

# 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 January 2022, and a summary of progress with the objectives in the 2021/22 business plan.

The Board is asked to review the report.

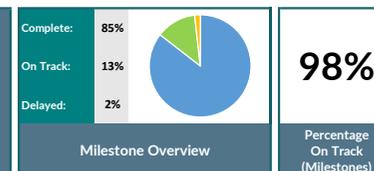
Jennifer Howells

Director, Finance, Strategy and Transformation

March 2022

## High Priority Objectives Status 21/22

February 2022 Performance & Assurance Report

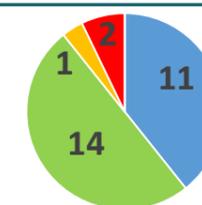


Pillar	Objective	Target	21/22 Status	Trend	Summary
Pillar 1	Speed up the evaluation pathway for medicines and devices	Q4	Delivered	 Stable	The operational service for Innovative Licensing and Access Pathway (ILAP) is in place: 84 innovation passport applications received, 49 awarded, 17 target development profile (TDP) applications received and 12 TDP kick off meetings held. Therefore, the business plan objective as stated has been met. Multi-year programme of work challenges include no SR funding for NICE ILAP activity. A cost recovery system is being explored but will require the MHRA to agree to charge industry and then transfer funds to NICE. Other challenges include the volume of applications being higher than the resource available and the approach and alignment of ILAP and Innovative Devices Access Pathway (IDAP).
	Publish evaluation methods and processes for health technology evaluations	Q4	Delivered	 Stable	Following Board approval in January, the new methods and processes were published on 31st January. Implementation of the changes are now underway. Therefore, the business plan objective as stated has been met.
	Deliver phase 1 of a life sciences hub	Q4	On track to deliver	 Stable	Phase 1 is on schedule to launch on 4th March. User testing has been positive and 3 talking head videos are in development. Therefore, the business plan objective as stated is on track to be met. Multi-year programme of work challenges include funding and resource availability. Funding has not been identified for the next phases and the lead for this work is on maternity leave from 1st March.
Pillar 2	Adopt a new guideline authoring tool - MAGICapp	Q2	Delivered	 Stable	The MAGICapp tool was adopted in February 2021 and has been used to deliver living guideline recommendations for COVID-19. Therefore, the business plan objective as stated has been met. Multi-year programme of work challenges include that a review of the MAGICapp tool identified technical challenges with impacts on cost. It was agreed to wait until the appointment of the Chief Digital Product Officer (CDPO) before progressing. The CDPO started in post on 14 February.
Pillar 3	State with system partners how our guidance adds value across the health and care system	Q3	Delivered	 Stable	The infographic was incorporated into the CEO board report in January 22. Therefore, the business plan objective as stated has been met.
Pillar 4	Develop an initial framework for the use of real world data	Q4	On track to deliver	 Stable	The real-world evidence framework was presented to the Executive Team in February and is due to be presented to Board on 17 March. Therefore, the business plan objective as stated is on track to be met. Timelines are being finalised for the framework consultation and final version. It is envisaged that future work can be covered through existing resources.
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	<b>Delivery of services is progressing according to plan: the 'Project Spaces' early adopter is live. Work on 'My Space' service is about to start. Development of a programme plan for next phases has been created. Exchange online migration is complete with public folder migration ongoing until March. An accelerated approach to ClickUp rollout has been agreed and contracts signed. Resources and business capacity challenges will continue into next year placing additional pressure on non-pay budget and the pace of change that is sustainable. Uncertainty over funding available for the programme in the next financial year remains and this will impact the scope of services that are prioritised for delivery.</b>
Enabler	Organisational design (OD) review - Implement recommendations of organisational design review carried out in Q4 2020/21	Q3	On track to deliver	 Stable	Organisational design is ongoing in several directorates, supported by the Transformation Team. Outputs from 'Heads Up, Heads Down, Heads Together' have been collated into draft guidance which is being shared with the Union. A culture blueprint is under development. Therefore, the business plan objective as stated is on track to be met. This is a multi-year programme of work where there are challenges to funding and resource availability.

