

# **National Institute for Health and Care Excellence**

## **Annual Report and Accounts 2019/20**



**National Institute for Health  
and Care Excellence  
(non-departmental public body)**

**Annual Report and Accounts 2019/20**

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to Schedule 16, paragraph 12(2)(a) of  
the Health and Social Care Act 2012**

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# Performance Report

# Overview

This section describes the role and structure of NICE, explains what we do and lists our achievements in 2019/20.

## Chair's and Chief Executive's report

NICE entered its third decade in April 2019 and as we passed that milestone, we found ourselves both dealing with familiar tasks and facing new challenges.

We tackled some important topics in our main guidance programmes during the year. In June 2019, we published an updated guideline on the diagnosis and treatment of depression in children and in October 2019, a new guideline on managing services for people in the final months and weeks of life. Alongside these guidelines, we have now published a total of 189 quality standards, each of which identifies opportunities for the NHS to even out variability in the provision of effective treatments and practice, in many cases with little additional resource requirements.

From our main technology appraisal programmes, we made recommendations on the use of cannabidiol for treating 2 forms of childhood epilepsy and nusinersen for treating spinal muscular atrophy. Our highly specialised technologies programme provided advice on the use of voretigene neparvovec for treating inherited retinal dystrophies, continuing a predominantly positive sequence of recommendations for people living with very rare conditions.

Also, from our medical technologies programmes we provided advice on gammaCore for treating cluster headache, and on the safety and efficacy of high intensity focused ultrasound for glaucoma and fetoscopic prenatal repair for open neural tube defects.

This year has also seen many new initiatives across social care and public health. We produced a range of targeted materials to help social workers in key areas such as domestic violence and abuse. We also led a major campaign to ensure optimal use of medicines in the community, with support from local authorities, home care providers, social workers and people accessing medicines support. In public health we worked closely with partners such as Public Health England to produce information to protect and improve the population's health, including our guideline on indoor air quality at home.

## Supporting digital health technologies

The potential of digital health technologies and artificial intelligence is growing, as both the established life sciences industry and new disrupter enterprises begin to offer interventions for the NHS and social care. NICE is working closely with NHS England and NHS Improvement and with NHS Digital to help new entrants to this growing field, particularly in relation to advice on the kind

of evidence the health and social care system will need to make decisions about adopting their innovations. Our evidence standard for digital technologies is being widely used and in 2019, we began a pilot programme evaluating 5 digital technologies, referred to us by NHS England and NHS Improvement. Our evaluation of these technologies has provided an invaluable insight into what we need to know to ensure that we can take full advantage of them in the future.

### **Reviewing our methods**

As the needs and expectations of our users and stakeholders change and as the technologies we appraise evolve, we must keep what we do and how we do it under review. We have always subjected our methods and processes to periodic reassessment. Each time we have been asked to take on new work, we have combined the best of our current methods with novel approaches, to ensure that the new output is delivered as efficiently as possible.

In the current review of the methods for technology appraisal we have ensured that our approach takes into account relevant national policy, such as the Voluntary Scheme for Branded Medicines Pricing and Access, as well as the changing nature, risk profiles and costs of the technologies we appraise. Taking a systematic and inclusive approach to this work will help ensure that our methods recognises the constraints and the ambitions of our system partners and our stakeholders.

### **Continuing our transformation**

Ensuring that individual programmes' methods and processes are kept up to date is important, but we also recognise that after 20 years, our existing publications and the guidance we will produce in future, needs to be produced quickly and updated frequently, be easily accessible and as simple as possible to use. To this end, this year, we significantly increased the time and resources being made available to our multi-year transformation programme, NICE Connect. Led by the Senior Management Team and with dedicated resources, both from existing staff and with new capacity and external support, this programme will enable NICE to take advantage of the full range of available digital technologies to source, assemble and interpret evidence, and to provide access to all our work. The programme now has a clearly stated set of ambitions, a detailed project structure, and broad support inside the organisation and from our key partners and stakeholders. The pace of change in delivering on these ambitions will depend on the funding available. Without sufficient additional resources, the pace will be slower and the full benefits of the programme will take longer to deliver. The additional resources for NICE Connect, for which we have bid from central resources are essential to enable us to fulfil the potential of the changes we want to make.



## Responding to coronavirus

As the year ended, along with the rest of the country, we were swept up into the huge dislocation caused by the coronavirus pandemic. We responded by focusing our output on COVID-19 related guidance and other therapeutically critical topics, and by moving the organisation to remote working, which we achieved over a very short period. Our staff responded to both changes magnificently, coping not just with working from home – something new for many of our staff – but also in many cases with looking after children unable to go to school and for some, working on new and unfamiliar programmes. That they did this at the point of transition to a new chair and chief executive simply adds to the achievement. Gill Leng took over as chief executive and accounting officer on 1 April 2020 and Sharmila Nebhrajani as chair on 25 May 2020.

On 11 March we were asked by NHS England and NHS Improvement to produce recommendations on the treatment of people with confirmed and suspected coronavirus infection in 3 clinical settings: critical care, chemotherapy and renal dialysis. Using a dedicated team of staff and with an excellent response from experts and stakeholders, we were able to publish the guidance on 20 March. Further commissions followed and we have gradually developed and improved the methods for producing it. In addition, we have produced evidence reviews on interventions including NSAIDs and ACE inhibitors. As the global search for a vaccine and for diagnostics and treatments gathered pace, we offered our support to companies by making our scientific advice programme freely available for coronavirus research and by offering our full support to the Medicines and Healthcare products Regulatory Agency (MHRA), to ensure a seamless approach to licensing and evaluation of new technologies.

Our ability to respond to the coronavirus emergency is entirely a result of the efforts of the extraordinary group of people who work at NICE. Without them and the wonderful support we receive from our community of experts, advisors and stakeholders we couldn't have done that, or produced any of the other work that NICE has published. We are, as ever, enormously grateful to them.



**Tim Irish**  
Interim Chair



**Sir Andrew Dillon**  
Chief Executive and Accounting Officer  
(to 31 March 2020)

# Who we are and what we do

NICE – the National Institute for Health and Care Excellence – works to improve the quality, sustainability and productivity of health and social care.

We do this by producing guidance and information, which enables people working in and using the health and care system to make better decisions.

We take account of value for money in developing our guidance, by recognising that new forms of practice need to demonstrate the benefits they bring and by recommending better targeting of interventions of limited value and opportunities for disinvesting from ineffective interventions.

Over the last 20 years, we have developed a reputation as a leader in evidence-based health and social care policy, assessment and decision making for the nation and across the world.

Our work in 2019/20 was grouped around 3 strategic objectives:

**Deliver guidance, standards, indicators and evidence** to help to achieve high-quality, sustainable services, supporting the health and care system to use its resources efficiently, and contributing to a thriving life sciences industry.

**Support the adoption of our guidance and advice** and help maximise its impact by working with partners to produce practical tools and support. Promote the role of NICE in the development and use of evidence in the international arena.

**Operate efficiently**, by using our resources productively and sustainably, and by supporting our staff to deliver on their full potential.

In 2019/20 NICE produced a range of resources for the health and social care system, including:

**32**  
published

### **Guidelines**

Recommendations for the diagnosis and management of clinical conditions, the prevention of ill health and promotion of good health, and on the delivery of social care.

**59**  
published

### **Technology Appraisals**

Recommendations on the clinical and cost effectiveness of new and existing medicines, diagnostics and treatments.

**9**  
published

### **Medical Technologies and Diagnostics Guidance**

Help the NHS make decisions on whether to invest in innovative new medical and diagnostic technologies.

**27**  
published

### **Interventional Procedures Guidance**

Examine the safety and efficacy of new minimally invasive procedures.

**13**  
published

### **Quality Standards**

Provide priorities for improvement in health and social care.

**4**  
produced

### **Commissioning Support Documents**

Support NHS England in commissioning policy development.

**31**  
published

### **Medtech Innovation Briefings**

Help the NHS make decisions on whether to buy new technologies.

**60**  
published

### **Shared Learning Case Studies**

Show how our guidance and standards can improve health and social care services.

Six directorates support the development and dissemination of our guidance:

### **Centre for Guidelines**

Develops guidance on the promotion of good health, prevention of ill health, appropriate treatment and care for people with specific diseases and conditions, and social care.

The guidance is used by those working in the NHS, local government, social care, patients and their families. The Centre for Guidelines also manages the contract to provide the British National Formulary to prescribers.

### **Centre for Health Technology Evaluation**

Develops guidance and advice on the use of new and existing treatments for the NHS in England, such as medicines, medical devices, diagnostics and digital health technologies.

The directorate is responsible for the technology appraisals, highly specialised technologies evaluations, medical technology evaluations, including medical technology innovation briefings, interventional procedures and diagnostic technology assessment programmes.

Joint work with NHS England and NHS Improvement on the cancer drugs fund, commercial medicines framework and accelerated access collaborative are supported by the commercial and managed access function, which also hosts NICE's Office for Market Access.

### **Health and Social Care Directorate**

Drives and enables the effective and appropriate use of all NICE guidance and advice, and supports the engagement of patients and the public; defines standards and indicators to support quality improvement and measurement; supports national and local initiatives to improve quality, value and outcomes, and to reduce inappropriate variation across the health and care system for individuals and populations.

The directorate is responsible for strategic engagement; quality standards and indicator development; medicines evidence summaries, guidance and advice; and resource impact assessments.

It also oversees adoption support for medicines and technologies; field team and medicines implementation consultants; the public involvement programme; fellows and scholars; the student champion scheme and shared learning.

## **Evidence Resources Directorate**

Maintains and builds NICE's digital services.

The directorate provides access to quality information to support guidance development and other NICE programmes, identifying and selecting new evidence. It commissions and manages contracts for online content available to the NHS across England through OpenAthens.

The directorate is responsible for NICE Evidence Services including Evidence Search, BNF microsites, Clinical Knowledge Summaries and Healthcare Database Advance Search; UK PharmaScan; and intellectual property and content business management.

## **Communications Directorate**

Raises awareness of our work and protects and enhances the reputation of NICE through daily contact with the public, media, parliamentarians and other key groups.

The directorate helps to ensure NICE content meets users' needs and is easily accessible through our website and other channels.

It is responsible for publication and dissemination of NICE guidance, the NICE website, public enquiries, public affairs, press work through social and multimedia channels, exhibition and events, internal communications and audience insights.

## **Business Planning and Resources Directorate**

The directorate is responsible for: business planning, finance, human resources, corporate governance, IT services, estates and facilities.

The annual business planning process identifies the objectives to be delivered within each financial year. In approving the annual business plan, the Board also recognises the principal risks which could potentially impact the successful delivery of the priorities.

These risks are monitored through the risk register and are detailed within the risk and control framework on p59.

# Performance summary

NICE plays an important role in addressing the challenges facing the health and care system. We have continued to support health and social care by providing the highest quality of information about what good care looks like, and how it can best be delivered.

## Highlights of 2019/20

During 2019/20 we continued to adapt to the changing needs of the health and social care system, and to develop the range and reach of our guidance, standards, and supporting advice. Here are some of the highlights of the year.

### Taking action to tackle coronavirus

NICE played an important role in the national response to the coronavirus pandemic, supporting the NHS and social care system by providing rapid and clear information and guidance on COVID-19.

We moved quickly to produce and publish a set of COVID-19 rapid guidelines. These were developed to maximise patient safety while making the best use of NHS resources and protecting staff from infection, and were developed in collaboration with NHS England and NHS Improvement and a cross-speciality clinical group, supported by the specialist societies and royal colleges.

The first batch of guidelines covered [critical care in adults](#), [dialysis service delivery](#), [delivery of systemic anticancer treatments](#) and [delivery of radiotherapy](#), and were produced and published at the end of March 2020.



In the same month we also began work on rapid guidelines for [managing symptoms \(including at the end of life\) in the community](#), [haematopoietic stem cell transplantation](#), [managing suspected or confirmed pneumonia in adults in the community](#), [severe asthma](#), [rheumatological, autoimmune, inflammatory and metabolic bone disorders](#), [community-based care of patients with chronic obstructive pulmonary disease \(COPD\)](#), [dermatological conditions treated with drugs affecting the immune response](#), and [cystic fibrosis](#), which were then published in early April 2020. Other rapid guidelines on key clinical topics in the pandemic were to follow.

These guidelines were produced to extremely challenging and condensed timelines, using an interim process and methods, and the recommendations are based on evidence and expert opinion.

In March 2020 we also carried out a detailed yet rapid evidence summary to determine if the [acute use of non-steroidal anti-inflammatory drugs \(NSAIDs\) for people with or at risk of COVID-19](#) increases the severity or length of COVID-19 illness.

For these products we waived our normal licensing requirements for international reuse or reproduction of our content, to help others across the world to access our information.

We also started working with the MHRA to facilitate rapid review of information and advice on the safety and efficacy of treatments for COVID-19. In addition, we identified 2 innovative technologies as being potentially useful during the COVID-19 pandemic, and published briefings on these.

The pandemic necessitated a profound and rapid change in the way we work. Our guidance is produced by advisory committees that include a lot of frontline NHS staff. In the early stages of the pandemic it was especially important that they were not taken away from their work caring for patients. It was also clear that NICE should not add to the burden on health and care system.

As a result, we reviewed all the guidance we had in development and prioritised work related to information on diagnosis and treatment of COVID-19, and also therapeutically critical topics, including all appraisals of cancer medicines.

To help expedite breakthroughs in care and support the life sciences industry, we also provided free fast track advice for researchers developing novel diagnostics or therapeutics for COVID-19, and our scientific advice service helped companies to optimise generation of evidence required for health technology assessment.

Chief executive Professor Gill Leng said: 'I am really pleased that NICE has been able to support the frontline healthcare system with a series of guidelines relevant to COVID-19. I am grateful to all staff and external stakeholders who worked extremely hard to deliver these to an exacting timescale.'

Everything we have produced on COVID-19 can be viewed at [www.nice.org.uk/covid-19](http://www.nice.org.uk/covid-19).



