

National Institute for Health and Care Excellence

Integrated performance report

This report provides an update to the Board on the performance against our key performance indicators for the period 1 April 2021 to 31 March 2022, and a summary of progress with the objectives in the 2021/22 business plan.

The Board is asked to review the report.

Jennifer Howells

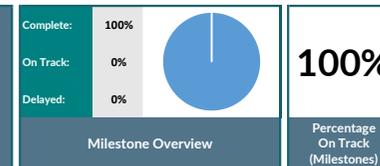
Director, Finance, Strategy and Transformation

May 2022

High Priority Objectives - End of Financial Year Status 21/22

Performance & Assurance Report

April 2022



Pillar	Objective	Target	Status	Trend	Summary
Pillar 1	Speed up the evaluation pathway for medicines and devices	Q4	21/22 objective delivered	Stable	The operational service for Innovative Licensing and Access Pathway (ILAP) is in place: 100 innovation passport applications received, 55 awarded, 17 target development profile (TDP) applications received and 1 TDP kick off meetings scheduled for April. There is a risk relating to future delivery for this programme, as NICE and MHRA have been unable to secure additional spending review funding for 22/23. A cost recovery model is not yet appropriate as further work is needed to enhance the value proposition for the ILAP process. Challenges remain in relation to the high volume of applications and the alignment with the Innovative Devices Access Pathway (IDAP).
	Publish evaluation methods and processes for health technology evaluations	Q4	21/22 objective delivered	Stable	The new methods and processes were published on 31 January following approval from the Board. Implementation of the changes are now underway. Focus will now turn to planning and prioritisation of modular updates to process and methods
	Deliver phase 1 of a life sciences hub	Q4	21/22 objective delivered	Stable	Phase 1 of the life sciences hub is complete, with the new webpage launched on 7 March. A menu of options for further developing the webpage will be managed by the Chief Digital Product Officer (CDPO). Funding has not been identified for 22/23. However, there are incremental improvements that can be made to the life sciences online offering.
Pillar 2	Adopt a new guideline authoring tool - MAGICapp	Q2	Further evaluation	Stable	Delivered for COVID-19 guidance, to be evaluated for wider adoption. New type 2 diabetes content was tested with users and applied to MAGICapp. An evaluation report was produced. Further options and cost considerations are being taken forward through the "Digital Living Guideline Recommendations" priority objective for 22/23.
Pillar 3	State with system partners how our guidance adds value across the health and care system	Q3	21/22 objective delivered	Stable	The infographic was incorporated into the CEO board report. Discussions are taking place with communications to embed it within wider communication strategy and plans.
Pillar 4	Develop an initial framework for the use of real world data	Q4	21/22 objective delivered	Upward	Real-world evidence (RWE) framework presented to the Board on 17 March. The draft framework is available for review and the feedback survey is open from the 4 - 29 April. A revised version will be published at the end of June 2022. Abstract and panel sessions have been accepted for HTAi and ISPOR 2022.
Enabler	Digital Workplace - Initiate a 18 to 24 month rolling programme of work to deploy components of M365 including OneDrive and SharePoint	Q1 and Ongoing	Delayed start with risk to future funding	Stable	After a pause in some digital workplace programme activities due to shortage of infrastructure staff capacity in the last stages of the college transfer project, work on 'project spaces' as an early adopter service has fully resumed and external access from users outside NICE is being piloted as part of this. Scoping and planning for 'my space', designed around the use of OneDrive, is also underway. Looking ahead into 2022/23, the programme is being reshaped around the agreed priority areas for NICE and a revised implementation budget. As part of our objective to introduce one planning tool for use across NICE, an interim solution for the auto rescheduling feature was delivered by our software provider. Unfortunately, it did not meet all NICE requirements. Next steps are being reviewed with key sponsors and work is ongoing with the provider to address this. Further work is being taken forward through the "Internal transformation of the way we work" priority objective for 22/23.
Enabler	Organisational design (OD) review - Implement recommendations of organisational design review carried out in Q4 2020/21	Q3	21/22 objective delivered	Stable	Organisational design is ongoing in several directorates, supported by the Transformation Team. Outputs from 'Heads Up, Heads Down, Heads Together' has been collated into draft guidance which is being shared with the Union. A culture blueprint is under development. Further work is being taken forward through the "Internal transformation of the way we work" priority objective for 22/23.