# Transformation Performance Summary

## February 2022 - Performance & Assurance Report

On Track:	14
Challenges to deliver:	1
Significant risk to delivery:	2
Complete / Delivered:	11
<b>Total Objectives:</b>	<b>28</b>



Business Plan Objectives Status

### Delivery Update

	21/22 Objectives Update	Pillar Trend	Narrative
<b>Strategic Pillar 1</b> Rapid, Robust and Responsive Technology Evaluation	7 Objectives 	 Minor Downward (MAAS only)	<p><b>There are risks to delivery of the Multi-Agency Advice Service (MAAS) as the outcome of NHSX funding rationalisation is still unknown. Therefore, the test version of the digital service will be delayed.</b> The devices and digital managed access 21/22 business objective is complete and will now transition to the contingent approval project for 22/23. The Innovative Medicines Fund (IMF) managed access processes and procedures have been published in the unified methods and process manual. It will now move into an operational phase, likely to be June 22 as will the HTA collaboration agreements which have been agreed and are awaiting signature.</p>
<b>Strategic Pillar 2</b> Dynamic, Living Guideline Recommendations	4 Objectives 	 Stable	<p>The topic prioritisation group has agreed the approach to topic suite prioritisation and high-level mapping is complete for diabetes. Other topic suite mapping is ongoing and will cover 25% of recommendations. Implementation of the content strategy is on track. Both projects are multi-year programmes of work in support of living guideline recommendations. <b>Agreement to delay the stakeholder insights project until 22/23 was agreed at the transformation portfolio board.</b></p>
<b>Strategic Pillar 3</b> Effective Guidance Uptake to Maximise our Impact	3 Objectives 	 Stable	<p>Implementation strategy principles agreed with a revised implementation strategy due to published in Q2 22/23. Work is on track for the health inequalities (HI) project, including reviewing HI methods and processes in guidance development, building system relationships to support improvement of health inequalities, and mapping NICE products to the CORE20PLUS5 HI programme.</p>
<b>Strategic Pillar 4</b> Leadership in Data, Research and Science	6 Objectives 	 Upward	<p>The Trusted Research Environment (TRE) Digital Data Access Request Service (DARS) application is ongoing but is subject to approval by an independent group, expected by the end of February. Once complete, a data sharing agreement will be signed to support the contingent approval project for digital devices. NICE Listens is now operational. A societal impacts paper was presented to the Executive Team in February and is going to the Board in March. The antimicrobial project is on track to deliver with committee meetings scheduled. Progress continues to be made in scoping a framework for the consideration of environmental impact in NICE guidance. Specialist support and resources will be required to continue this work.</p>
<b>Enabling the delivery of our strategy</b> To strive for excellence, with an efficient and effective organisation that delivers our strategy	8 Objectives 	 Stable	<p>The CIP project has identified most of the required efficiency savings and is on track to deliver. The technology appraisal charging review has been completed and new fees agreed by the Board. The pilot for TRAC committee recruitment is due to commence in March. The EDI in committees action plan is to be co-produced with former, current, and prospective committee members so will be delayed until Q1 22/23 to allow for facilitated sessions to take place. A business case to present options to progress with a CRM and approach to master data management is on track for April.</p>

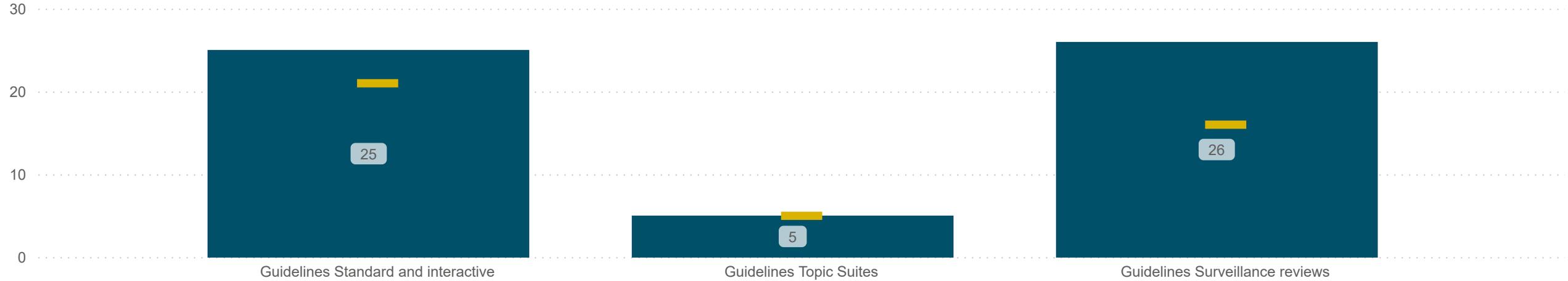
Key - Objectives Pie Charts: ■ Complete ■ On track to deliver ■ Challenges to deliver, confident of mitigation actions ■ Significant risk to delivery and limited confidence in mitigations ■ Not yet started