## Supporting the NHS Long Term Plan

NHS England's Long Term Plan sets out ways to tackle the pressures facing the health and care system, and ensure it is ready for the challenges of the next 10 years.

We contributed to the creation of the plan and are committed to supporting it, both through existing activities and new areas of work. This spans all parts of NICE and is a fundamental thread through all the guidance and advice we publish.

Our work to support research innovation is just 1 example of new activity. In December 2019 we submitted several proposals for funding in the field of artificial intelligence: for establishing a multi-centre advice service along with other partner organisations and for developing our evaluation methods.

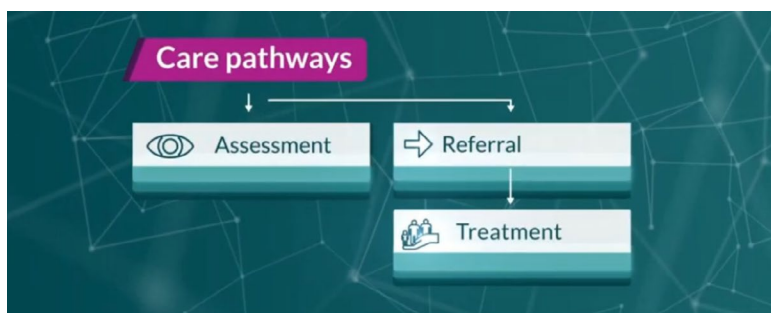
We will also continue to seek other opportunities, including working with partners, to use our guidance and standards to support the plan's implementation.



## Transforming NICE

The health and social care world is evolving. As we move into a digital and more connected world, what worked 20 years ago may not be the best way today and in the future. Our users want us to provide our information in ways that are easier to access, and we must ensure we continue to listen to and adapt to their needs.

In response, we have started transforming NICE through the Connect project. This complex, multi-year programme will deliver a new approach to developing and presenting our advice and guidance in a care pathway format. This will reflect the way prevention, treatment and care are organised and delivered. It will also make it easier for users to access our recommendations through third party systems, provide online, citeable publication of systematic reviews and technical reports, easy to access listings on decisions about new technologies and a dedicated stakeholder portal.



We have recruited a programme team to drive Connect, developed a governance structure, created a programme plan and are investigating ringfenced funding. We are working closely with our external stakeholders to ensure we stay aligned and earlier this year launched a [series of videos](#) to explain the project.



## 20 years of NICE

On 1 April 2019 we celebrated our 20th anniversary. To mark this significant milestone we delivered a programme of activities for staff and external stakeholders during the spring and summer. This allowed us to reflect on our achievements over the past 2 decades, and look forward to the challenges and opportunities to come.

Our media team published a long-read feature exploring [key milestones in our 20 year history](#). They also made a [series of 20 videos](#) with patients, frontline health and care staff, and others, whose lives or work have been positively impacted by our guidance over the years. A selection of the films was showcased at our annual conference in May, and a social media campaign resulted in 1,052 views of the 20 in total.

A staff celebration on 17 April saw Nick Timmins, former public policy editor at the Financial Times, sharing his views on our impact and influence. We also held an interactive showcase session where teams from across the organisation shared examples of their work – past, present and future.

On 12 June, we hosted a special anniversary reception for external stakeholders at the Palace of Westminster. Over 100 guests attended, from across health, social care and industry. Baroness Nicola Blackwood, parliamentary undersecretary of state for innovation, sponsored the event and delivered an opening address.



The evening also featured speeches from NHS England's chief executive Sir Simon Stevens, Association of the British Pharmaceutical Industry chief executive Mike Thompson and Guardian columnist Polly Toynbee. Following the speeches, 20 awards were presented to people who have made distinguished contribution to NICE over the last 20 years, including lay members of our committees and former Board members.

## Supporting the life sciences industry

In 2019/20 we continued to provide strong support for the life sciences industry. Both the NICE Office for Market Access and NICE Scientific Advice teams saw an increase in demand for early engagement, and successfully delivered a wide range of projects for the life sciences industry to inform their market access strategies and evidence generation plans.



We are also a key partner in the Accelerated Access Collaborative (AAC), which supports the ambition to make the NHS one of the most pro-innovation health systems in the world. We have played an important role in product identification and selection, as well as working with other partners to deliver support for chosen products, such as ensuring new categories of early stage products can be effectively managed into the system, and adoption support to ensure increased uptake of late stage products recommended by NICE.

The commercial and managed access function works collaboratively with NHS England and NHS Improvement to enable timely patient access to cost-effective technologies. In 2019/20 we worked with NHS England and NHS Improvement as they developed the Commercial Framework for Medicines. This collaborative working is key to ensuring the effective alignment of NICE and NHS England and NHS Improvement activities.

## Reviewing methods for technology appraisals

The Voluntary Scheme for Branded Medicines Pricing and Access, agreed by government and the Association of the British Pharmaceutical Industry in December 2018, commits NICE to scoping and initiating a review of its methods for both technology appraisals and highly specialised technologies, including a review of the process of guidance production for the latter.

We have taken this opportunity to extend this exercise to include the methods and processes of our Medical Technologies Evaluation Programme and the Diagnostics Assessment Programme as well, aligning them where appropriate. We have set up a steering group and working group with external membership to oversee the review.



## NICE in the news

Many of our announcements and publications shaped the media agenda in 2019/20. Here are just a few stories that made the headlines.

### NICE examines cannabis-based medicinal products

In November 2019 we published a guideline on cannabis-based medicinal products, following a comprehensive evaluation of their clinical and cost-effectiveness. The fast-tracked

guidance followed the reclassification of these products in 2018 to allow specialist doctors to prescribe them where the clinical needs of patients cannot be met by licensed medicines. The guidance considers the use of these products for people with intractable nausea and vomiting as a result of chemotherapy, chronic pain, spasticity and severe treatment-resistant epilepsy.

The draft NICE guidance made recommendations for further research, reflecting the overall lack of clinical and cost-effectiveness evidence for these products. It also says that, other than cannabidiol used on its own in the context of a clinical trial, no cannabis-based medicinal products should be used for treating chronic pain because the benefits they offer are very small compared with their high costs and so they can't be considered a cost-effective use of NHS resources.

In the same month we also announced that an improved commercial deal with GW Pharma for its cannabis-based treatment Epidyolex meant that it could be recommended with clobazam as an option for treating Dravet and Lennox-Gastaut syndromes, types of epilepsy that begin in early childhood and are lifelong and difficult to control. The deal with GW Pharma followed NICE's earlier pledge to work with the company to resolve the issues identified by its appraisal committee when it rejected the treatments for NHS use earlier in the year.

**First cannabis-based medicines approved for use on NHS**

**The Guardian**

### Cerliponase alfa approved for treating neuronal ceroid lipofuscinosis

An enzyme replacement therapy that slows the decline of a rare inherited condition was made available to children on the NHS in England during December 2019.

Our Highly Specialised Technology Committee recommended cerliponase alfa (also called Brineura and made by BioMarin) for children with Batten disease – a very rare inherited condition affecting between 1 and 6 babies each year in the UK – in the context of a managed access agreement.

**BioMarin's Brineura made available on NHS**

**PharmaTimes**  
online

We worked with NHS England, BioMarin, clinicians and the Batten Disease Family Association on the details of the managed access agreement that described the patient eligibility criteria for access, as well as stopping rules and data collection arrangements.

Batten disease is a progressive condition caused by the deficiency of the enzyme tripeptidyl peptidase 1. This results in the abnormal storage of proteins and lipids in neurons and other cells, preventing them from functioning normally.

Symptoms in children with Batten disease begin with developmental delays from around the age of 2 and can then progress rapidly with the onset of seizures, decline in speech, loss of mobility, involuntary muscle spasms, progressive dementia and visual impairment leading to blindness.

The majority of children with Batten disease live to between 8 years and early adolescence; the average life expectancy is 10 years. It is estimated that in the UK there are around 30 to 50 children living with the condition.

There is currently no cure for Batten disease and, until the advent of Brineura, clinical management was limited to symptom relief and supportive and palliative care.

Meindert Boysen, director of the Centre for Health Technology Evaluation at NICE, said: 'Although not a cure for Batten disease, Brineura shows great promise in slowing the progression of this devastating condition to allow children to enjoy normal childhood activities for longer which is so important.'

### Encouraging greener asthma inhalers

In April 2019 we published our [patient decision aid on asthma inhalers](#). The aid will help people with asthma, alongside health professionals, to identify which inhalers could meet their needs and control their symptoms.

The new aid also includes links to a new series of short videos by Asthma UK that demonstrate the proper technique for each type of inhaler. These videos support [NICE's guideline on asthma](#), which notes that poor technique can worsen an individual's control over their asthma.

The aid also details the environmental impact of each of the different types of inhalers, helping patients to [make greener choices](#) where possible.

We are collaborating with Keele University to develop an interactive digital version of the decision aid, supported by NICE medicines and prescribing associates. Associates are also leading on the implementation of sustainable use of inhaler policies (including inhaler choice and recycling of inhalers) in their local health economies.

## NICE goes green on asthma inhalers



# 5.4m

5.4 million people in the UK have asthma



## Helping to reduce suicide

On World Suicide Prevention Day in September 2019, we published a quality standard on suicide prevention, covering 5 key ways to reduce suicide and help people bereaved or affected by suicide.

Those who are bereaved or affected by a suspected suicide are themselves at increased risk of suicide. Providing support after a suspected suicide can reduce this risk, especially when tailored to the person's needs. It is important to identify people who may need support as soon as possible so that they can be given practical information and access support if, and when, they need to.

NICE's Professor Gillian Leng said: 'Suicide can have a devastating and traumatic experience for anyone dealing with the loss of a loved one. It is a difficult subject to talk about and too often it's not clear what help is available.'

'Bereavement support can help reduce the risk of those affected by a suicide taking their own life. It is important that service providers such as police, hospitals, ambulance services and GPs identify people to give information to and to ask if they need help.'

## Social media activity

We continue to use a variety of social media channels in an engaging way to reach and communicate with our audiences.

In March 2020 we had 194,900 followers on Twitter, which is a 11% rise since March 2019. We posted approximately 100 tweets per month across the whole of the financial year. We now have 3,687 followers on Instagram – almost double the figure we had in early 2019 (1,700) – and 13,000 followers on Facebook, which is 4,709 more than we had in the previous year. We continue to publish 20 posts a week.



We used social media to promote the NICE Connect project. Our Connect video was viewed 117,227 times and this gained us many new followers. We also ran a series of supporting talking head videos that were promoted across Twitter and LinkedIn to specified groups of healthcare professionals, social care staff and members of the pharmaceutical industry.

# Suicides: Plan revealed to reduce number of deaths



# 6,507

6,507 people died in 2018 in the UK from suicide

# 17,000

New followers on Twitter

# 100

Tweets sent every month

# 57%

Increase in followers on Facebook

## Working to improve women's health

In the past year we produced a range of information aimed at improving women's health.

In April 2019 we recommended that all women be offered a choice of procedure to terminate their pregnancy in our [abortion care guideline](#). Developed with the Royal College of Obstetricians and Gynaecologists (RCOG), the guideline aims to improve the organisation of termination of pregnancy services and make it easier for women to access them. This includes aiming to provide women with an initial appointment within 1 week of a request and undertaking the procedure within 1 week of the appointment.

In December 2019 we [updated our safety advice on the use of hormone replacement therapy \(HRT\) during the menopause](#) in response to an MHRA safety alert on HRT and the risk of breast cancer.

In February 2020 we published a [quality standard](#) describing the level of care women should receive during labour and birth, known as the intrapartum period. This supports the NHS Long Term Plan aim to achieve 50% reductions in stillbirth, maternal mortality, neonatal mortality and serious brain injury by 2025.

Our recommendations relate to the care of women who need extra support because they have an existing medical condition, such as heart disease, or a medical emergency in their pregnancy, such as sepsis. Heart disease is a leading cause of maternal death during pregnancy. The quality standard says pregnant

women with heart disease should have regular risk assessments to help plan for birth and to agree any additional management needs.

Sepsis can develop in women while pregnant or shortly after giving birth and prompt recognition and treatment is vital. However, labour can mask the symptoms of sepsis. The quality statement says women in labour with sepsis should be reviewed by a senior clinical decision maker immediately and if antibiotics are advised, they should be given within 1 hour. We published an update to our guideline to bring recommendations in line with current practice.

We also published an [implementation resource summary](#) on long-acting reversible contraceptives, providing links to up-to-date supporting information.

On 26 September 2019, the busiest day in maternity wards in England, we published our [maternity and neonatal care impact report](#). This highlighted that following NICE guidance could prevent more than 1,000 neonatal admissions per year.

If all maternity units applied NICE's recommendations on twin and triplet pregnancies, such as labelling the fetuses during scans so they can be told apart and monitored closely for complications, it could lead to 634 fewer emergency caesarean sections and 1,308 fewer neonatal admissions per year in England, and could prevent around 1 in 10 neonatal admissions of babies from multiple births in the UK each year.

## Promoting public involvement

The views and experiences of people who use services and their carers are very important to our work. In 2019/20 we recruited 65 lay committee members (556 applicants), and invited a further 13 lay people to join committees. We found 70 patient experts to give testimony to our Centre for Health Technology Evaluation (CHTE) committees.

We ran 2 masterclasses with patient organisations to keep them informed of our work, and several workshops to support the development of rare disease guidance. We also ran a special focus group with children and young people to support the creation of the children's end-of-life care guideline.

We have improved our lay member recruitment processes, and oversaw a workstream of the CHTE 2020 development project to improve patient involvement.

## Improving healthcare for children

In June 2019 we published our updated guideline covering identifying and managing depression in children and young people aged 5 to 18 years. Based on the stepped-care model, it aims to improve recognition and assessment and promote effective treatments for mild and moderate to severe depression.

The guideline concluded that children and young people can be offered digital cognitive behavioural therapy (CBT) as a first-line treatment for mild depression. This can be delivered on mobile phones, tablets or computers, and means that help can be accessed quickly. Group CBT, group interpersonal psychotherapy and group mindfulness are also recommended as first-line treatments.