Transformation Performance Summary - End of Financial Year 21/22

Performance & Assurance Report

April 2022

On Track:	0	
Challenges to deliver:	2	
Significant risk to delivery:	2	
Complete / Delivered:	24	
Total Objectives:	28	

Business Plan Objectives Status

Delivery Update

	21/22 Objectives Update	Pillar Trend	Narrative
Strategic Pillar 1 Rapid, Robust and Responsive Technology Evaluation	7 Objectives 	 Stable	<p>Funding awarded for the private beta phase of the Multi-Agency Advice Service (MAAS) following a delay to funding by NHSx. The test version will be delivered by August 2022 and the 21/22 objective timelines will not be met. The devices and digital managed access 21/22 business objective is complete and will transition to the 'MedTech Early Value Assessment (EVA)' priority objective for 22/23. The Innovative Medicines Fund (IMF) objective has been delivered, with the thematic analysis finalised by NHS England and NICE – 96% of respondents support the aims of the IMF. Thematic analysis and the IMF principles will be presented to the Executive Team in May and to the NICE Board in June. The strategic collaboration objective is complete.</p>
Strategic Pillar 2 Dynamic, Living Guideline Recommendations	4 Objectives 	 Stable	<p>The topic prioritisation group agreed the approach to topic suite prioritisation, with high-level mapping for diabetes complete, and is ongoing for mental health and obstetrics. Implementation of the content strategy is complete. Publishing projects are underway to apply interactive guideline experience (IGE) findings to BAU – content design, user research, training and process streams. A decision to delay the stakeholder insights project until 22/23 was approved in January.</p>
Strategic Pillar 3 Effective Guidance Uptake to Maximise our Impact	3 Objectives 	 Stable	<p>The implementation strategy priorities were signed off by Board in December 2021. A revised implementation strategy is due to be published in Q2 22/23. The approaches to implementation will be incorporated into the "Digital Living Guideline Recommendations" priority objective for 22/23. The health inequalities (HI) project has completed all planned activity for 21/22. Priorities for the health inequalities work programme for 22/23 were presented to the board in March.</p>
Strategic Pillar 4 Leadership in Data, Research and Science	6 Objectives 	 Upward	<p>The Trusted Research Environment (TRE) Digital Data Access Request Service (DARS) application has been approved. A data sharing agreement will be signed to support the MedTech Early Value Assessment (EVA) priority. A discussion paper on the options for adopting a wider perspective in economic analysis was considered at the March board seminar, with further information requested on the current flexibilities open to committees. The antimicrobial project resulted in draft NICE guidance on the two pilot topics being published, attracting high levels of international media interest. A follow-on project to design and deliver a framework for the routine evaluation and purchase of antimicrobials has been agreed in principle.</p>
Enabling the delivery of our strategy To strive for excellence, with an efficient and effective organisation that delivers our strategy	8 Objectives 	 Stable	<p>The Cost Improvement Plan (CIP) project has achieved the savings target of £1.5m. For committee recruitment, the digital recruitment pilot is now live with vacancies advertised. Existing and prospective committee members have been recruited to co-produce the action plan flowing from 2 surveys and 4 listening events. The workshop to produce the plan takes place in May. A diagnostic for Equality Impact Assessments (EIA) in guidance development has been completed and a pilot approach, is being launched in 22/23. Development of a business case for Customer Relationship Management (CRM)/Master data management approach has been completed and the next steps of this work have been paused due to business prioritisation.</p>