# Guidance and supporting activity

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

### Guidelines ecosystem

● YTD Actual — YTD Planned



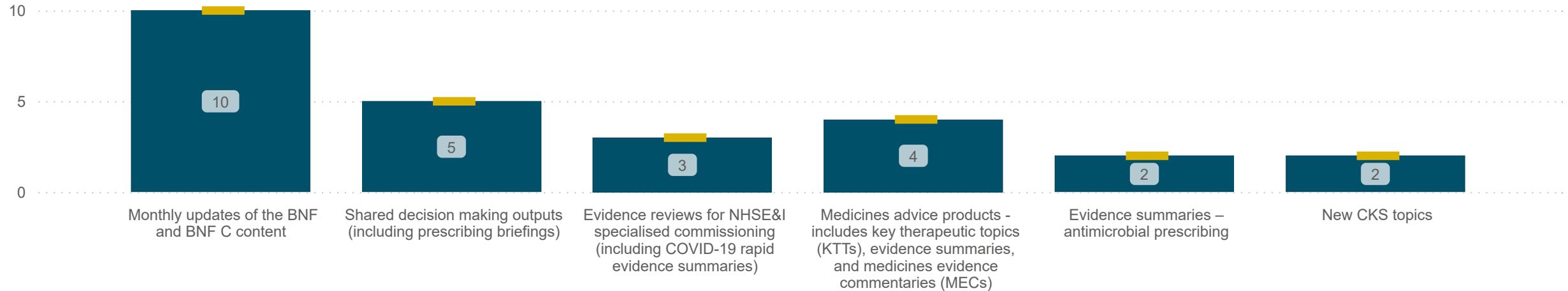
### Comments

Guidelines Standard and interactive	More guidelines have published compared with target due to additional smaller updates being initiated and published.
Guidelines Topic Suites	Expect to meet target at year end.
Guidelines Surveillance reviews	More surveillance reviews were produced compared with target. This is due to an increase in the number of exceptional surveillance reviews, which can not be planned for as they are triggered by changes in the evidence.

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

### Information ecosystem

● YTD Actual — YTD Planned



### Comments

Shared decision making outputs (including prescribing briefings)

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. The year-end forecast for this KPI is 7 against a plan of 8.

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 has responded to all requests received in the timeframe. The year-end forecast is 4.

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 is now 7 outputs which we will meet (4 MECs, 1 evidence summary and 2 visual summaries). In light of this new approach and refocusing of resources, this deliverable will not be listed in the 2022/23 business plan.

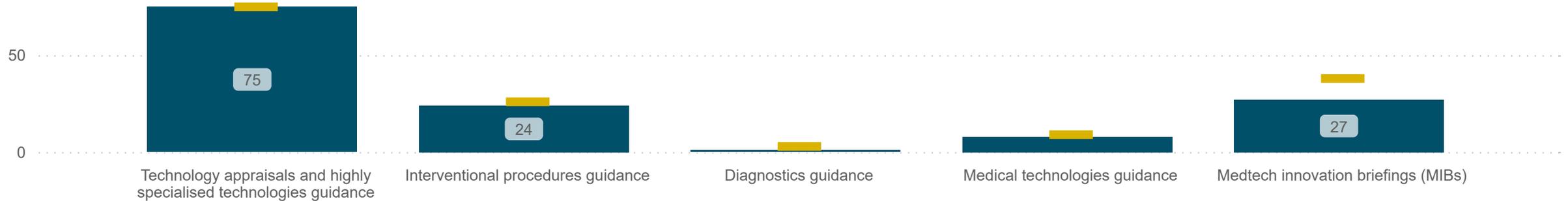
New CKS topics

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. The contractor has confirmed that the remaining 2 topics are on schedule and has a consistent history of delivery against KPIs.