Paul Chrisp, director of the Centre for Guidelines at NICE, said: 'We want to ensure children are offered a range of therapies to suit their needs and individual preferences are placed at the heart of their care.'

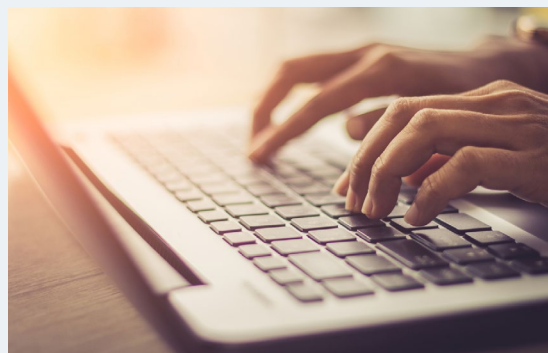
'The evidence showed digital CBT and group therapy were most effective at reducing depressive symptoms and we have recommended these as first-line options for children and young people with mild depression.'



And in November 2019 we published final guidance on the assessment and early management of fever with no obvious cause in children aged under 5. One recommendation was changed to highlight the possibility of Kawasaki disease. It also highlights that children under 1 year may present with fewer clinical features of Kawasaki disease, but may be at higher risk of coronary artery abnormalities.

We also published an impact report on children and young people's health. This highlights various ways in which our guidance works in line with the [NHS Long Term Plan](#) to address an array of children's health issues.

The report discusses the need for improvements in the transition from children's to adult's services. It notes that young people are often at risk of experiencing poor health outcomes when their transfer is not appropriately supported and coordinated.



NICE guidance recommends that clinicians always consider sepsis as a possibility when dealing with acute infections in children and young people. The report shows that 92% of emergency departments use a stratified risk assessment or screening tool for sepsis, in line with our recommendations.

The report also highlights the ways in which NICE recommendations on managing long-term conditions such as asthma, diabetes and epilepsy have been applied in care.

In the same month we also published antimicrobial prescribing guidance to advise that any underlying condition that may predispose to cellulitis or erysipelas should be managed. For those on antibiotics, it's important to reassess people if symptoms worsen or don't start to improve within 2 to 3 days.

In October 2019 we produced guidance on preventing and managing foot problems in children, young people and adults with diabetes. We recommend that care is given within 24 hours of a person with diabetic foot problems being admitted to hospital. We highlight that antibiotic course length should be given based on the severity of the infection and reviewed regularly.

# 10%

10% of people with diabetes will have a diabetic foot ulcer at some point in their lives

## Improving our use of data

Last year we set out our ambition to use a broader range of data and analytics methods to help inform the independent committees who produce our guidance.

In January 2020 we published a [statement of intent](#) setting out the ways we already use data and how this can be extended. This followed a public consultation from June to September 2019 last year, which generated more than 130 comments from organisations and individuals, including methodologists, patient groups and industry.

We now plan to update our processes and methods for the identification, assessment and interpretation of data. This could include electronic health record data, 'real-world data' looking at health and social care practice outside of trials, such as registries and clinical audits, and any other relevant data that has been made available for others to use.

We believe this will create opportunities to improve our guidance, enable existing recommendations to be updated faster, and give us a better understanding of the impact.



## A new focus for NICE International

Our global programme NICE International provides an advisory service to international organisations, ministries and government agencies to support the use of evidence-based decision making in health and social care systems. Our extensive experience in developing guidelines and assessing health technologies means that we can provide valuable insights to international organisations who are looking to develop and implement their own methods and processes.

Building on our extensive corporate knowledge and staff expertise, NICE International draws on links with academic partners and experts in HTA and evidence-based practice to provide world-leading advisory and educational services to overseas organisations and government agencies.

Clients can learn about our products, methods and processes, and how a 'NICE approach' can help to allocate resources efficiently, improve quality, and reduce inappropriate variation in care.

We can provide bespoke educational seminars or arrange international speaking engagements. We also offer consultancy services to support the adoption of evidence-based decision making across different health systems. Services may include capability training, support with implementing new methods and programmes, and contextualising our guidelines for local settings.

So far, we have had over 100 enquiries from 46 countries including China, Japan, Switzerland, Latin American countries and Indonesia, and we have delivered 55 engagements.





## Working to improve social care

In 2019/20 we worked with the London Association of Directors of Adult Social Services to develop a home care costing tool for use by local authorities. This includes prompts and considerations underpinned by NICE guidance, and has shown how our guidance can translate into practice in social care.

We also delivered a focused engagement campaign with social workers. This included creating an engagement group of representatives from key national adults' and children's social work organisations and networks, and a campaign focused on adult principal social worker networks.

We published 3 social care quick guides for social workers and commissioned 3 webinars for social workers.

We also led an initiative to promote uptake of key aspects of our medicines management in the community guideline and quality standard (NG67 and QS171). The initiative was called 'Involved and informed: good community medicines support', and involved working with national partner organisations across health and social care to help local authorities, home care providers, social workers, clinicians, pharmacists and people accessing medicines support.

We continued to support 'Quality Matters', the shared commitment to improving the quality of adult social care. We participated in events to explore and promote the use of data in social care, and jointly led work to promote collaborative working between health and social care sectors.



## Working to improve public health

We produce guidelines on public health topics based on the best available evidence, providing recommendations on 'what works' in terms of both the effectiveness and cost-effectiveness of interventions and services. We cover topics including health protection, health improvement, health promotion and service provision, and communicable and non-communicable diseases and conditions.



In June 2019 we published our [indoor air quality at home guideline](#), which we developed in collaboration with Public Health England and co-badged. It called on local authorities and the public to be aware of the air quality in their homes and to reduce their exposure to indoor pollutants.

Exposure to indoor air pollution from cookers, damp, cleaning products and fires can irritate the lungs and exacerbate asthma symptoms. The guidance says people should ensure rooms are well ventilated by opening windows or using extractor fans when cooking, drying clothes inside, and using household sprays, solvents or paints.

We have supported Public Health England and the Association of Directors of Public Health in their work to lead the 'What Good Looks Like' programme. This work sets out the guiding principles of best practice for population health programmes in local systems. We have ensured that this work draws upon and used NICE guidance and quality standards to provide the evidence base.

We have been a key member of the Public Health System Group, which includes a wide range of key partners across health, local, and national government. This group has worked together to develop a framework for quality in public health 'Quality in public health: A shared responsibility' and places NICE quality standards as a key component of the support for quality improvement.

## Engaging with our stakeholders at conferences and events

We delivered a comprehensive programme of events and exhibitions during 2019/20, the cornerstone of which was our flagship annual conference on 9 May in Manchester, which focused on the theme: 'Transforming Care'.

The event was attended by 530 delegates, with 15 organisations sponsoring and exhibiting on the day. The programme saw 47 experts speak in 16 sessions, on topics including managing the life sciences' innovation pipeline, integrating physical and mental health care, and evaluating the effectiveness of digital health apps.



Our staff attended several external events and exhibitions over the course of the year including the National Children and Adult Services conference, Public Health England annual conference, NHS Health and Care innovation Expo and the Health Technology Assessment international annual meeting.

Staff from across NICE met with a range of delegates including health, social care and public health professionals, sharing information on our guidance and support tools. Our staff also took part in many speaking engagements across the UK and overseas.

In 2019/20 we also ran a NICE medicines and prescribing associate conference. This annual event brings all 90 of our associates together, providing opportunities for networking between associates and our teams.

## Science policy developments

We work closely with stakeholders to develop policies on scientific issues that affect the Institute. For example, NICE usually uses the EQ-5D questionnaire to measure quality of life. The questionnaire



responses are converted into a number using a value set that reflects the views of the public about which aspects of health matter the most.

One available value set uses the results of an English valuation study. We led a robust quality-assurance process, drawing on advice from world-leading academics, and concluded that this value set should [not be used by NICE](#). We are now [supporting a new UK valuation study](#). Having a high-quality valuation study is vitally important to ensure that NICE's guidance properly represents the preferences of the public.

We also developed a set of [principles](#) to describe the morals, ethics and values that should guide the decisions of NICE committees. The principles replace NICE's social value judgements. The principles provide a more accessible and up-to-date description of NICE's approach, with appeal to multiple audiences. Moreover, our remit has widened since 2008 and the new document focuses on the key principles that are universal to all of our guidance and standards.

## Shaping the national research agenda

We work with national partners to influence what research is conducted. Our guidance-producing committees are uniquely placed to identify gaps in the evidence base and recommend areas where further research is needed. We liaise with the National Institute for Health Research (NIHR), which then commissions the research. In 2018/19 the NIHR Evaluation, Trials and Studies Coordinating Centre funded 12 new research projects linked to NICE guidance and committed £16 million of funding. Their total spend on NICE research recommendations to date is over £100 million.

To ensure NICE's research needs are recognised, and ensure that relevant research is prioritised, we advise funding panels at the Medical Research Council (MRC) and the Department for Health and Social Care. Our work with the MRC's methodology research programme to prioritise methodological research topics has resulted in a variety of funding opportunities for researchers, including methods research in diagnostic health technologies and methods for eliciting expert opinion.

### Extending the QALY

Our liaison with the MRC's methodology research programme led to the [Extending the QALY](#) project, which aims to develop a measure of quality of life that can inform economic evaluations across health and social care. The new measure will be broader than existing questionnaires, so it should capture more of what matters to patients, social care service users and carers. NICE has provided advice throughout. The project is nearing completion and a beta version of the questionnaire will be released this summer.

## Histology independent drugs

NICE is supporting activity related to a new generation of cancer drugs. Histology independent drugs are developed to target cancers with specific mutations rather than the location of the tumour. An article that explores the challenges histology-independent cancer drugs pose for health technology assessment (HTA) has been published in the BMJ. Through the [NIHR Health Technology Assessment programme](#) we also initiated research to find the best methods to appraise histology-independent cancer drugs. The research project has now delivered its final recommendations that will inform our approach to assessment of these novel drugs.

## Achieving high-quality, impactful research

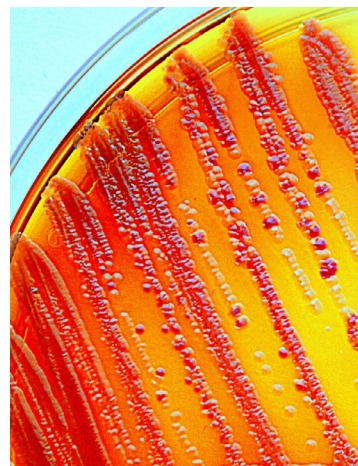
We carry out methods research to keep improving how NICE works and to anticipate and adapt to changes in health and social care delivery. We have continued to build on our portfolio of projects funded by Horizon 2020 and the Innovative Medicines Initiative in 2019/20 to deliver outputs that will support our research priorities. Some projects are described below.

The [HTx](#) project will create and test solutions for future HTA in areas such as personalised medicine, combination therapies, big data and artificial intelligence. Our main role is to provide insight on the acceptability and usefulness of proposed solutions. We will also work with academic partners on methods development for artificial intelligence and big data. Outputs developed in this project could help inform our future methods development across a range of future challenges.

The [ERA4TB](#) project's main objective is to accelerate the development of new treatments for tuberculosis. The consortium will do this through a new community-focused platform on tuberculosis translational research and knowledge integration. During the project, we will act as an interface with key stakeholders, mainly HTAs, regulatory authorities and patients, to maximise uptake and impact of ERA4TB's results. The project activity will complement our ongoing work in the area of antimicrobial resistance.

[EHDEN](#) aims to build Europe's largest federated network of clinical data standardised to a common data model. Multi-database studies using a federated approach, where all data stays locally and only the analysis code is shared, is increasingly being promoted as a rapid way to perform large-scale observational studies. We lead work on outcomes standardisation and engagement with regulators and HTAs, helping to ensure that the network will be able to quickly generate evidence that can be used for regulatory and HTA purposes.

The [IMPACT-HTA](#) project proposes new and improved methods, tools and guidance for decision-makers in the context of guideline development and HTA. We contribute directly to multiple project areas, including developing an open-source simulation tool for use in health economic modelling, developing empirically grounded



# 5,000

people are affected by TB  
each year in the UK

recommendations on how to analyse and interpret evidence from non-randomised studies, and developing best-practice recommendations for evaluation of interventions for rare diseases.

The [GetReal Initiative](#) works with international stakeholders to increase the quality of real-world evidence and to support appropriate use of this evidence in regulatory and HTA decision-making. We co-lead a think tank, comprising thought leaders in this area, which gives recommendations on the opportunities and barriers to the generation and use of real-world evidence.

The [HARMONY](#) project uses big data and big data analytics to deliver knowledge that will improve the care of patients with several blood cancers. We lead work that influences what clinical outcomes are embedded into evidence generation pipelines that will underpin development and subsequent assessment of new treatments for blood cancers.

We are a partner in [NEURONET](#), which provides coordination and support to a broad portfolio of European projects working on treatments for neurodegenerative disorders. Neurodegeneration diseases, including dementia, are a key priority for both the NHS and the UK government. Through partnership in this project, we will have a direct overview of and interaction with ongoing European research projects and benefit from connections with key opinion leaders and research projects in the disease area.

The purpose of [VALUE-Dx](#) is to improve methods for assessing diagnostic technologies which are used to help prescribers decide when antibiotics are needed. We will have an opportunity to influence the development of HTA frameworks for diagnostics and to influence policy recommendations that aim to optimise antibiotic use and reduce antimicrobial resistance. NICE also has a visible leadership role in the area of antimicrobial resistance through leading an external advisory panel of international world-leaders in regulatory and payer systems.

The European Network for Health Technology Assessment ([EUnetHTA](#)) joint action aims to support increased collaborative working in HTA across the EU. We have been involved in all EUnetHTA activities including leadership of a work package on national implementation and impact and leading an activity to develop a quality standard for registries. We are a member of the EUnetHTA executive Board and have the responsibility of vice chair for this group. The joint action has been extended until May 2021. We will continue to be involved throughout the extension with a focus on providing scientific and technical support to develop a future model of HTA co-operation.