Key - Objectives Pie Cha

Complete

On track for delivery

Delivered for 21/22 with continued risk in future

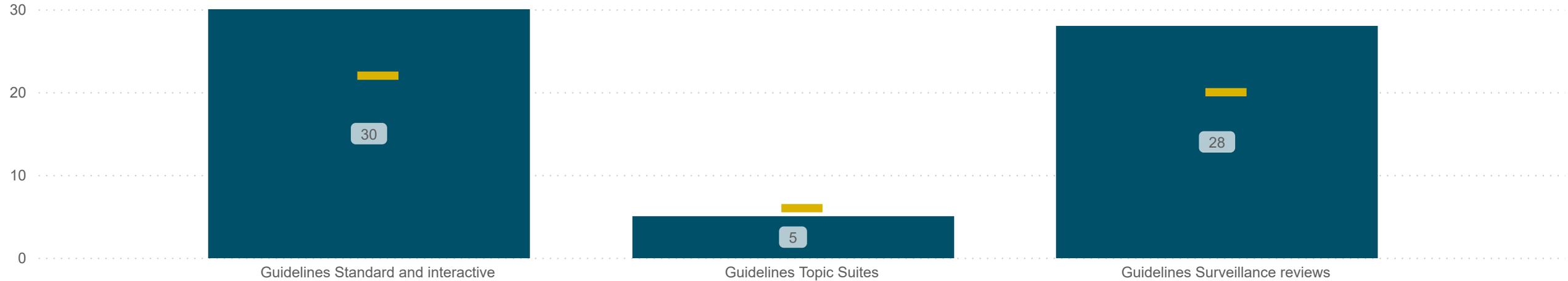
Not delivered in 21/22

Guidance and supporting activity

Guidance and supporting outputs - Summary 1st April 2021 - 31st March 2022

Guidelines ecosystem

● YTD Actual — YTD Planned



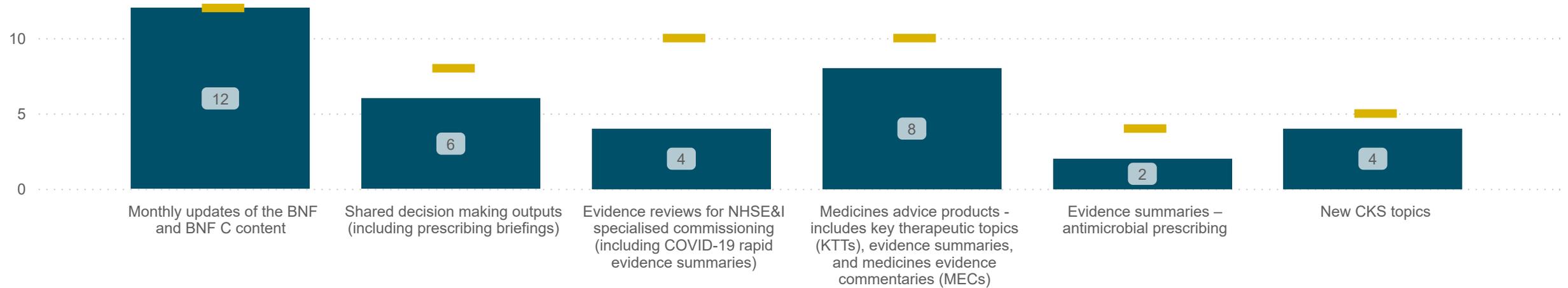
Comments

Guidelines Standard and interactive	More guidelines have published than originally planned due to additional smaller updates being initiated and published.
Guidelines Topic Suites	The commission of the final planned topic suite was held to allow prioritisation and complex mapping work to be completed. The revised commission date is to be confirmed.
Guidelines Surveillance reviews	More surveillance reviews were completed than originally planned due to an increase in the number of exceptional surveillance reviews, which cannot be planned for as they are triggered by changes in the evidence.

Guidance and supporting outputs - Summary 1st April 2021 - 31st March 2022

Information ecosystem

● YTD Actual — YTD Planned



Comments

Shared decision making outputs (including prescribing briefings)

Shared decision making outputs were delivered for all guidance topics where the need was identified during development. The outputs included in this target are produced by multiple teams and are dependent on various factors, including whether guideline or TA committees make recommendations which include preference-sensitive decisions and a decision aid or options table to support shared decision making is appropriate.

Evidence reviews for NHSE&I specialised commissioning (including COVID-19 rapid evidence summaries)

The target is fully dependent on referrals from NHSE&I which can vary over time. NICE delivered 100% of the referrals received in the timeframe.

