



NHS Management Executive
St. Andrew's House
Edinburgh EH1 3DG
22 December 1995
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Dear Colleague

SUPPORTING RESEARCH AND DEVELOPMENT IN THE NHS

Summary

1. The attached paper provides guidance on the costing of the R&D activity which Boards and Trusts are required to declare by 31 May 1996 under the terms of MEL(1995)77.

Action

2. Boards and Trusts should use the attached guidance (3 copies enclosed) to cost the R&D activity which they will identify using the approach outlined in MEL(1995)77.

3. Chief Executives are required to meet the interim steps and timetable outlined in that guidance and to submit their completed R&D declarations to the Management Executive by 31 May 1996.

4. The key points of the costing guidance are summarised in the attached annex.

Yours sincerely

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Director of Purchasing

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Director
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COMMON SERVICES AGENCY	
RECEIVED	
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FILE No	
REFERRED TO	ACTION TAKEN

**SUPPORTING R&D IN THE NHS
GUIDANCE ON COSTING AND MAKING THE DECLARATION**

The key points of the attached guidance are:-

- the declaration is a simple statement of the net cost to the Board or Trust of undertaking and supporting non-commercial R&D in 1995/96 (standard forms of return are included in an annex). The declaration will be supported by information on R&D activity detailed costings and an audit trail;
- the aim is to identify **actual costs incurred by the Board or Trust**;
- the resources to be identified and costed are those used to undertake or support the R&D activity identified in stage 2 of the declaration exercise;
- the effort Boards and Trusts put in to resource identification must be commensurate with the scale of their R&D activity. Those with a significant involvement in R&D may need to focus on areas likely to have the most impact on costs, rather than try to identify all costs precisely;
- costing must be done in a way consistent with the National Costing Project guidance;
- all costs must be reconciled with Board or Trust totals;
- costs must be presented in a way that facilitates verification by the Management Executive (detailed requirements are set out in this guidance).