## Developing innovative models for the evaluation and purchase of antimicrobials

Following the launch of a project in July 2019, we are working with NHS England and NHS Improvement and DHSC to develop and test models that pay companies for antimicrobials based primarily on a health technology assessment of their value to the NHS as opposed to the volumes used.

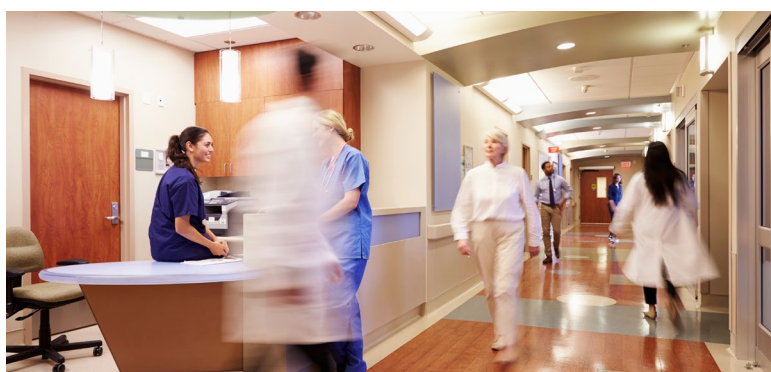
Such purchasing models, if developed and adopted internationally, will lead to more predictable payments to companies based on value rather than volume of prescribing, and have the potential to achieve much-needed pull incentives for increased investment in antimicrobial product development.

The project is progressing well. A stakeholder engagement on the high-level principles and proposed methods for the project demonstrated strong support for the planned approach and reinforced the importance of this work.

The team has since developed detailed documentation to support project delivery through a process compliant with procurement regulations. The project will inform NICE and NHS England and NHS Improvement policy on the potential wider implementation of innovative purchasing models for antimicrobials.

## System engagement with our field team

Our field team is the local face of NICE, providing connectivity with local health and care systems in England, Northern Ireland and Wales. In 2019/20 they engaged with prioritised stakeholders including integrated health and care partnerships, networks and organisations to inform and support their implementation of our guidance, and to identify and share examples of good practice.



Working collaboratively with key strategic system partners in health, public health and social care, they raised awareness of our guidance and the range of resources that support use in practice to help deliver national policy ambitions.

## Impact reports

In the past year we have produced impact reports that explore how our recommendations for evidence-based and cost-effective care are being used in priority areas of the health and care system. Since April 2019 there have been 5 impact reports covering dementia, stroke, lung cancer, adult social care, and maternity and neonatal care.

Our impact reports are based on data from national audits, reports, surveys and indicator frameworks that show the uptake of our guidance and quality statement measures. They demonstrate how NICE guidance is being used in practice and the positive progress the health and care system is making, while highlighting areas where more work is required. All of our reports are available on the NICE website.



## Promoting shared learning

Each year we gather examples of how NHS organisations, local government, the voluntary sector and others have put our guidance and standards into practice. The best examples are recognised at our Shared Learning Awards.

In 2019 we received 63 shared learning examples and awarded the prize to Pancreatic Cancer UK and University Hospitals Birmingham NHS Foundation Trust for their innovative pathway that speeds up access for patients to pancreatic cancer surgery.

## Fellows and scholars

Our fellows and scholars programme enables people working in the UK across the health, public health and social care sectors to get involved with NICE. They can also network with like-minded advocates of evidence-based care.

NICE fellows are senior influential leaders who act as ambassadors for NICE's work for 3 years. They use their strong networks to promote the work of NICE at a regional and national level.

NICE scholars have a 1-year opportunity to undertake, and be supported during, a NICE-related improvement project within their local organisation. It is for individuals from across health, public health and social care.

We support our fellows and scholars to learn about the inner workings of NICE through a series of workshops, and provide access to an adviser and contact with our experts. This year we awarded 10 fellowships and 10 scholarships.



## Chair and chief executive changes

Sir David Haslam stood down as NICE chair at the end of 2019.

A general practitioner by background, Sir David held the role from 2013, becoming our second chair, and was replaced as interim chair in January 2020 by vice chair Tim Irish.

Sir Andrew Dillon also stood down as NICE chief executive at the end of March 2020. He had been at the helm of the institute since it was founded in April 1999, and completed 21 years of service.

He said: 'It has been a privilege to lead the organisation through its first 2 decades. NICE has made a significant contribution to improving outcomes for people using the health and care services, and to the efficient use of resources. I feel very proud to be associated with those achievements.'

Secretary of State for Health and Social Care Matt Hancock said: 'Sir Andrew Dillon has made an immeasurable contribution to the NHS during his 20 years as chief executive of NICE. Under his leadership, NICE has become the world's leading authority for providing clinicians and government with independent, clinical evidence about the effectiveness of treatments and medicines.'

'This has been central to building the UK into the world-leader in life sciences and innovative treatments that it is today.'

Our new chair is Sharmila Nebhrajani OBE. Sharmila has a wealth of senior leadership experience in organisations including Wilton Park, the Human Tissue Authority, the Association of Medical Research, the Medical Research Council and the Human Fertilisation and Embryology Authority.

Our new chief executive is Professor Gill Leng CBE, MD. Gill has held the post of deputy chief executive at NICE since 2007 and was also Director of Health and Social Care. She took up her new role on 1 April 2020.

Interim NICE chair Tim Irish said: 'The Non-Executive Directors of NICE were delighted to appoint Gill to the role of Chief Executive. NICE has a very exciting and ambitious future, and the Non-Executive Directors unanimously agreed that Gill has the leadership qualities to take us forward.'

She said: 'I am honoured and privileged to have been appointed as NICE's second chief executive. I look forward to working with the Institute's staff and stakeholders as we enter an exciting new chapter of innovative changes to deliver our portfolio of guidance into the hands of frontline staff in an easy and intuitive way.'

'On behalf of everyone at NICE, I would like to thank David and Andrew for their service and efforts over the years. Their leadership has been inspirational and shaped NICE into the internationally respected organisation it is today. I'd also like to thank Tim for his excellent support as interim chair and for ensuring a seamless transition.'



Sir David Haslam



Sir Andrew Dillon



Sharmila Nebhrajani



Professor Gill Leng

# Performance analysis

This section considers in more depth NICE's delivery against the key priorities in the 2019/20 business plan.

## How we measure our performance

The Chief Executive reports on performance at every public NICE Board meeting. The update provides a position statement against a consolidated list of objectives in NICE's business plan, and an explanation of any variance between the target output and actual performance.

The Board also receives regular reports from each director, including detailed performance updates against the business plan objectives.

## Our outputs

In 2019/20 NICE produced the guidance and advice shown in the following table. The way in which we monitor performance and manage risks and issues that could affect the delivery of our outputs are described in the governance statement on p52.

Outputs	Planned	Actual
Public health guidelines	3	3
Clinical guidelines	23	28
Management of common infections	6	6
Social care guidelines	1	1
Technology appraisals guidance and highly specialised technologies guidance <sup>1</sup>	78	59
Interventional procedures guidance	32	27
Diagnostics guidance <sup>2</sup>	6	4
Medical technologies guidance <sup>3</sup>	7	5
Medtech innovation briefings	38	31
Commercial briefings for NHS England <sup>4</sup>	0	39
Managed access agreements for NHS England	14	13
Patient access schemes for NHS England	38	36
Commissioning support documents for NHS England	4	4
Evaluative commissioning project reports for NHS England	3	3
Guidance surveillance reviews	52	52
Evidence summaries on antimicrobial prescribing <sup>5</sup>	4	2
Evidence reviews for specialised commissioning <sup>6</sup>	10	5
Quick guides for social care	8	8
Quality standards	16	13
Indicator sets	1	1
Endorsement statements	30	25
Shared learning examples	50	60
Monthly updates of the BNF and BNFC content	12	12

Outputs	Planned	Actual
Regular medicine awareness bulletins	53	52
Medicines optimisation key therapeutics topics	16	16
Medicines evidence commentaries	24	20
Improving Access to Psychological Therapies assessment briefings	7	8

**1** 19 technology appraisals were delayed by the end of 2019/20: quizartinib for leukaemia (acute myeloid, FLT3-ITD, relapsed, refractory) ID1325; nivolumab for non-small cell lung cancer (squamous) ID1559; nivolumab for non-small cell lung cancer (non-squamous) ID1572; fremanezumab for migraine (chronic, episodic) ID1368; treosulfan for acute myeloid leukaemia or myelodysplastic syndrome ID1508; pembrolizumab for urothelial cancer ID1536; TYRX Absorbable Antibacterial Envelope for infection (cardiac implantable electronic devices) ID1440; sapropterin for phenylketonuria ID1475; abiraterone for newly diagnosed metastatic hormone-naïve prostate cancer ID945; non-bisphosphonates for osteoporosis ID901; atezolizumab with carboplatin and etoposide for untreated extensive-stage small-cell lung cancer ID1504; apalutamide for non-metastatic, hormone-relapsed prostate cancer ID1174; naldemedine (Shionogi) for constipation (opioid-induced) ID1189; andexanet alfa for anticoagulation ID1101; entrectinib for NTRK fusion-positive solid tumours ID1512; entrectinib for non-small cell lung cancer (ROS-1 fusion-positive) ID1541; teduglutide for short bowel syndrome ID885; atezolizumab for breast cancer (triple negative, unresectable, locally advanced or metastatic, first line with nab-paclitaxel) ID1522; and avatrombopag for treating thrombocytopenia in people with chronic liver disease needing a planned invasive procedure. 1 highly specialised technology guidance topic was delayed: velmanase alfa for alpha-mannosidosis. 13 additional technology appraisals were published in 2019/20 that were not planned for this financial year: cabozantinib for previously treated advanced hepatocellular carcinoma; bosutinib for untreated chronic myeloid leukaemia; brentuximab vedotin for untreated advanced Hodgkin lymphoma; lenalidomide with bortezomib and dexamethasone for untreated multiple

myeloma; pomalidomide with bortezomib and dexamethasone for relapsed or refractory multiple myeloma; bezlotoxumab for preventing recurrent *Clostridium difficile* infection; ramucirumab for unresectable hepatocellular carcinoma after sorafenib; ibrutinib with rituximab for treating Waldenstrom's macroglobulinaemia; cladribine for relapsing-remitting multiple sclerosis; atezolizumab with carboplatin and nab-paclitaxel for untreated advanced non-squamous non-small-cell lung cancer; recombinant human parathyroid hormone for treating hypoparathyroidism; daratumumab with lenalidomide and dexamethasone for untreated multiple myeloma; and ramucirumab with erlotinib for untreated EGFR-positive metastatic non-small-cell lung cancer.

**2** 2 diagnostics guidance topics were delayed: the implantable cardiac monitors BioMonitor 2-AF, Confirm Rx insertable cardiac monitor and Reveal LINQ Insertable Cardiac Monitoring System to detect atrial fibrillation after cryptogenic stroke; the ARCHITECT Urine NGAL assay, NephroCheck Test and NGAL Test.

**3** 1 medical technologies guidance topic was withdrawn: SpaceOAR hydrogel spacer for reducing rectal toxicity during radiotherapy for prostate cancer. 1 medical technologies guidance topic was delayed: PneuX for preventing ventilator-associated pneumonia in intensive care.

**4** From September 2019 to March 2020.

**5** Antimicrobial evidence summaries are developed as new antimicrobials come to market. Only 2 were launched in this financial year.

**6** Evidence reviews are commissioned by NHS England. Only 5 topics were referred to NICE by NHS England in this financial year.

# Financial review

## Accounts preparation and overview

Our accounts consist of primary statements (which provide summary information) and accompanying notes. The primary statements comprise a statement of comprehensive net expenditure, a statement of financial position, a statement of cash flows and a statement of changes in taxpayers' equity. The accounts were compiled according to the standards set out in the Government Financial Reporting Manual (FReM) issued by HM Treasury, which is adapted from International Financial Reporting Standards (IFRS), to give a true and fair view of the state of affairs.

NICE is a non-departmental public body with the majority of funding coming through grant-in-aid from the Department of Health and Social Care (71% of total 2019/20 operating expenditure). The remaining funding comes from other NDPBs (NHS England and Health Education England) and our income generating activities (NICE Scientific Advice, the Office for Market Access and research grants). Also, from 1 April 2019 we began charging fees for technology appraisals and highly specialised technologies. This funding and how it was used is explained in more detail below.

The Department of Health and Social Care has approved NICE's business plan for 2020/21 (available to view at [www.nice.org.uk/about/who-we-are/corporate-publications](http://www.nice.org.uk/about/who-we-are/corporate-publications)) and has provided details of indicative funding levels for the next financial year. It is therefore considered appropriate to prepare the 2019/20 financial statements on a going concern basis.

## How is NICE funded?

NICE's total revenue funding from the Department of Health and Social Care for 2019/20 was £50.7 million. This comprised:

- £42.0 million Administration grant-in-aid funding. This includes £1.8 million notional non-cash funding to offset the increase of 6.3% in employer's pension contribution rates included within the comprehensive net expenditure for the period. The increased cost was paid directly to the NHS pension scheme on our behalf by the Department of Health and Social Care.
- £8.1 million Programme grant-in-aid funding. This is primarily funding to purchase and distribute the BNF on behalf of the NHS (both in print and digital versions), and to support the Medical Technologies Evaluation Programme, in particular the cost of the external assessment centres.
- £0.6 million ring-fenced depreciation limit. This is non-cash funding for the annual depreciation and amortisation costs of our assets.

In addition to the revenue resource limit, NICE's capital resource limit was £0.5 million for 2019/20.

The total amount of cash available to be drawn down from the Department of Health and Social Care during 2019/20 was £48.8 million (made up of Administration funding [£40.2 million], Programme funding [£8.1 million] and capital funding [£0.5 million]).

The actual amount of cash drawn down in 2019/20 was £47.0 million. This was £1.8 million lower than the amount available because of underspends on vacancies across the organisation and the capital budget not being spent in 2019/20.