Medicines advice products - includes key therapeutic topics (KTTs), evidence summaries, and medicines evidence commentaries (MECs)

We updated our focus during the year to align with the NICE strategy. The new medicines optimisation strategy deprioritises individual medicines optimisation outputs as resource is now being focussed on supporting delivery of the guideline transformation. The end of year target was then 8 outputs which we met (4 MECs, 1 evidence summary and 3 visual summaries). In light of this new approach and refocusing of resources, this deliverable will not be listed in the 2022/23 business plan.

Evidence summaries – antimicrobial prescribing

The final two evidence summaries were completed but publication was delayed due to the companies delaying launch of the products. It is anticipated that both will publish in May 2022.

New CKS topics

Five topics were scheduled in the business plan. One of the planned topics has been deferred to next year due to the revised publication timescale of an external pressure ulcer guideline.

Guidance and supporting outputs - Summary 1st April 2021 - 31st March 2022

Life Sciences ecosystem

● YTD Actual — YTD Planned



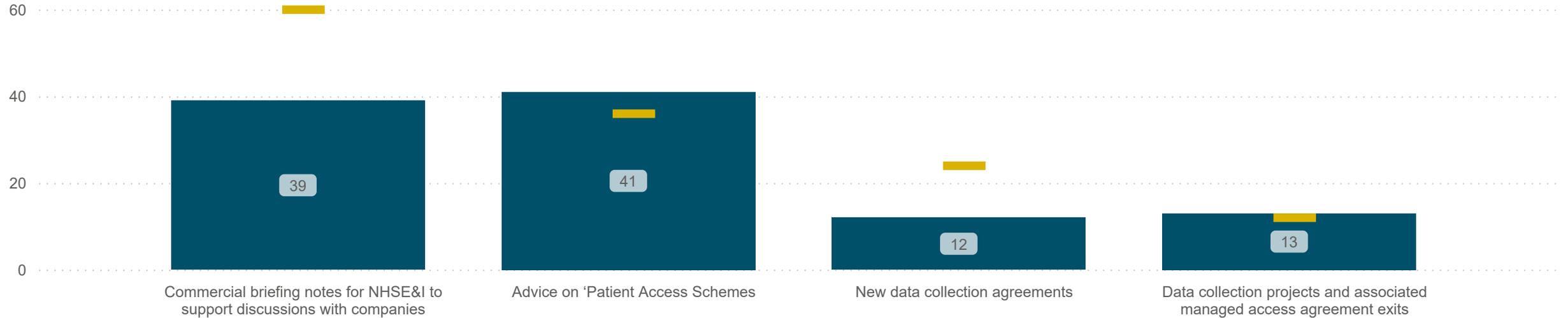
Comments

Technology appraisals and highly specialised technologies guidance	Despite capacity issues the programmes have met their target, publishing 98 pieces of guidance. This was achieved by a higher proportion of terminated appraisals (19 across the business year) than was signalled in the business plan (10 for the whole of 2021/22), impacting income recognition.
Interventional procedures guidance	Two topics have been delayed due to issues raised during resolution. Revised publication dates for both pieces of guidance are to be confirmed..
Diagnostics guidance	Due to the pausing of some topic selection activity, and the decision to only continue with work that was considered therapeutically critical or related to COVID-19 during the early stages of the pandemic, there were insufficient topics in the work programme to meet the business plan output of 11 topics, as well as insufficient staff in post to meet the business plan target. The programme is on track to publish 4 of the 5 pieces of guidance that were scheduled for this year. One piece of guidance has been delayed and will now publish in 2022/23 as additional modelling work was requested at the first committee discussion. In addition to the guidance scheduled to publish, the programme has initiated 7 new assessments this year and have also been piloting the principles of contingent approval on the multiple technology assessment of Hybrid closed loop systems for managing blood glucose levels in type 1 diabetes. Resources have also been redeployed to other programmes and initiatives.
Medical technologies guidance	One topic is suspended due to a Healthcare Safety branch investigation. Another topic is delayed due to the committee requesting additional economic analysis, and will publish in May 2022.
Medtech innovation briefings (MIBs)	The pipeline of topics is still strong but MIB production was delayed by difficulties in sourcing expert advice and capacity within NICE for analysts, editorial slots and prioritisation at Guidance Executive meetings. Some topics were also paused awaiting regulatory approval or further evidence publication.

