs should not be calculated against shared staff FTE.

**Commercial/Other Partner Organisation Indirect Costs**
Commercial/Other Partner Organisations can claim indirect costs which are the costs of resources used by the research that are shared by other activities. Please seek advice from your finance department about the appropriate cost for this section. It is our expectation that Commercial/Other Partner Organisation Indirect Costs show good value for money.

**Ineligible Costs**
The funding is not intended to meet any **NHS Treatment Costs** or **NHS Support Costs** associated with the award.