### **Other income**

NICE also received £18.4 million operating income from other sources, as follows:

- NHS England provided £4.3 million funding to continue supporting a number of programmes:
  - activities supporting the Cancer Drugs Fund
  - developing medtech innovation briefings
  - supporting the Evaluative Commissioning programme
  - host the national medical technology horizon scanning database (HealthTech Connect)
  - Assessment of Improving Access to Psychological Therapies (IAPT) and digital health technologies.
- £3.9 million was received from Health Education England to fund national core content (such as journals and databases) on the NICE Evidence Search website for use by NHS employees.
- £3.6 million was received in fees for technology appraisals and highly specialised technologies for the first time.
- £2.0 million was received from the devolved administrations and other government departments to contribute to the cost of producing NICE guidance and publication of the BNF.
- Trading activities from NICE Scientific Advice, the Office for Market Access (OMA) and intellectual property royalties generated £2.7 million gross income and receipts.
- £0.9 million was received from charges to sub tenants of the Manchester and London offices.
- £1.0 million was received from other sources, including grants for supporting academic research and recharges for staff seconded to external organisations.

The following chart shows the breakdown of income received.

## Other income (non-grant-in-aid): £18.4 million

NHS England

£4.3m

Health Education England

£3.9m

Technology appraisals and highly specialised technologies

£3.6m

NICE Scientific Advice

£2.4m

Devolved administrations

£2.0m

Tenants

£0.9m

Research grant receipts

£0.7m

OMA income

£0.2m

Other income

£0.4m

## How the funding was used

Total net expenditure in 2019/20 was £50.3 million (£50.2 million in 2018/19), which resulted in an underspend of £0.4 million against a total revenue resource limit of £50.7 million (see table below).

## Summary of financial outturn

	Resource limit (£m)	Net expenditure (£m)	Variance (£m)
<b>2019/20 Financial outturn</b>			
Grant-in-aid	50.1	49.7	(0.4)
Depreciation and amortisation	0.6	0.6	(0.0)
<b>Total comprehensive expenditure for the year ended 31 March 2020</b>	<b>50.7</b>	<b>50.3</b>	<b>(0.4)</b>
<b>2018/19 Financial outturn</b>			
Grant-in-aid	52.1	49.7	(2.4)
Depreciation and Amortisation	0.8	0.5	(0.3)
<b>Total comprehensive expenditure for the year ended 31 March 2019</b>	<b>52.9</b>	<b>50.2</b>	<b>(2.7)</b>

The £0.4 million (1%) underspend in 2019/20 was due to vacant posts from staff turnover during the year.

The organisation is structured into 5 guidance and advice-producing directorates and several corporate support functions including a new transformation unit to support the NICE Connect project. The following chart shows how the gross expenditure is spread across NICE.

### Gross expenditure by centre and directorate: £68.7 million

Centre for Guidelines

£18.1m

Centre for Health Technology Evaluation

£11.9m

Evidence Resources

£11.6m

Business Planning and Resources

£9.9m

Health and Social Care

£9.1m

Communications

£4.0m

Scientific Advice and research

£3.2m

Transformation Unit

£0.3m

Depreciation and amortisation

£0.6m

### Capital expenditure

The capital budget during 2019/20 was £0.5 million. There was no capital spending in year.

### Better payment practice code

As a public sector organisation, NICE is required to pay all non-NHS trade creditors in accordance with the Better Payment Practice Code. The target is to pay 95% of all valid invoices by the due date or within 30 days of receipt of the goods, whichever is the later. NICE's performance against this code is shown in the following table.

## Payment statistics

	Number	£000
Total non-NHS bills paid 2019/20	2,455	28,900
Total non-NHS bills paid within target	2,390	28,754
<b>Percentage of non-NHS bills paid within target</b>	<b>97.4%</b>	<b>99.5%</b>
Total NHS bills paid 2019/20	180	1,611
Total NHS bills paid within target	171	1,554
<b>Percentage of NHS bills paid within target</b>	<b>95.0%</b>	<b>96.5%</b>

The amount owed to trade creditors at 31 March 2020, in relation to the total billed through the year expressed as creditor days, is 5 days (14 days in 2018/19).

## Future developments

In 2020/21, our objectives will be prioritised to support the wider healthcare system in its response to the coronavirus (COVID-19) pandemic, including developing a programme of rapid guidelines covering COVID-19 related topics.

Alongside our work on COVID-19 related activity, we will continue to support other priority initiatives in the healthcare system. This includes the Voluntary Scheme for Branded Medicines Pricing and Access, the Life Sciences Sector Deal, and the Government's intention to establish an innovative medicines fund.

Information on our objectives and strategic plans can be found in the business plan, available on our website ([www.nice.org.uk/aboutnice](http://www.nice.org.uk/aboutnice)).

## Counter-fraud, bribery and corruption

Our counter-fraud, bribery and corruption strategy, policy and response plan, updated in December 2019, provides guidance and support to anyone within NICE who identifies or suspects fraud, bribery or corruption. All staff are reminded to report any suspicions to their line manager or a senior manager, the Business Planning and Resources Director or the Chair of the Audit and Risk Committee, or directly to DHSC's anti-fraud unit.

There were no incidents of fraud, bribery or corruption detected during the 2019/20 financial year.

## Human rights

NICE prides itself on being a good employer, and in our 2019 staff survey 94% of our respondents rated us as a good, very good or excellent place to work. Nevertheless, we have a range of practices and policies in place to protect the human rights of our staff, including policies on bullying, harassment and victimisation, grievance and whistleblowing. We have a range of diversity



initiatives in place to prevent discrimination, and we recognise a trade union that our staff are welcome to join.

## **Sustainability report**

### **Social, community and environmental issues**

NICE occupies 2 floors in a shared building in London and 1 floor of a shared building in Manchester. Both landlords provide services and encourage behaviour that meets sustainability requirements. This includes recycling, energy efficiency and other facilities.

We consider environmental and sustainability issues when procuring goods and services. Staff are encouraged to travel on NICE business in the most sustainable and cost-effective way. Staff are also encouraged to commute using public transport by offering a rail season ticket scheme and in 2019/20 we extended this to include the Metrolink scheme in Manchester. NICE is also a member of the Cycle to Work scheme, which provides tax efficient incentives for employees to use bicycles to travel to work.

### **Sustainability**

We continue to support and promote climate change issues across the London and Manchester offices. In line with the Greening Government Commitments 2016 to 2020 we will continue to reduce our environmental impact, building on the progress we have made since 2010.

Monitoring continues in all areas where the carbon impact is most significant. Using 2010 as a baseline, by the end of 2019/20 we aimed to:

- Cut greenhouse gas emissions by 32%. We have achieved this, reducing our emissions by 67% between 2010 and 2020, by eliminating sending waste to landfill and by reducing BNF book printing.
- Reduce the number of domestic business flights by 30%. Staff members take domestic flights in exceptional circumstances only. As our committees use non-staff representatives from across the UK, transport by rail to our Manchester and London offices may sometimes prove too difficult or impractical. Therefore, to ensure that we engage with diverse communities, domestic flights are used where appropriate and necessary.
- Reduce waste sent to landfill to less than 10% of overall waste; continue to reduce the amount of waste generated and increase the proportion of waste which is recycled. We have achieved this. In our Manchester office, we recycle 47% of our waste. The remaining 53% is recovered and used to create refuse derived fuel. In our London office, we recycle 50%. The remaining 50% is used to generate low carbon electricity. This is used to heat and power London homes and businesses. Therefore, NICE does not send any waste to landfill. We encourage staff to reduce waste and separate waste wherever possible.

- Reduce paper consumption by 50%. This has been achieved, reducing our paper usage by 57% between 2010 and 2020, by significantly reducing the number of BNF books that are printed and moving to digital formats. We continue to look for ways to reduce paper usage.

Energy use has decreased by 6% when compared with 2018/19, mainly because it was a warmer than average year. The estimated carbon emissions have also reduced. There has been a greater reduction in emissions due to annual changes in the Carbon Dioxide emissions (CO2e) factor which can fluctuate depending on the relative prices of coal and natural gas as well as fluctuations in peak demand and renewables. The London office meter reading does not fully reflect all usage as some shared areas are not included.

Rail travel emissions have decreased by 7% and mileage has remained consistent compared with 2018/19. The number of rail journeys rose by 175 (1%). Air travel has increased by 21%, which is mainly due to an increase in overseas flights and long-haul flights to Australia to attend the Guideline International Network Conference. Car mileage has decreased by 40% compared with 2018/19 as we encourage travellers to use public transport instead of the car.

Total paper tonnes for printing has increased by 11% because of the increase in size of the BNF compared to 2018/19. Total cost has also increased by 4%. Paper usage within our 2 offices has increased by 15% compared with 2018/19.

NICE's performance is summarised in tables below:

- Financial information was not separately available for office estate waste because the cost is included in office cleaning and maintenance contracts, where the element is not differentiated.
- Financial information was not separately available for office estate water use because the cost is included in the overall service charge. There are no other uses of finite resources where the use is material.
- NICE currently has no scope 1 carbon emissions, which are from sources owned by the organisation such as fleet vehicles.
- The updated emission conversion factors have been applied to 2019/20 data.

### Sustainable development – summary of performance

Activity		2019/20	2018/19
Business travel including international air travel (miles)	Miles	2,754,382	2,709,759
	Expenditure (£)	£1,070,629	£1,070,171
Office estate energy	Consumption (kWh)	680,380	725,273
	Expenditure (£)	£159,563	£146,511
Office estate waste	Consumption (kg)	53,604	59,409
Printing	Paper (tonnes)	250	225
	Expenditure (£)	£745,837	£715,994

## Estimated carbon emissions

Activity	Unit	Outturn 2019/20	Carbon tonnes 2019/20	Outturn 2018/19	Carbon tonnes 2018/19
Electricity	kWh	680,380	189	725,273	223
<b>Scope 2<sup>1</sup> total</b>			<b>189</b>		<b>223</b>
Rail travel	Miles	2,072,282	137	2,075,955	148
Air travel – domestic	Miles	93,906	20	96,624	24
Air travel – overseas	Miles	503,167	158	396,455	72
Car travel	Miles	85,026	24	140,724	41
Printing	Tonnes	250	400	225	360
<b>Scope 3<sup>2</sup> total</b>			<b>739</b>		<b>645</b>
<b>Total</b>			<b>928</b>		<b>868</b>

**1** Scope 2 emissions relate to energy consumed that is supplied by another party.

**2** Scope 3 emissions relate to official business travel paid for by NICE.

## Waste

	2019/20	2018/19
Total non-recycled (kgs)	0	0
Total recycled (kgs)	25,569	28,374
Total incinerated with energy recovery	28,035	31,035
Total waste (kgs)	53,604	59,409
Of which recycled	100%	100%

NICE uses the Crown Commercial Services frameworks whenever possible to maximise small and medium enterprises (SME) spend. In addition, our contracts are as SME-friendly as possible, and we also publish pre-tender notices to allow consortia to form.

## Consumer single-use plastics

We are committed to elimination single-use plastics from our offices by the end of 2020. Since the introduction of this scheme we have implemented several measures to stop the use of disposable plastic items, reduce waste and encourage the use of reusable or recyclable materials.

Signed:

**Professor Gillian Leng CBE, MD**

Chief Executive and Accounting Officer

22 June 2020

# Accountability Report

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# Corporate Governance Report

The purpose of the corporate governance report is to explain the composition and organisation of NICE's governance structures and how they support the achievement of its objectives.

It comprises 3 sections:

- Directors' Report (p45)
- Statement of the Board's and Chief Executive's responsibilities (p51)
- The Governance Statement (p52).

## Directors' Report

The Directors' Report as per the requirements of the Government Financial Reporting Manual (FReM) requires certain disclosures relating to those having authority or responsibility for directing or controlling the entity including details of their remuneration and pension liabilities.

# Governance structure

## NICE Board

The role of the NICE Board is to:

- develop NICE's strategic priorities and approve the annual business plan
- provide oversight of the management of NICE's resources
- identify and manage risks and ensure a sound system of internal controls is in place

## Audit and Risk Committee

The role of the committee is to:

- provide an independent and objective review of arrangements for risk management, internal control and corporate governance
- review the annual report and accounts, prior to approval by the Board
- ensure there is an effective internal and external audit function in place
- review the findings of internal and external audit reports and management's response to these.

## Remuneration Committee

The role of the committee is to agree the remuneration and terms of service for the Chief Executive, members of the Senior Management Team, and any other staff on the Executive and Senior Manager (ESM) pay framework.

This includes:

- salary
- performance related pay
- provisions for other benefits including pensions
- arrangements for termination of employment and other contractual terms in accordance with DHSC and HM Treasury guidance.

## Senior Management Team

The role of the Senior Management Team is to:

- develop strategic options for the Board's consideration and approval
- prepare an annual business plan
- deliver the objectives set out in the business plan
- design and operate arrangements to secure the proper and effective control of NICE's resources
- prepare and operate a set of policies and procedures that have the effect of both motivating and realising the potential of NICE staff
- construct effective relationships with partner organisations and maintain good communications with the public, NHS, social care, local government and life sciences industries
- identify and mitigate the risks facing NICE.



# NICE's Board and Senior Management Team

The [Non-Executive Directors](#) who served on the Board in 2019/20 were:



**Sir David Haslam**  
Chair (until 31/12/19)



**Prof. Tim Irish**  
Vice Chair  
(interim Chair from 1/1/20)



**Prof. Sheena Asthana**  
(until 31/3/20)



**Prof. Angela Coulter**  
(until 13/11/19)



**Prof. Martin Cowie**



**Elaine Inglesby-Burke CBE**



**Dr Rima Makarem**  
Senior Independent Director  
(interim Vice Chair from 1/1/20)



**Tom Wright CBE**

[Executive Directors](#) who served on the Board in 2019/20:



**Sir Andrew Dillon**  
Chief Executive (until 31/3/20)



**Prof. Gillian Leng CBE, MD**  
Deputy Chief Executive and Director,  
Health and Social Care



**Ben Bennett**  
Director, Business Planning and  
Resources (on special leave from 1/1/20)



**Alexia Tonnel**  
Director, Evidence Resources

[Directors](#) in 2019/20 were:



**Meindert Boysen**  
Director, Centre for Health  
Technology Evaluation



**Dr Paul Chrisp**  
Director, Centre for Guidelines



**Jane Gizbert**  
Director, Communications



**Catherine Wilkinson**  
Acting Director, Business Planning  
and Resources (from 1/1/20)

## Board committees

### Audit and Risk Committee

During 2019/20 the committee continued to focus on NICE's financial reporting, risk management and internal audit's work. The terms of reference (ToR) of the committee provide the framework for the committee's work in the year. The ToR were reviewed and updated during 2019/20. Representatives from the National Audit Office (NAO) attend each meeting and meet with the committee members without the executives present.