Guidance and supporting outputs - Summary 1st April 2021 - 31st March 2022

Life Sciences ecosystem

● actual — planned



Comments

Commercial briefing notes for NHSE&I to support discussions with companies

The target is “up to” and dependent on referrals and requests from NHSE&I which can vary over time. NICE has responded to all requests received in the timeframe.

Advice on 'Patient Access Schemes

The target is “up to” and dependent on referrals and requests from NHSE&I which can vary over time. NICE has responded to all requests received in the timeframe.

New data collection agreements

We have delivered 100% of data collection agreements for topics recommended for managed access. The target is "up to" and is dependent on various external factors, including whether NICE TA Committees make any recommendations for managed access, data collection feasibility and successful commercial negotiations between companies and NHSE&I.

People

People 1st April 2021 - 31st March 2022

Output	Plan	Value	Variance	On Target	Year- end forecast - RAG	Trend - plan in yellow April 2021 - March 2022	Comments
Budget Vacancy Rate	5.00%	7.79%	2.79%	↓	●		The vacancy rate has remained steady during the last quarter. Over 50% of vacancies are being actively recruited to, with current campaigns or offers made and candidates either going through pre-employment checks or have future start dates booked.
The proportion of WTE days reported as sickness (reported quarterly and annually).	2.30%	2.10%	-0.20%	↑	●		Covid accounted for 38% of sickness absence with Anxiety/Stress/Depression/Other Psychiatric Illnesses remaining the cause for the highest amount
The rate of staff turnover	9.00%	12.33%	3.33%	↓	●		We are closely monitoring turnover for any trends and also reviewing exit data. We are also working towards NICE being an employer of choice with various interventions from recruitment through to learning and development opportunities and organisational design.

Finance

Overall, the final outturn for 2021-22 was an underspend of £1.1m.