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

### Life Sciences ecosystem

● YTD Actual — YTD Planned



### Comments

#### Technology appraisals and highly specialised technologies guidance

Despite capacity issues the programmes have published 75 pieces of guidance and remain on track to publish 98 pieces of guidance by 31 March 2022. However this is expected to be achieved by a higher proportion of terminated appraisals (15 between April 2021 and January 2022) than was signalled in the business plan (10 for the whole of 2021/22), impacting income recognition.

#### 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.

#### Interventional procedures guidance

Three topics have been delayed: two due to the need to address the issues raised at resolution and the second committee meeting, respectively. The third delay has been caused by a resolution request. Revised publication dates for all 3 pieces of guidance are to be confirmed.

#### Medtech innovation briefings (MIBs)

We are behind target at this point and are now forecast to publish 39 MIB's this year against a business plan target of 46. The pipeline of topics is still strong but MIB development has been delayed by difficulties in sourcing expert advice and capacity within NICE for analysts, editorial slots and prioritisation at Guidance Executive meetings. There have also been topics paused due to regulatory issues and awaiting further evidence publication.

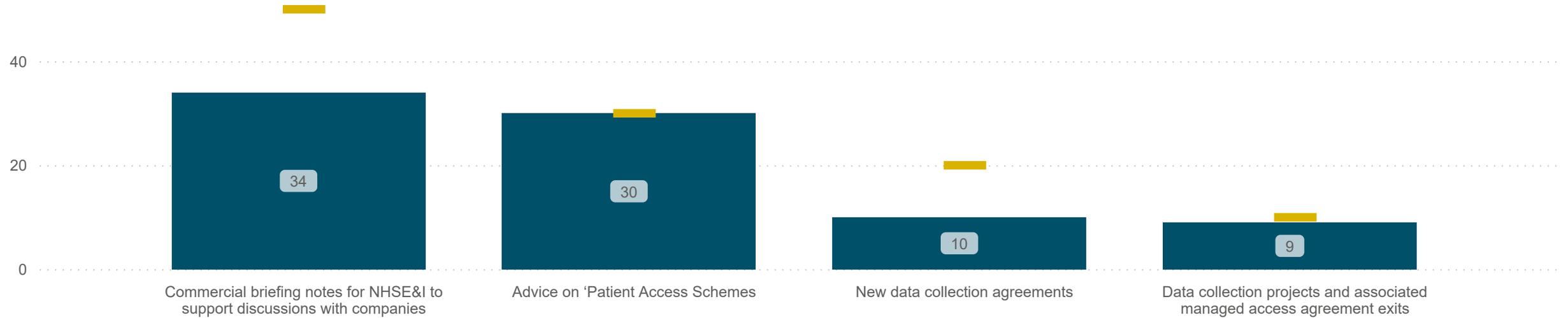
#### Medical technologies guidance

We expect to publish 12 pieces of guidance against the target of 14. One topic has returned to the TSOP panel for re-routing and will not publish this financial year, while another is suspended due to the Healthcare Safety Investigation Board (HSIB) report.

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

Output	Plan	Value	Variance	On Target	Year- end forecast - RAG	Trend - plan in yellow April 2021 - January 2022	Comments
Budget Vacancy Rate	5.00%	7.80%	2.80%	↓	●		As of February we have 64.22 established vacancies and are actively recruiting to 38.9WTE.
The proportion of WTE days reported as sickness (reported quarterly and annually).	2.30%	2.64%	0.34%	↓	●		Anxiety/Stress/Depression/Other Psychiatric Illnesses continues to be the highest absence reason in terms of FTE % lost, Cold, Cough, Flu has the highest number of occurrences. Covid accounted for 27% of sickness absence across the organisation in January 2022
The rate of staff turnover	9.00%	12.52%	3.52%	↓	●		95 leavers in the 12 months from 1st February 2021 - 31st January 2022. 71% were voluntary leavers. We are closely monitoring turnover for any trends and also reviewing exit data. We continue to work towards NICE being an employer of choice with various interventions from recruitment through to learning and development opportunities and organisational design.