The committee members during 2019/20 were:

<b>Dr Rima Makarem</b> Chair	<b>Tom Wright CBE</b> Non-Executive Director
<b>Prof. Sheena Asthana</b> Non-Executive Director	<b>Elaine Inglesby-Burke CBE</b> Non-Executive Director

### Remuneration committee

The committee sets remuneration levels and terms of service for senior staff at NICE, in line with NHS practice. The committee members in 2019/20 were:

<b>Sir David Haslam</b> Chair <sup>1</sup>	<b>Prof. Tim Irish</b> Non-Executive Director and Chair <sup>2</sup>
<b>Dr Rima Makarem</b> Non-Executive Director	<b>Elaine Inglesby-Burke CBE</b> Non-Executive Director

<sup>1</sup> Until 31/12/19   <sup>2</sup> From 1/1/20

## Independent advisory committees

Membership of these committees includes healthcare professionals working in the NHS and local authorities, social care practitioners and people who are familiar with issues that affect those who use health and social care services, their families and carers. The committees seek the views of organisations that represent people who use health and social care services, and professional and industry groups, and their advice is independent of any vested interest.

During 2019/20 the standing committees were:

- Technology Appraisal Committees, chaired by Dr Jane Adam, Professor Amanda Adler, Professor Gary McVeigh and Professor Stephen O'Brien
- Highly Specialised Technologies Committee, chaired by Dr Peter Jackson
- Interventional Procedures Advisory Committee, chaired by Dr Thomas Clutton-Brock
- Diagnostics Advisory Committee, chaired by Dr Mark Kroese
- Medical Technologies Advisory Committee, chaired by Professor Peter Groves

- Public Health Advisory Committees, chaired by Ralph Bagge, Paul Lincoln OBE, Professor Alan Maryon-Davis, Professor David Croisdale-Appleby OBE, Dr Sharon Hopkins<sup>1</sup>, Dr Ann Hoskins<sup>2</sup> and Dr Tessa Lewis
- Indicator Advisory Committee, chaired by Professor Danny Keenan
- Quality Standards Advisory Committees, chaired by Dr Bee Wee<sup>3</sup>, Dr Hugh McIntyre, Dr Gita Bhutani<sup>4</sup> and Dr Michael Rudolf

**1** Until August 2019   **2** from November 2019   **3** Until October 2019   **4** From October 2019

There are also time-limited, topic specific committees established for particular guidelines.

## Independent academic centres and information-providing organisations

NICE works with independent academic centres funded by the National Institute for Health Research to review the published and submitted evidence when developing technology appraisal and highly specialised technologies guidance. We currently work with:

- Health Economics Research Unit and Health Services Research Unit, University of Aberdeen
- Liverpool Reviews and Implementation Group, University of Liverpool
- School of Health and Related Research (SchARR), University of Sheffield
- Centre for Reviews and Dissemination and Centre for Health Economics, University of York
- Peninsula Technology Assessment Group (PenTAG), University of Exeter
- Southampton Health Technology Assessment Centre (SHTAC), University of Southampton
- Kleijnen Systematic Reviews Ltd
- BMJ Evidence Centre, BMJ Group
- Warwick Evidence, Warwick Medical School, University of Warwick

We commission independent academic centres to support advance evidence synthesis in the development of clinical guidance. The Centre for Guidelines in 2019/20 worked with the following organisation:

- Technical Support Unit, University of Bristol.

We also commission independent academic centres to review the published evidence when developing public health guidance. In 2019/20, the Centre for Guidelines worked with the following organisations:

- York Health Economics Consortium
- Royal College of Psychiatrists
- Cochrane Library

## External assessment centres

We commission 5 external assessment centres to work with the Centre for Health Technology Evaluation on projects related to the work programmes on medical devices, diagnostics and interventional procedures and provide methodological support to the evaluation of all technology types. The centres are:

- CEDAR, Cardiff and Vale University Health Board
- King's Technology Evaluation Centre (KiTEC), King's College London
- Newcastle upon Tyne Hospitals NHS Foundation Trust
- Decision Support Unit, School of Health and Related Research (SchARR), University of Sheffield
- York Health Economics Consortium

## National collaborating centres

We commission 2 national collaborating centres (NCCs) to develop guidelines for NICE. The NCCs bring together a multidisciplinary development group for each guideline. These groups include lay people, healthcare professionals such as nurses and GPs, and technical experts who work together to interpret evidence and draft recommendations. During 2019/20 the centres were:

- National Guideline Centre, hosted by the Royal College of Physicians
- National Guideline Alliance, hosted by the Royal College of Obstetricians and Gynaecologists

# Statement of the Board's and Chief Executive's responsibilities

Under the Health and Social Care Act 2012, the Secretary of State for Health and Social Care with the consent of HM Treasury has directed the National Institute for Health and Care Excellence (NICE) to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of NICE and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by the Secretary of State for Health and Social Care, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts
- prepare the accounts on a going concern basis
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable, and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Accounting Officer for the Department of Health and Social Care (DHSC) has appointed the Chief Executive of NICE as the Accounting Officer for NICE. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding NICE's assets, are set out in Managing Public Money published by HM Treasury.

As Chief Executive and Accounting Officer, I confirm that I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that NICE's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

As Accounting Officer for NICE from 1 April 2020, I confirm that there was adequate and sufficient handover from the previous Accounting Officer to provide me with the assurances required to make these statements.

# Governance statement

## Accountability summary

As Accounting Officer, and working together with the NICE Board, I have responsibility for maintaining effective governance and a sound system of internal controls that support the achievement of NICE's aims and objectives, while safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me.

I took over as chief executive from Andrew Dillon on 1 April 2020. As outgoing Accounting Officer, he provided me with a letter of assurance regarding the production of the annual report and financial statements for the period 1 April 2019 to 31 March 2020.

## NICE's governance framework

NICE was established as the National Institute for Clinical Excellence on 26 February 1999 as a special health authority and became operational on 1 April 1999. The Health and Social Care Act 2012 re-established NICE as an England-only national advisory body with the status of non-departmental public body (NDPB). It became known as the National Institute for Health and Care Excellence. We work closely with the Department of Health and Social Care (our sponsor) and NHS England and NHS Improvement and have service level agreements with the devolved administrations. We have regular performance monitoring and reviews with the Department of Health and Social Care (DHSC).

## NICE's functions

The primary statutory functions of NICE (set out in section 245 of the Health and Social Care Act 2012) are to provide guidance and support to providers and commissioners of healthcare to help them improve outcomes for people using the NHS, public health and social care services. NICE supports the health and care system by defining quality in the NHS, public health and social care sectors, and helps to promote the integration of health and social care.

We do this by producing robust guidance and advice for health, public health and social care practitioners, based on the best available evidence; developing quality standards for those providing and commissioning health, public health and social care services; and providing information services for commissioners, practitioners and managers across health and social care.



## Governance arrangements

NICE is led by a Board made up of:

- a non-executive chair appointed by the Secretary of State for Health and Social Care;
- a minimum of 5 other non-executive members appointed by the Secretary of State, 1 of which will be designated by the Board as the deputy chair;
- a chief executive appointed by the non-executive members with the approval of the Secretary of State; and
- other executive Board members appointed by the non-executive members: the total number of executive members must be at least 3 but no more than 5.

The Board members collectively have a range of skills and experience appropriate to the Board's responsibilities to provide leadership and strategic direction for the organisation. The membership of Board in 2019/20 and its role in the governance structure is summarised below.

## Board membership

David Haslam's tenure as chair was originally due to end on 31 May 2019. However, due to delays in the chair recruitment process, his appointment was twice extended to run to 31 December 2019. Due to a further delay in concluding the chair appointment process, caused in part by the general election, Tim Irish, the vice chair, was appointed as interim chair from 1 January 2020 for 3 months or until such a time a new chair was appointed. In March 2020 Sharmila Nebhrajani OBE was appointed as the chair of NICE and took up the role in May 2020.

Due to delays in the chair recruitment and the end of tenure of two non-executive directors, on 31 March 2020 the number of NEDs fell below the statutory minimum set out in the Health and Social Care Act. The Board sought legal advice and resolved to establish a committee of the Board members from 1 April 2020 to undertake the Board's functions. The committee ceased to exist when Sharmila took up her role as chair and the Board returned to the required minimum size.

Andrew Dillon retired as chief executive on 31 March 2020. Following a robust recruitment process supported by an external search agency, Professor Gillian Leng CBE, who was previously NICE's deputy chief executive, was appointed as chief executive with effect from 1 April 2020.

This unintended close turnover in chair and chief executive roles due to circumstances outside of NICE's control presented a risk to the organisation's leadership. The risk was included on the business risk register, along with the mitigations which included the appointment of experienced deputies to act up to the roles of interim chair and chief executive.

## Public Board

The Board meets formally 6 times a year. These meetings are open to the public and the venue is rotated around England to facilitate public attendance. Preceding the formal meeting there is a public question and answer session with the chair and the chief executive. There is an additional private meeting held in June specifically to review the annual report and accounts.

Arrangements for the March 2020 public Board meeting had to be changed at short notice in response to the coronavirus outbreak. It was not possible to have any public attendees at the meeting due to the COVID-19 restrictions. The meeting was held remotely. In the year, it was also necessary to hold 2 NEDs only Board meetings. One in February 2020 to appoint the chief executive and one in March to appoint the executive directors from 1 April 2020.

Public Board meetings consider reports on strategic issues facing NICE and performance against business targets. In addition, the Board reviews reports from the chief executive, an update on the financial position from the business planning and resources director, updates from Board committees, topic-specific papers on major developments and strategic projects, and regular update reports from each director. The Board's position on these papers is recorded in the minutes which are published on the NICE website.

Attendance at the NICE Board meetings and the Board committees in 2019/20 are set out below:

	Board attended / eligible	ARC attended / eligible	Remuneration attended / eligible
<b>Non-executive Directors</b>			
Sir David Haslam <sup>1</sup>	3/5	-	2/2
Prof Sheena Asthana	7/9	3/5	-
Prof Angela Coulter <sup>2</sup>	5/5	-	-
Prof Martin Cowie	7/9	-	-
Elaine Inglesby-Burke CBE	6/9	5/5	2/2
Prof Tim Irish	7/9	-	2/2
Dr Rima Makarem	7/9	5/5	1/2
Tom Wright CBE	9/9	4/5	-
<b>Executive Directors</b>			
Sir Andrew Dillon	7/7	5/5 <sup>3</sup>	2/2 <sup>3</sup>
Ben Bennett	5/5	3/4 <sup>3</sup>	2/2 <sup>3</sup>
Prof Gillian Leng CBE, MD	6/7	2/2 <sup>3</sup>	-
Alexia Tonnel	7/7	-	-
<b>Directors in attendance</b>			
Meindert Boysen	5/7	-	-
Dr Paul Chrisp	7/7	-	-
Jane Gizbert	6/7	-	-
Catherine Wilkinson	2/2	5/5 <sup>3</sup>	-

**1** Until 31 December 2019    **2** Until 13 November 2019

**3** Attended but not a member of the committee. Executives were not present at the Remuneration Committee for the discussion of their salary

## Strategy Board

In addition to the formal public meetings, the Board holds 6 informal meetings per year to consider strategic issues.

## Board training

In December 2019, the Board held a training session facilitated by the National Audit Office to discuss risks that are unexpected or highly unlikely to materialise, but if they did, would have a significant impact on NICE. This was an interactive session with the Board to understand the importance of the Board gaining assurance that it has considered the potential of these unexpected events in its risk assessment process. The Board welcomed the opportunity to think about and discuss potential scenarios beyond the normal business activities. A follow-up session is planned for the Board away day in October 2020.

## Standards and Board effectiveness

The Board is committed to the highest standards of corporate governance and has committed to regularly reviewing its effectiveness. A Board evaluation exercise was undertaken in early 2020, with the Board due to discuss the results in Q1 2020/21.

The survey focused on executive and non-executive relationships, Board composition, Board meetings, and the Board's duties, with no significant issues or concerns identified.

## Board committees

To help the Board fulfil its duties, it is supported by 2 committees – the Audit and Risk Committee and the Remuneration Committee.

### Audit and Risk Committee

The Audit and Risk Committee meets quarterly and has received reports from management, internal and external audit in a range of areas.