Financial position as at 31 March 2022

YTD PAY

Variance

-£1,736,000 Underspend

YTD NON - PAY

Variance

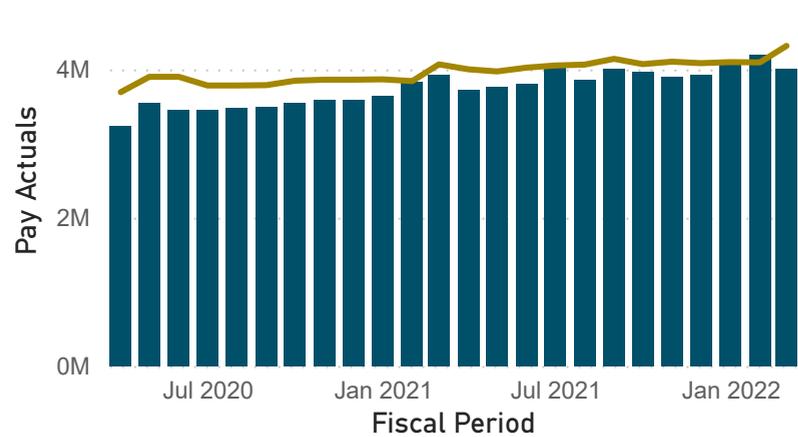
-£1,340,000 Underspend

YTD INCOME

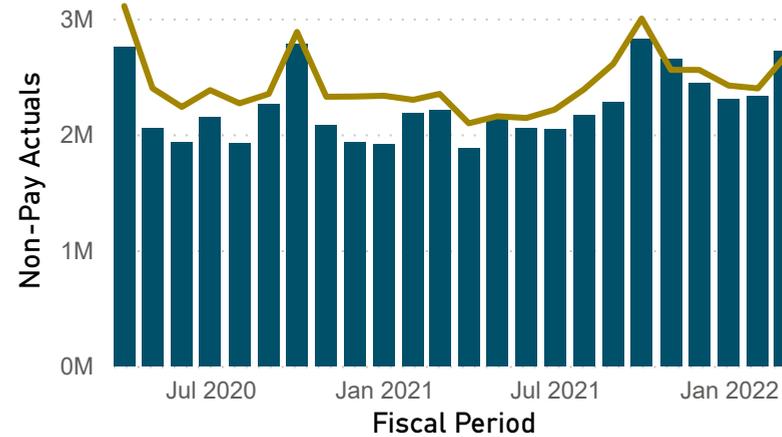
Variance

£1,954,000 Deficit

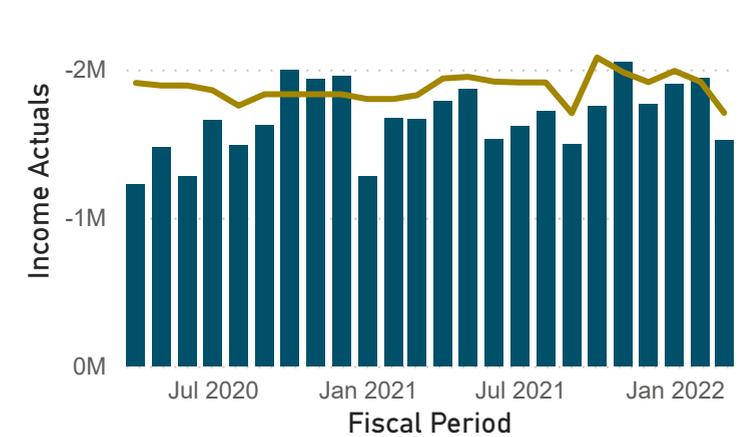
● Pay Actuals ● Pay Budget



● Non-Pay Actuals ● Non-Pay Budget



● Income Actuals ● Income Budget



	Year-to-date Budget £000	Year-to-date Actual £000	Year-to-date Variance £000	Year-to-date Variance %
PAY	49,032	47,296	-1,736	-4%
NON-PAY	29,194	27,853	-1,340	-5%
INCOME	-22,926	-20,972	1,954	-9%
Grand Total	55,300	54,177	-1,123	-2%

The year-end outturn was a £1.1m underspend, which was the position at the end of January previously reported to the board. Most of the underspend was accumulated earlier in the year when the vacancy rate was greater than 10%, but this fell to under 8% in the final quarter. This reduction in vacancies, coupled with the pay award of 3% and a budget assumption that we will usually have 5% vacancies due to staff turnover, resulted in the pay spend in the final quarter being close to breakeven.

Non-pay underspends relate to low depreciation costs during the year, travel costs being lower than expected due to the continued impact of the pandemic, and slippage in the Digital Workplace and Transformation programme.

The deficit in income mainly relates to TA/HST, which generated income of £8.6m against a target of £10m. The remaining difference relates to a reduction in funding from other NDPBs, but this is offset by a reduction in costs in these programmes (for example the funding provided by NHSE&I to support our managed access team).

Year-end position 2021-22 - variance analysis

The chart below shows the drivers of the £1.1m (2%) underspend that accumulated in 2021-22. In the previous report the forecast was that the outturn would be £0.8m, but that assumed we would make several provisions in the accounts for potential liabilities. However, these didn't materialise and the underspend remained at £1.1m in line with forecasting earlier in the year.