# Finance

Overall, the year-to-date position for month 10 was an underspend of £1.1m.

Financial position as at 31 January 2022

**YTD PAY**

Variance

**-£1,539,000** Underspend

**YTD NON - PAY**

Variance

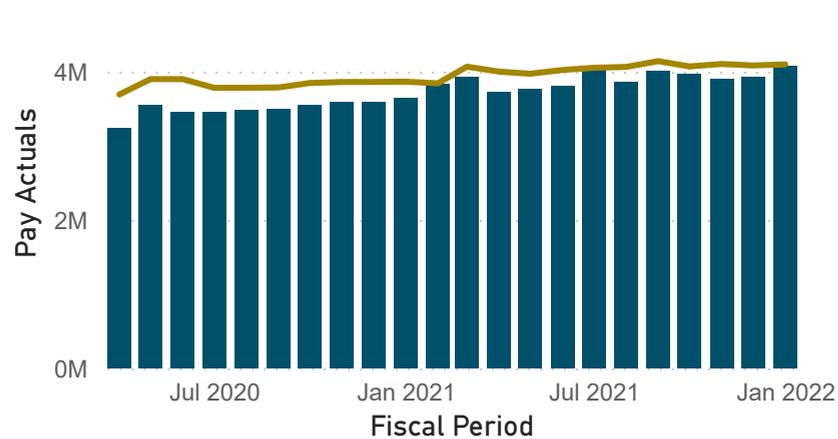
**-£1,336,000** Underspend

**YTD INCOME**

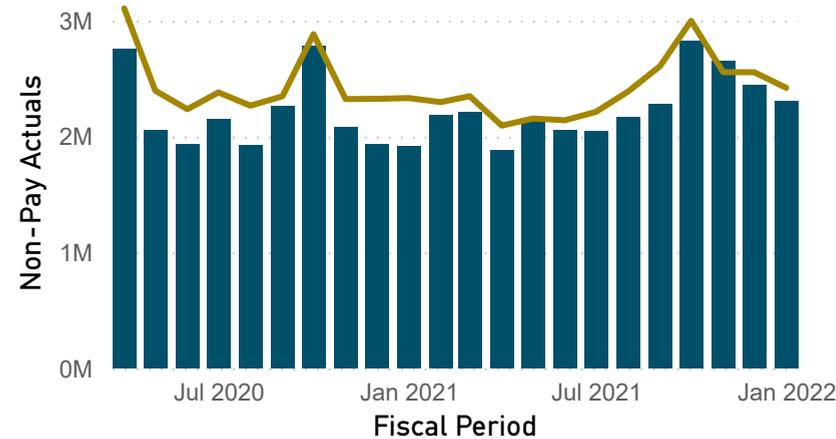
Variance

**£1,798,000** Deficit

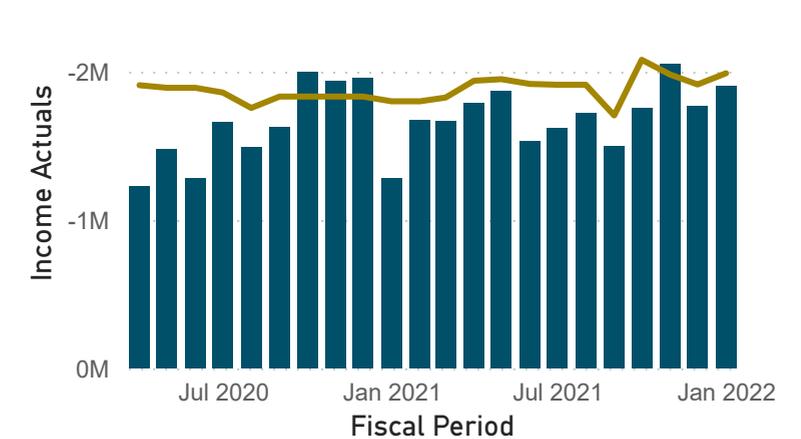
● Pay Actuals ● Pay Budget



● 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	40,619	39,080	-1,539	-4%
NON-PAY	24,134	22,799	-1,336	-6%
INCOME	-19,302	-17,504	1,798	-9%
<b>Grand Total</b>	<b>45,452</b>	<b>44,374</b>	<b>-1,077</b>	<b>-2%</b>