The committee members during 2019/20 were:

- Dr Rima Makarem Chair
- Professor Sheena Asthana Non-Executive Director
- Elaine Inglesby-Burke CBE Non-Executive Director
- Tom Wright CBE Non-Executive Director

In 2019/20 the internal audit plan covered six business areas. All six reviews were completed on time. The areas covered and the assurance ratings given are set out below:

<b>Audit</b>	<b>Areas reviewed</b>	<b>Assurance rating</b>
Financial reconciliations	<p>policies and procedures for financial reconciliations, including links to Standing Financial Instructions</p> <p>roles and responsibilities, including segregation of duties and sign off</p> <p>arrangements for clearing of Suspense Accounts</p> <p>reporting and escalating of issues</p>	Substantial
EU Exit	<p>the adequacy and effectiveness of NICE's EU Exit Oversight Group</p> <p>the effectiveness of NICE's risk management in relation to EU Exit</p>	Moderate
Contract management	<p>contract governance</p> <p>contract risk management</p> <p>processes and procedures</p> <p>GDPR within contracts</p>	Moderate
Conflicts of interest	<p>the control framework in place to ensure that policies, procedures and guidance to manage conflicts of interest are fit for purpose and being complied with</p>	Moderate
Travel booking system	<p>arrangements for setting up system users</p> <p>ensuring bookings are in line with the agreed policies and procedures</p> <p>spending on travel and accommodation</p> <p>effectiveness of management information</p>	Limited
NICE Connect	<p>governance and oversight of the project including project plans and roles, responsibilities and accountabilities</p> <p>stakeholder management and communications</p> <p>risk management and escalation routes</p>	Substantial

Areas of particular focus for the Audit and Risk Committee in 2019/20 were:

- The business risk register which is reviewed at every meeting. Additionally in January and September, the committee reviewed the strategic ambitions and risks.
- The 'deep dive' risk presentations which allow the committee to scrutinise risk management arrangements, test assurances, challenge actions where appropriate, and offer advice and support on a continuous improvement basis. Topics included:
  - The exploratory phase of NICE Connect transformation project.
  - Maintaining consistency and quality within the Centre for Guidelines' guideline development framework and supporting policies and procedures.
  - The methods and processes review within the Centre for Health Technology Evaluation, including the governance structure that has been developed.
  - A review of the risks and mitigating actions around moving the London office to new premises in a Government 'health hub' in Stratford.
- Reviewing the effectiveness of both the internal and external auditors via a survey to the regular attendees at the committee's meetings. The survey of the external auditor was reviewed in November. The feedback raised no specific issues of concern.
- The review of the internal auditor which took place in January. The feedback was very positive about the relationship with the

Government Internal Audit Agency (GIAA) team. There were no areas of concern which required follow up work.

- In addition, the committee reviewed the outcome from internal and external audit reports; reviewed annual assurance reports from management on complaints, information governance, and information security and resilience. The committee also noted a new requirement for NICE to comply with the Government Functional Standard GovS 013: counter fraud, and reviewed the submissions made to the Cabinet Office. As part of this work, the committee approved a revised counter fraud, bribery and corruption strategy, policy and response plan which aligned NICE's internal arrangements with the government standard.

At present, the known planned activities during 2020/21 will be to:

- monitor the impact of COVID-19 on NICE's activities and the risk mitigation plans put in place
- review the other key risks facing NICE and the approach to mitigating these
- review a revised risk management policy
- reviewing the use of a new assurance mapping tool to enable management to assess the risks and sources of assurance relating to new projects and new areas of work
- receive a 'deep dive' risk management report at each meeting to review progress in mitigating one of the key risks within the corporate risk register
- continue to receive updates from the Senior Management Team members on key control priorities and risks in their respective Directorates
- review reports from internal audit and monitor management action to implement any recommendations made
- review updates from the NAO on progress with their audit work and any published good practice guidance.

### **Remuneration committee**

The remuneration committee met twice in 2019/20. The first meeting, in August, was held to agree the salary, job description and person specification for the chief executive recruitment. The second meeting, in November, received an update on the pay arrangements for staff on agenda for change (AfC) and medical and dental terms and conditions, and agreed the pay awards for NICE's directors for 2019/20 and the non-consolidated performance related payments for 2019/20. It also approved salaries for 2 senior management roles.

The committee members in 2019/20 were:

- Sir David Haslam (Chair)<sup>1</sup>
- Elaine Inglesby-Burke CBE (Non-Executive Director)
- Professor Tim Irish (Non-Executive Director)
- Dr Rima Makarem (Non-Executive Director)

<sup>1</sup> Until 31/12/19

## **Accountability to the Department of Health and Social Care**

Annual accountability meetings are held between NICE's chief executive and chair and the sponsoring Minister at the Department of Health and Social Care (DHSC).

In addition, quarterly accountability meetings take place between members of NICE's senior management team and our sponsor team at the DHSC. The meetings review the delivery of our agreed an advisory business plan, performance against our balanced scorecard, our financial position, and risks. The head of the sponsor team at DHSC attends our Audit and Risk Committee meetings.

## **Register of interests**

A register of interests is maintained to record formally declarations of interests of Board members and employees. In particular the register includes details of all directorships and other relevant and material interests which have been declared by both executive and non-executive Board members, as required by our standing orders and our policy on declaring and managing interests.

Board members and employees are required to reconfirm their declared interests annually, in addition to declaring any changes in-year as they arise. The register is available on [the NICE website](#).

The policy on declaring and managing interests for staff and Board members was updated in April 2019. The policy requires the interests of all senior managers (on the Agenda for Change pay grade 8d and above), to be accessible to the public. These can be found on the NICE website [www.nice.org.uk](http://www.nice.org.uk).

Information on transactions with organisations with whom our directors are connected are detailed in the Related Parties note on p113.

NICE's current policy on declaring and managing interests for advisory committee members came into effect on 1 April 2018. At the time, the Board agreed to review the policy after its first 12 months of operation, in light of the scale of the changes introduced. The review took place during March to May 2019 and an updated version of the policy was approved by the Board in July 2019.

The new policy in 2018 established a reference panel to provide advice to directors on contentious matters relating to adherence with the policy, and to ensure the policy is consistently applied.



The panel is made up of 3 non-executive directors and 2 members of the Senior Management Team from non-guidance producing directorates. The panel was not required to meet in 2019/20.

In April 2020, the Audit and Risk Committee meeting reviewed an annual report of breaches of the declaration of interest policy which had been identified and recorded during the 2019/20 year. The report detailed 1 breach, the effect of this, and the action taken. It related to an advisory committee member who had declared a direct financial interest in the topic under discussion but the NICE project team had failed to identify the interest as being relevant. Following investigation it was established that the committee had based its provisional recommendation on the published evidence base and therefore it was considered a low risk that the member's presence had changed the recommendation.

An internal audit review of the arrangements for declaring and managing conflicts of interest was undertaken in November 2019. The audit opinion was a moderate assurance rating with 5 recommendations for improvement. Management accepted all the recommendations and is currently addressing them. One of the actions is for management to determine how assurance can be provided on the completeness and correctness of the declarations made. A standardised process is to be introduced to require the guidance teams to sample check, monitor and report on the published registers. The results of which will be provided to corporate office to inform the assurances given in this report.

## **The risk and control framework**

### **System of internal control**

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of NICE's policies, aims and objectives. The system of internal control has been in place at NICE for the year ended 31 March 2020 and up to the date of approval of the annual report and accounts and accords with HM Treasury guidance.

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure. It can therefore only provide reasonable and not absolute assurance of effectiveness. It is based on a continuous process designed to identify and prioritise the risks to the achievement of organisational aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised. The annual internal audit programme is designed to systematically review different areas of the business and provide assurance reports to the Senior Management Team and the Audit and Risk Committee that any identified weaknesses in controls, are identified and strengthened.

## Risk management framework

The Board determines the risk appetite and sets the culture of risk management within NICE with particular regard to new initiatives and emerging risks. The Board has ultimate responsibility for risk management within NICE including major decisions affecting NICE's risk profile or exposure.

The risk management policy sets out NICE's approach to risk management. It defines risk, outlines roles and responsibilities for risk management, and explains how risks are categorised, assessed and escalated. The policy was updated in March 2020 to ensure it was still aligned with best practice. It was reviewed against the government's Orange Book 'Risk management – principles and concepts'. The revised version was presented to the Audit and Risk Committee in April and to the Board at its meeting in May.

The policy outlines NICE's risk appetite – the extent to which we will tolerate known risks, in return for the benefits expected from a particular action or set of actions. With careful planning and management we aim to operate our programmes with a low level of risk. However, we do incur moderate risks, where, for example we are making significant changes to current programmes or taking on new activities. We may also need to take account of risks that arise from the actions of other organisations that give rise to moderate risk for us. We may also need to consider accepting high risks in certain circumstances. These may be in situations, such as our response to the COVID-19 pandemic, where the actions involved represent the single, or least unpalatable option to manage the issues involved, which may have been externally imposed, and therefore over which the Institute will have little or no direct control. In addition, it may be necessary to accept high risk if an activity is central to our strategic objectives, and the risks of not proceeding outweigh the risks of the activity.

Directors, in conjunction with their teams, are responsible for ensuring risks in their centre/directorate are identified, assessed and entered into the risk register as appropriate. SMT has introduced an assurance mapping tool which helps management teams to identify risks associated with new areas of work and to map the controls that are in place, and highlight any potential control weaknesses. Risks are then critically analysed by the Senior Management Team and reviewed by the Audit and Risk Committee, which challenges and scrutinises the operation of the risk management process and reports to the Board on its effectiveness.

The risk register is dynamic and risks are continually assessed in the context of NICE's current strategies and external events. The senior management team formally reviews the risk register 6 times a year, and before its consideration by the Audit and Risk Committee and the Board, ensuring it remains relevant. This review takes account of the ongoing identification and evaluation of risks by directors

and considers handling strategies and required policies to support the process of improving internal controls. In doing so, directors consider the resources available, the complexity of the task, external factors that may impact on NICE's work and the level of engagement required with partners and stakeholders.

Directors are required to include a risk assessment in SMT and Board reports where there is a substantive new development proposed or substantive change to existing activities. Risk registers are also produced for significant projects and these will be used to provide mitigations and assurances to SMT.

## **Principal risks facing NICE**

### **COVID-19 pandemic**

In January 2020 the Board first discussed contingency planning for a potential UK epidemic of COVID-19. By March, the position had escalated rapidly with both of NICE offices closed and all staff instructed to move to complete home working. The necessary technologies were rolled out at pace to allow this to happen.

Internally we set up a Coronavirus Response Group (CRG) to begin looking at what the impact would be on NICE's guidance programmes. The overall responsibility for NICE's response to COVID-19 rested with the SMT (gold command), working closely with the CRG (silver). The dynamic nature of the rapidly developing situation meant that the CRG moved quickly from operational planning to implementation focusing on workforce planning, monitoring, and the provision of situational reports to SMT, the NICE Board and other key stakeholders.

SMT continued meeting on a daily basis, since its first virtual meeting on 17 March, with COVID-19 as the first, and often only item on the agenda. The Board reviewed a paper at its meeting in March which detailed NICE's overall response to COVID-19, and in particular the approach taken to prioritise NICE's guidance output. The Board was advised of the changes that were put in place, including governance arrangements, communications with staff and stakeholders, and measures to address the impact on business planning and prioritising existing guidance programmes.

The Board supported the recommendation to only publish guidance topics which were either therapeutically critical or addressed COVID-19 diagnostic or therapeutic interventions.

The decision to reprioritise guidance outputs and the uncertainty about the impact on staff and committee member availability meant we were unable to set a business plan in the usual manner. Instead, our business plan for 2020/21 will acknowledge the impact of the pandemic on the organisation and outlines the work we would have delivered in usual circumstances. It will be used to guide our activities and outputs to the extent possible in light of the evolving situation with the pandemic. In addition to the operational

challenges, the pandemic creates financial risks, including uncertainties around income from technology appraisals and highly specialised technologies evaluations.

### **Transformation programme**

During 2019/20 NICE embarked on an ambitious programme to review how we produce and present our work (NICE Connect). This multi-year project presents a key risk in 2020/21 to successfully transform the development and presentation of NICE guidance and advice through the NICE Connect transformation programme so it fully meets the needs of our users, taking advantage of new technologies, including artificial intelligence. A new transformation unit was established headed by a programme director to lead this work and the Board received regular progress reports from the Executive Director. The priorities for the transformation, and the level of resource that can be provided internally for it, will remain under review in light of the COVID-19 pandemic.

### **London office move**

In the Autumn of 2020 NICE proposes to relocate its London office out of Spring Gardens to a new government 'health hub' in Stratford. NICE will share the space with 4 other health ALBs. A joint programme Board is leading the relocation project and NICE has appointed the programme manager who is working on behalf of all parties. One of the major risks to the project was agreement on and installation of a shared IT system which meets everyone's needs and cultural ways of working. This work was disrupted in March following the COVID-19 lockdown which interrupted all but essential building works. This is likely to result in the timeframe for the move being delayed. The SMT is exploring a number of options as part of a contingency plan.

### **Methods and process review for health technology assessment programmes**

NICE is committed to reviewing the methods and processes for developing guidance in the Centre for Health Technology Evaluation in 2019/20 and encouraged industry to feed in its views. Industry and other relevant stakeholders are active participants in the review, including inputting on scope, participating in working discussions, and providing views on recommendations.

The timeframe for the reviews involves a 6-week public consultation currently planned for October/November 2020. Before the consultation informal engagement with stakeholders will take place, during which we will ask for targeted feedback on elements of the update. Subject to Board approval, the manual is planned to be published early in 2021 and implementation of the changes will take place with immediate effect or as soon as feasible. This timeline is now at risk as the COVID-19 pandemic is affecting the availability of senior personnel in government and NHS England to be involved in the update.

## **Arrangements after leaving the EU**

During 2020/21 we will continue to work through the consequences for NICE of the UK leaving the EU. We expect an impact on the way our technology appraisal and highly specialised technologies programmes are operationalised in view of potential changes in regulatory approval for medicinal products. NICE has a partnership agreement with the MHRA and through this has undertaken considerable joint work to identify options for aligned processes that continue to ensure timely patient access. NICE Scientific Advice has developed an alternative offer to overcome the fact that we are no longer able to participate in joint advice between the European Medicines Agency and health technology assessment agencies.

We will continue to build on NICE's international reputation to support the UK's ambitions for the NHS and wider life sciences sector. This includes supporting cross-organisational work with DHSC, its arm's-length bodies and other government departments on the UK's future relationship with the EU and the rest of the world. Our membership of global professional organisations and presence at international conferences will be of increasing importance. We will also consider the sustainability of the research income we currently receive from the EU for EUnetHA, Innovative Medicines Initiative and Horizon 2020 in light of the UK-EU future relationship, and we will explore opportunities for participation in subsequent research initiatives. Finally, we will consider the impact of emerging immigration plans for NICE.

