

## **Q&A on the outcome of the Research Capability Funding (RCF) review**

### **Why was a review of RCF undertaken?**

RCF, in its current form, has been in operation since 2012 and it was important to identify the degree to which the policy is meeting its current aims and whether changes are required to ensure that RCF policy, and its implementation, remain fit for the future of the NIHR.

As part of the review it was also necessary to take into account the wider financial context for the NIHR and the health and care system more generally, with a developing long-term funding plan for the NHS and a likely forthcoming Government-wide Spending Review in 2019.

### **What are the key conclusions of the review?**

The review findings showed that RCF has played an effective role in helping to ensure that the health and care system can act flexibly and strategically to maintain research capacity and capability. As such, we will continue RCF as a funding stream for the foreseeable future with many aspects of the policy unchanged, such as the list of permitted uses, annual budget setting, annual allocations and reporting arrangements. RCF will continue to be distributed to NHS organisations *via* a formula-based methodology, although the parameters of this formula will be revisited to ensure RCF remains fit for the future, namely:

- The RCF rating for NIHR infrastructure funding will be reduced to approximately 10% of its 2018-19 value over a 5-year period
- From April 2020 the £75k awarded to organisations as a result of (newly) affiliated Senior Investigators (SI) will cease, while the personal SI award will increase to £20k
- The rating associated with NIHR Programme funding will remain at current levels (subject to the usual fluctuations owing to changes in the overall national RCF budget)
- A £20k award will continue for those organisations that recruit at least 500 individuals to non-commercial studies, conducted through the NIHR-Clinical Research Network (CRN), during the previous NIHR CRN reporting period of 1 October - 30 September (if they do not have sufficient NIHR income to reach a threshold to trigger an RCF allocation of at least £20k)

### **What are the likely impacts of the changes on RCF funding for individual organisations?**

It is not possible to accurately predict future RCF income for individual organisations because the total RCF budget available at national level is set on an annual basis and there can be significant fluctuations in the overall RCF budget at national level from year to year. Further, we cannot predict the likely success of individual organisations winning future NIHR programme or infrastructure funding, or the year-to-year movement of SI affiliation and patient recruitment. We have, however, provided some examples of RCF forecasts for some generic receiving organisations at the end of this Q&A. In general:

- it is likely that organisations which currently receive RCF income predominantly due to NIHR infrastructure awards and SI affiliations will have reduced levels of RCF in future years.

- organisations that do not have NIHR infrastructure awards and few SIs and which derive RCF income predominantly due to Programme funding are likely to sustain their RCF income at similar levels to the levels received today. Organisations which receive RCF due to patient recruitment are also likely to see levels of RCF income sustained at similar levels to today.

However, as noted above, these general trends will be subject to the yearly RCF budget that NIHR receives from DHSC, which will itself be subject to the outcome of any cross-Government Spending Review in 2019.

### **What will the size of the total RCF budget be in several years' time?**

This cannot be forecast with accuracy as it is determined by the total annual NIHR budget which is set by DHSC on an annual basis. Furthermore, DHSC budgets and the budgets of other Government Departments may be subject to a Spending Review in 2019.

### **If any resources are released by these changes, what will they be used for?**

Resources released from the planned changes to RCF policy will be re-invested in NIHR. They would not be ring-fenced for re-investment in any particular NIHR funding lines. They would instead be considered as part of the wider NIHR funding envelope which would be used to fund existing NIHR commitments and to support wider NIHR goals.

### **Why has the weighting for NIHR Programme Funding been maintained?**

RCF will continue to take into account the fact that NIHR programme funding is typically of shorter duration than infrastructure funding by maintaining an RCF formula weighting for NIHR programme funding in future which is similar in size to the 2018/19 weighting. A key aim of RCF is that it provides a unique source of funding that contributes towards the salary costs of existing researchers who are 'between grants'. This helps to ensure that NHS organisations are able to create and maintain a sustainable capacity for people and patient-based research.

### **Why is the weighting of NIHR Infrastructure funding being reduced?**

This reduction reflects the fact that recent infrastructure awards have been sizeable, stable over a longer time period than programme awards and include funding to contribute explicitly to certain costs that are not funded through programme awards. As a result, the RCF funding allocated to organisations due to their hosting of NIHR infrastructure will be reduced to ensure that, in future, there is no degree of double funding.