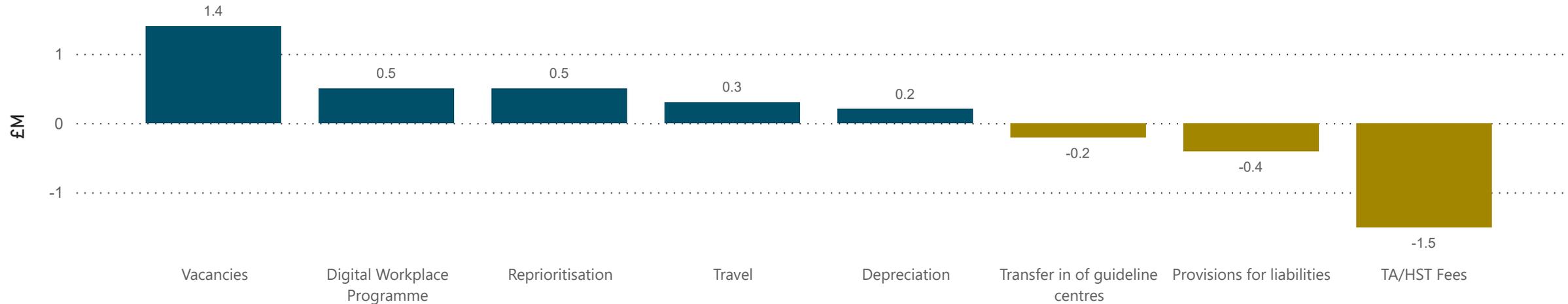
Underspends on pay accumulated earlier in the year when the vacancy rate was greater than 10%. The rate of underspend has slowed due to recruitment (the vacancy rate in January was 7.8%). This reduction in vacancies, coupled with the pay award of 3% being greater than the budgeted increase of 1%, resulted in the pay spend in January being close to breakeven as shown on the chart above.

Non-pay underspends relate to low depreciation costs to date, travel costs continuing to be lower than expected due to the pandemic, and slippage in the Digital Workplace and Transformation programme.

Total income is below plan for TA/HST income and NICE Scientific Advice, although other income sources are currently on target. It is anticipated TA and HST income will continue at current levels for the remainder of the year, although NICE Scientific Advice is showing an improved position in quarter 3 and is expected to do so again in quarter 4.

## Forecast year-end position 2021-22

Due to the proximity to the financial year-end, the forecast outturn is not being shown as a bridge chart as in previous reports. Instead the focus is on showing the drivers of the forecast outturn, these are set out in the chart and table below. The forecast under spend has reduced to £0.8m (from £1.2m reported in January's report), the main reason for this change is due to provisions for future liabilities that we will likely include in our 2021-22 annual accounts.