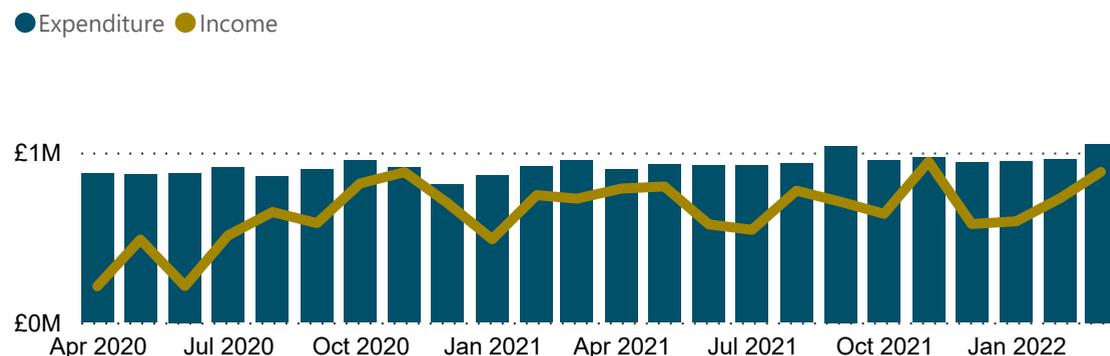


	£M	Comment
Vacancies	1.6	Underspends on pay accumulated in the first half of the year when the vacancy rate was greater than 10%.
Digital Workplace Programme	0.7	Underspend is due to slippage in appointing a supplier to support this work and difficulties in recruiting specialist support for the programme team.
Reprioritisation	0.4	To deliver our strategy, we reprioritised some of our activities during the year to release capacity. This has released savings, with some recognised in-year.
Travel	0.3	The budget assumption had been that travel costs would be at 25% of pre-pandemic levels, however actual costs were much lower (7%)
Depreciation	0.2	Investment on our Audio Visual Equipment and IT storage was spent late in Q4, which meant depreciation charges were low for 21-22.
Transfer in of guideline centres	-0.2	We incurred costs in Q4 ahead of the transfer in April, including hardware purchases and onboarding support from HR, IT and payroll.
Income from other NDPBs	-0.5	Savings associated with Managed Access, HealthTech Connect and journal content were passed on to NHSE&I and HEE, who fund this activity.
TA/HST Fees	-1.4	The income from TA/HST fees was £8.6m against a budget assumption of £10m for 2021-22.

Technology Appraisal / Highly Specialised Technology Income

Category	Year-to-date Actuals £'000
Expenditure	11,475
Income	8,576
Variance	2,899

TA/HST income and expenditure since April 2020



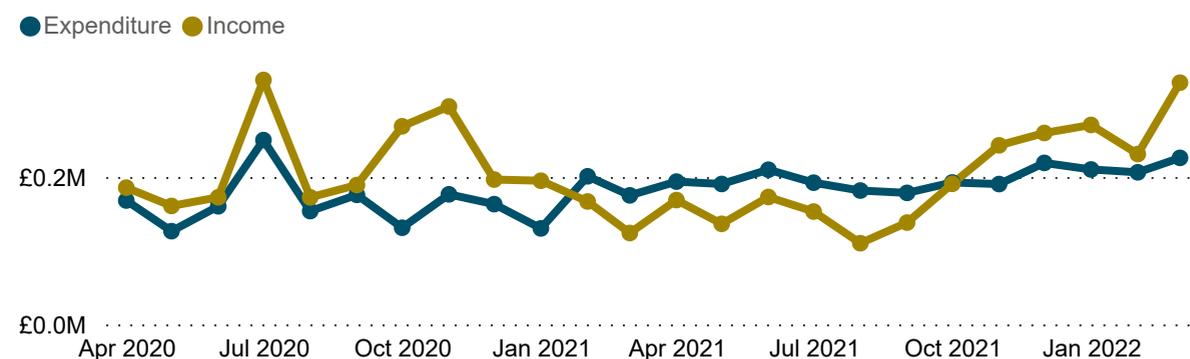
The TA/HST income target for 2021-22 is £10m. This target was set lower than the estimated full cost of the programme (estimated to be £11.5m at the start of the year). This was partly in recognition of the discount for small companies, but mostly because of the disruption caused by Covid-19 and vacancies, and the double impact this was expected to have on the programme.

The income recognised in 2021-22 was £8.6m. In addition to the impact of Covid-19, vacancies in the programme in the last financial year affected capacity meaning some topics were paused briefly and new topics were delayed in starting. That had a knock-on impact on this years income recognised. A combination of more topics starting and in increase in fees from 1 April should see the deficit reduce significantly in 2022-23.

NICE Scientific Advice Income

Category	Year-to-date Actuals £'000
Expenditure	2,391
Income	2,402
Variance	-11

NICE Scientific Advice income and expenditure since April 2020



The NICE Scientific Advice service generated a surplus of £11,000 in 2021-22.

As previously reported, the team had been reporting a deficit for most of the year due to capacity issues from vacancies in the first 6 months of 2021-22.

However, vacant posts were filled and a review of pricing in July to reflect changes in skill mix within the team and the 2021-22 pay award saw revenues increase in the second half of the year as shown in the chart above and recover the financial position.

The surplus generated in 2021-22 will be added to the cash backed reserves brought forward from previous years. The reserves balance carried forward into next year will be £1.6m.