### **What costs are funded through recent NIHR infrastructure awards that are not covered through NIHR programme awards?**

The NIHR infrastructure awards fund reasonable NHS overhead costs while programme awards do not award any funding for NHS overhead costs.

### **Why keep a residual 10% weighting for infrastructure awards?**

There are a number of permitted uses of RCF that are not covered by NIHR infrastructure awards which NIHR wishes to continue providing funding for *via* RCF. These include parental leave cover, long-term sick leave and researchers time allocated to preparing research proposals. It is therefore expected that organisations receiving Infrastructure RCF will continue to use this funding to support parental and sick leave. The residual 10% weighting was estimated using data available from RCF annual reports.

### **Will the reduction in RCF income due to infrastructure weighting lead to job losses?**

The RCF budget is set on an annual basis by DHSC and it may increase or decrease each year depending on wider DHSC pressures and the changing needs of NIHR year-to-year. As such, RCF is a volatile source of funding that should not be used to fund long-term employment contracts for research staff in NHS organisations. Decisions relating to employment contracts of individual research staff are for NHS organisations to make at local level.

### **Why is there an aim to have a single weighting for all Centres, CLAHRCs/ARCs and other infrastructure?**

There is a move for a single weighting as DHSC cannot see a convincing rationale for maintaining, into the future, the current differences in relative weightings between Centres, CLAHRCs and other infrastructure. The move will also help to simplify our overall RCF policy.

### **Why is the SI affiliation payment to host organisations being removed for SIs appointed from 1<sup>st</sup> April 2020?**

The original policy objective of the SI affiliation payment was to help embed NIHR SIs and the applied research agenda more generally at senior level in NHS organisations. This policy objective has been largely fulfilled. As such, NIHR does not consider there to be a compelling rationale for continuing with this affiliation payment into the future, particularly given the significant amount of funding associated with this payment at current levels.

### **Why has the personal award to SIs increased to £20k?**

The personal award to SIs will increase, but this will come with an increased need for accountability to NIHR for this spend and an increased focus on patient and public engagement and involvement and also a further focus on dissemination and impact. Further information about this will be provided as part of the 2020/21 SI award scheme, which will be advertised in 2019.

### **What will happen to RCF for existing SI's?**

Existing SIs and SIs appointed on 1st April 2019 will have an associated £75k per annum payment to their hosting NHS organisation for the duration of their SI contracts, in line with the current arrangements. The personal awards to existing SIs and SIs appointed on 1st

April 2019 will have a per annum personal award of £15k, again, in line with the existing arrangements.

**What is the rationale for continuing with the current patient recruitment policy as part of RCF?**

Recruitment is vital and we want to continue to engage with NHS organisations who do not receive sufficient NIHR income to reach a threshold to trigger an RCF allocation. Retaining the £20k allocation helps to encourage recruitment and provides organisations with funding that has helped to facilitate success in attracting NIHR research contracts and other research funding to these organisations.

**If the budget for RCF is being reduced, why retain £20k payment for recruitment at all? Shouldn't the LCRNs be awarding recruitment activity?**

The funding that organisations receive through LCRNs helps to facilitate study participation. By contrast, the RCF funding that organisations receive due to patient recruitment can be used for a wider range of purposes to support research including, among other things, helping to facilitate success in attracting NIHR research contracts and other funding. For example, some CCGs have formed consortia to pool their recruitment related RCF which provides a critical mass to help them further research objectives.

**Why won't the uses of RCF be more prescriptive and/or prioritised?**

NIHR wants to see decisions about how best to use RCF being made at local level by recipient organisations, hence we have chosen not to make RCF more prescriptive. It would be challenging and bureaucratic to create a 'one size fits all' approach to RCF-spend prioritisation for all recipient NHS organisations.

**Why will RCF continue to be provided only to NHS bodies?**

Opening up qualification for RCF to other organisations involved in NIHR research was considered as part of the review, but it was concluded that this would create unaffordable new cost pressures on the NIHR budget. This decision may, however, be revisited in subsequent years, depending on the NIHR financial outlook and the degree of engagement in NIHR research by other non-NHS organisations.

**One of the aims of the consultation was to explore whether any changes could be made to the RCF policy to help ensure research activity is going to "the populations who need it". What was the outcome of this?**

This was considered as part of the review. Whilst this remains a strategic aim of NIHR, we do not think that modification of the RCF allocation formula is an appropriate mechanism to help achieve this objective.