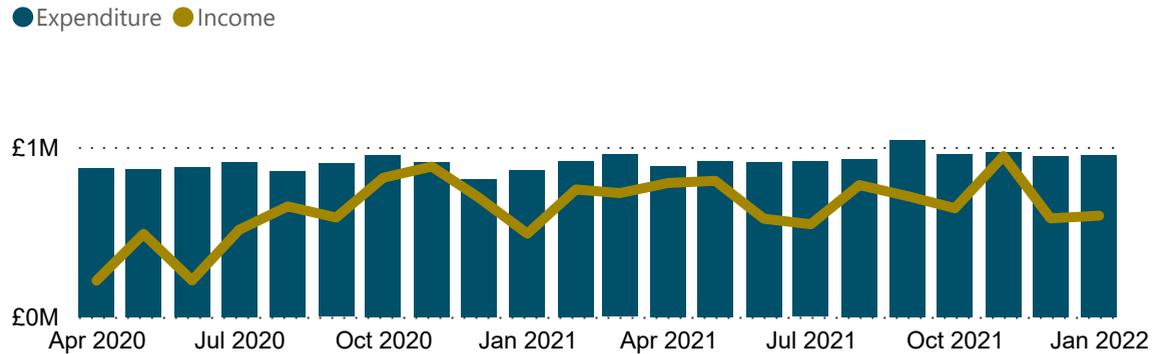


	£M	Comment
Vacancies	1.4	Underspends on pay accumulated in the first half of the year when the vacancy rate was greater than 10%.
Digital Workplace Programme	0.5	Underspend is due to slippage in appointing a supplier to support this work and difficulties in recruiting specialist support for the programme team.
Reprioritisation	0.5	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 are much lower (7%)
Depreciation	0.2	Expected investment in our Audio Visual Equipment and IT storage is only expected to occur late in Q4, which means depreciation charges will be low for 21-22.
Transfer in of guideline centres	-0.2	We are incurring costs in Q4 ahead of the transfer in April, including hardware purchases and onboarding support from HR, IT and payroll.
Provisions for liabilities	-0.4	It is expected we will make provisions in our accounts under IAS 37 in recognition of future potential legal costs and organisational change
TA/HST Fees	-1.5	The expected income from TA/HST fees is expected to be £8.5m against a budget assumption of £10m for 2021-22.

## Technology Appraisal / Highly Specialised Technology Income

Category	Year-to-date Actuals £'000
Expenditure	9,420
Income	6,957
Variance	2,463

TA/HST income and expenditure since April 2020



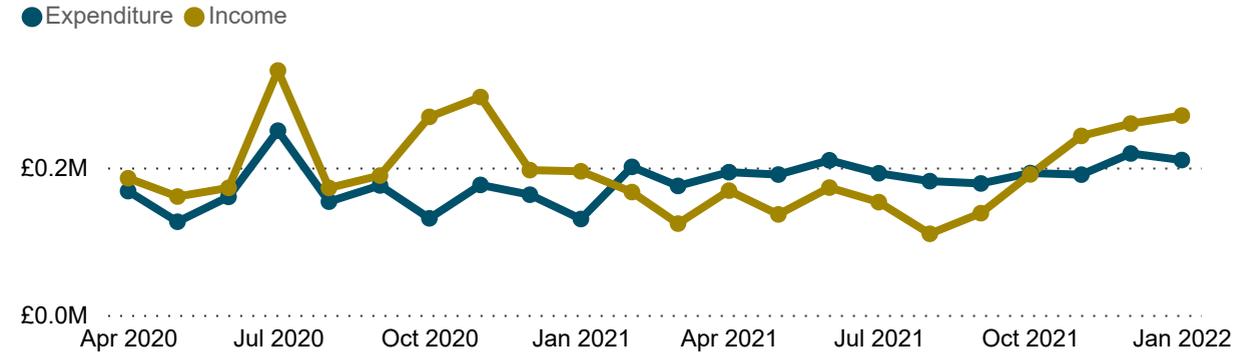
The TA/HST income target for 2021-22 is £10m. This target was set lower than the estimated full cost of the programme (estimated to be £11.5m at the start of the year). This was partly in recognition of the discount for small companies, but mostly because of the disruption caused by Covid-19 and vacancies,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

As previously reported, income is still tracking lower than expenditure in 2021-22. There was a dip in income recognised in December and January, but this was expected due to the holiday period and the forecast income from fees remains at £8.5m as previously reported to the board.

## NICE Scientific Advice Income

Category	Year-to-date Actuals £'000
Expenditure	1,958
Income	1,843
Variance	115

NICE Scientific Advice income and expenditure since April 2020



The NSA team is currently reporting a deficit, due to capacity issues from vacancies earlier in the year.

However, vacant posts have now been filled and a review of pricing in July to reflect changes in skill mix within the team and the 2021-22 pay award has seen revenues increase in recent months as can be seen in the chart above.

The deficit has fallen by £101k in the 2 months since the previous report (£216k) and it is expected that this improved performance will be maintained for the remainder of the year, reducing this deficit further to potentially achieve breakeven or better by the end of the financial year.