## **Information governance**

We adopt a risk-assessed approach to information governance (IG), aligned to official guidance from relevant bodies, including NHS Digital. Board-level responsibility for the management of information risk rests with the Business Planning and Resources Director, who is the Senior Information Risk Owner (SIRO). NICE has nominated the Data Protection and Information Governance Manager as the Data Protection Officer (DPO), with the responsibilities outlined in the General Data Protection Regulation (GDPR).

Information risks are considered as part of the risk assessment process, and any such risks reported to the Senior Management Team and Audit and Risk Committee accordingly. Policies and procedures for managing the security of personal data are reviewed by an internal Information Governance Steering Group in light of best practice guidance and relevant standards. The group is chaired by the SIRO and includes the Information Asset Owners in each centre and directorate (these are senior managers usually at associate director level). NICE also has an appointed Caldicott Guardian, which was the deputy chief executive and health & social care director in 2019/20, who is responsible for ensuring any patient data is used legally and managed confidentially. The acting health &

social care director was appointed as Caldicott Guardian from 1 April 2020.

All employees are required to complete annual IG training using a bespoke online training package created by the DPO. The Senior Management Team receives performance data on take up. Additionally, the Non-Executive Directors are asked to complete the training if they have not completed a similar IG awareness exercise in another role.

The Audit and Risk Committee reviews the IG arrangements at least annually, when it receives a comprehensive annual review of information governance which provides assurance around NICE's compliance with all the mandatory sections of the Data Security and Protection Toolkit, and other aspects of IG including the policies and procedures in place to manage subject access requests, the completion of data protection impact assessments, identifying information asset owners (IAOs) in each directorate, responding to data breaches, assisting with developing data sharing agreements, and advising the organisation on records management.

The Corporate Office retains a central log of all data breaches. There were no significant lapses in information governance arrangements or serious untoward incidents relating to personal data breaches in 2019/20. One data breach was reported to the Information Commissioner's Office (ICO). The ICO deemed the breach 'neutral' and did not require any further action to be taken. The Data Breach Reporting and Management Policy, which outlines how breaches should be classified and managed, has since been amended to clarify what type of breach requires reporting to the ICO.

The NICE Connect transformation programme from 2020 onwards is an ambitious plan which will require significant IG support around a new data management strategy, digital transformation plans, a new approach to records management and exploring the use of 'real world data'. To support the increased remit of the IG team, capacity has been expanded.

The IG Manager is a key member of the Data Management Expert Group to provide assurance that the risks to effective information governance are identified and mitigated in the planning and development phases of these strategic ambitions.

## **Counter fraud, bribery and corruption**

During 2019/20, the Cabinet Office extended its requirement for all ALBs to comply with the Government Functional Standard GovS 013: Counter fraud. NICE made its first submission in September 2019. Achieving compliance with the functional standard required a revised and expanded counter fraud, bribery, and corruption strategy, policy and response plan to be approved and implemented, a formal fraud risk assessment, an action plan to strengthen our arrangements and production of a mandatory e-learning module



for all staff. Submission to the Cabinet Office of a consolidated data request (CDR) of losses from fraud and error, has been deferred to begin from 1 April 2020 with a submission due in August 2020.

We are supported by the DHSC anti-fraud unit, which has arranged briefings for the health ALB counter fraud leads and will provide specialist expertise, if needed, to investigate suspected fraud at NICE.

## **Whistleblowing**

All staff are made aware of NICE's established whistleblowing policy as part of their induction programme. There have been no whistleblowing cases raised in 2019/20 that have required discussion by the Senior Management Team or the Audit and Risk Committee.

To support the policy, NICE has also introduced 2 nominated Freedom To Speak Up (FTSU) Guardians, to whom staff can speak in confidence about any issue that concerns them at work. Six staff raised an issue with a FTSU guardian in 2019/20. All matters were resolved through discussions with the Senior Management Team, without the need for formal HR proceedings.

## **Significant internal control weaknesses**

I am able to report that there were no significant weaknesses in the NICE's system of internal controls on 2019/20 that affected the achievement of NICE's key policies, aims and objectives.

On the basis of all the above I am satisfied that the systems of corporate governance and internal control are operating effectively.

Signed

**Professor Gillian Leng CBE, MD**

Chief Executive and Accounting Officer

22 June 2020

# Remuneration and Staff Report

The Remuneration and Staff Report provides details of the remuneration (including any non-cash remuneration) and pension interests of Board members, the Chief Executive and the Senior Management Team. The content of the tables are subject to audit.

## Senior staff remuneration

The remuneration of the Chair and Non-Executive Directors is set by the Secretary of State for Health and Social Care. The salaries of the staff employed on NHS conditions and terms of service are subject to direction from the Secretary of State for Health and Social Care.

The remuneration of the Chief Executive and all executive and senior managers (ESMs) is first subject to independent job evaluation and then approved by NICE's Remuneration Committee with additional governance oversight from the DHSC Remuneration Committee. Any salary in excess of £150,000 requires both Secretary of State and DHSC Remuneration Committee approval. The remuneration of the executives and senior managers is detailed in the table on p69.

Information on NICE's remuneration policy can be found on p67 and the membership of the Remuneration Committee can be found on p48 and has not been audited.

## Performance appraisal

A personal objective-setting process that is aligned with the business plan is agreed with each member of staff annually and all staff are subject to an annual performance appraisal. NICE is a designated body for the revalidation of medical staff and has implemented a robust appraisal and revalidation process for its medical workforce that complies with the guide for good medical practice and the General Medical Council's framework for medical appraisal and revalidation.

## **Summary and explanation of policy on duration of contracts, and notice periods and termination payments**

### **Terms and conditions: chairs and non-executives**

For chairs and non-executive directors of NICE the terms and conditions are laid out below.

### **Statutory basis for appointment**

Chairs and non-executive directors of non-departmental public bodies (NDPBs) hold a statutory office under the Health and Social Care Act 2012. Their appointment does not create any contract of service or contract for services between them and the Secretary of State for Health and Social Care or between them and NICE.

### **Employment law**

The appointments of the Chair and non-executive directors of NICE are not within the jurisdiction of employment tribunals. Neither is there any entitlement for compensation for loss of office through employment law.

### **Reappointments**

Chairs and non-executive directors are eligible for reappointment at the end of their period of office, but they have no right to be reappointed. DHSC will usually consider afresh the question of who should be appointed to the office.

### **Termination of appointment**

A chair or non-executive director may resign by giving notice in writing to the Secretary of State for Health and Social Care. Alternatively, their appointment will terminate on the date set out in their appointment letter unless terminated earlier in accordance with any of the grounds under paragraph 2 of schedule 16 to the Health and Social Care Act 2012, as follows:

- incapacity
- misbehaviour, or
- failure to carry out his or her duties as a non-executive director.

### **Remuneration**

Under the Act, the chair and non-executive director are entitled to be remunerated by NICE for so long as they continue to hold office.

There is no need for provision in NICE's annual accounts for the early termination of any non-executive director's appointment.

**Conflict of interest**

The Code of Conduct for Board Members of Public Bodies published by the Cabinet Office applies to NDPB Boards. The codes require chairs and Board members to declare, on appointment, any business interests, positions of authority in a charity or voluntary body in health and social care, and any connection with bodies contracting for NHS services. These must be entered into a register that is available to the public. Any changes should be declared as they arise.

**Indemnity**

NICE is empowered to indemnify the Chair and non-executive directors against personal liability they may incur in certain circumstances while carrying out their duties.

**Terms and conditions: NICE Executive****Basis for appointment**

All executive directors are appointed on a permanent basis under a contract of service at an agreed annual salary with eligibility to claim allowances for travel and subsistence costs, at rates set by NICE, for expenses incurred on its behalf.

**Termination of appointment**

An executive director has to give 3 months' notice. There is no need for provision for compensation included in NICE's annual accounts for the early termination of any executive director's contract of service.

**Single total figure of remuneration – Board members' and directors' remuneration (subject to audit) (£000s)**

2019/20	Title	Salary and allowances (bands of £5,000)	Non-cash benefits total to nearest £100	Performance pay and bonuses (bands of £5,000)	Accrued pension benefits total to nearest £1,000	Total (bands of £5,000)
Sir David Haslam <sup>1</sup>	Chair	45 to 50	Nil	Nil	Nil	45 to 50
Prof. Timothy Irish <sup>2</sup>	Interim Chair	20 to 25	Nil	Nil	Nil	20 to 25
Dr Rima Makarem <sup>3</sup>	Chair of Audit and Risk Committee and Interim Vice Chair	10 to 15	Nil	Nil	Nil	10 to 15
Prof. Sheena Asthana	Non-Executive Director	5 to 10	Nil	Nil	Nil	5 to 10
Prof. Angela Coulter <sup>4</sup>	Non-Executive Director	0 to 5	Nil	Nil	Nil	0 to 5
Prof. Martin Cowie	Non-Executive Director	5 to 10	Nil	Nil	Nil	5 to 10
Elaine Inglesby-Burke CBE <sup>5</sup>	Non-Executive Director	5 to 10	Nil	Nil	Nil	5 to 10
Tom Wright CBE	Non-Executive Director	5 to 10	Nil	Nil	Nil	5 to 10
Sir Andrew Dillon <sup>6</sup>	Chief Executive	190 to 195	Nil	Nil	Nil	190 to 195
Prof. Gillian Leng CBE, MD	Deputy Chief Executive and Director, Health and Social Care	185 to 190	Nil	Nil	18	205 to 210
Meindert Boysen	Director, Centre for Health Technology Evaluation	120 to 125	Nil	Nil	20	140 to 145
Ben Bennett <sup>6</sup>	Director, Business Planning and Resources	120 to 125	Nil	Nil	Nil	120 to 125
Jane Gizbert	Director, Communications	115 to 120	Nil	Nil	16	130 to 135
Alexia Tonnel	Director, Evidence Resources	120 to 125	Nil	5 to 10	27	155 to 160
Dr Paul Chrisp	Director, Centre for Guidelines	115 to 120	Nil	Nil	39	150 to 155
Catherine Wilkinson <sup>7</sup>	Acting Director, Business Planning and Resources	30 to 35	1.3	Nil	10	40 to 45

2018/19	Title	Salary and allowances (bands of £5,000)	Non-cash benefits total to nearest £100	Performance pay and bonuses (bands of £5,000)	Accrued pension benefits total to nearest £1,000	Total (bands of £5,000)
Sir David Haslam	Chair	60 to 65	Nil	Nil	Nil	60 to 65
Dr Rosemarie Benneyworth <sup>8</sup>	Vice Chair	15 to 20	Nil	Nil	Nil	15 to 20
Prof. Sheena Asthana	Non-Executive Director	5 to 10	Nil	Nil	Nil	5 to 10
Prof. Angela Coulter	Non-Executive Director	5 to 10	Nil	Nil	Nil	5 to 10
Prof. Martin Cowie	Non-Executive Director	5 to 10	Nil	Nil	Nil	5 to 10
Elaine Inglesby-Burke CBE <sup>5</sup>	Non-Executive Director	5 to 10	Nil	Nil	Nil	5 to 10
Prof. Timothy Irish <sup>2</sup>	Non-Executive Director	5 to 10	Nil	Nil	Nil	5 to 10
Dr Rima Makarem	Non-Executive Director	10 to 15	Nil	Nil	Nil	10 to 15
Tom Wright CBE	Non-Executive Director	5 to 10	Nil	Nil	Nil	5 to 10
Sir Andrew Dillon <sup>6</sup>	Chief Executive	185 to 190	Nil	Nil	Nil	185 to 190
Prof. Gillian Leng CBE, MD	Deputy Chief Executive and Director, Health and Social Care	185 to 190	Nil	Nil	Nil	185 to 190
Mirella Marlow <sup>9</sup>	Acting Director, Centre for Health Technology Evaluation	10 to 15	Nil	Nil	3	10 to 15
Meindert Boysen <sup>10</sup>	Director, Centre for Health Technology Evaluation	105 to 110	Nil	Nil	56	160 to 165
Ben Bennett <sup>4</sup>	Director, Business Planning and Resources	120 to 125	2.0	5 to 10	Nil	125 to 130
Jane Gizbert	Director, Communications	110 to 115	Nil	Nil	11	120 to 125
Alexia Tonnel	Director, Evidence Resources	120 to 125	Nil	Nil	26	145 to 150
Dr Paul Chrisp <sup>11</sup>	Director, Centre for Guidelines	65 to 70	Nil	Nil	26	90 to 95
Catherine Wilkinson <sup>12</sup>	Acting Director, Business Planning and Resources	20 to 25	0.7	Nil	Nil	20 to 25
Prof. Mark Baker <sup>13</sup>	Director, Centre for Guidelines	50 to 55	Nil	Nil	Nil	50 to 55

1 bonus was paid in 2019/20 (£5k) and 1 bonus was paid in 2018/19 (£6k).

1 Chair until leaving 31 December 2019.

2 Vice Chair from 1 March 2019 to 31 December 2019, then Interim Chair from 1 January 2020.

3 Interim Vice Chair from 1 January 2020. Additional pay for chair of Audit and Risk Committee role.

4 Until 13 November 2019.

5 Remuneration is paid to Salford Royal NHS Foundation Trust.

6 No longer an active member of the NHS Pension Scheme.

7 Acting up 1 January 2020 – Salary reported is for 3 months only. Full time equivalent salary was £120k–£125k.

8 Vice Chair until 17 September 2018, then acting Chair until left on 28 February 2019.

9 Ceased acting up 30 April 2018 – Salary reported is for 1 month only. Full-time equivalent salary was £125k–£130k.

10 From 11 May 2018 – Salary reported is for 11 months only. Full-time equivalent salary was £110k–£115k.

11 From 17 September 2018 – Salary reported is for 7 months only. Full-time equivalent salary was £110k–£115k.

12 Acting up 21 January 2019 to 31 March 2019 – Salary reported is for 2 months only. Full-time equivalent salary was £120k–£125k.

13 Left 14 September 2018 – Salary reported is for 6 months only. Full-time equivalent salary was £110k–£115k.

## Pension benefits – Senior Management (Subject to audit)

Name	Title	Real increase/ (decrease) in pension at age 60 (bands of £2,500) £000	Real increase/ (decrease) in pension lump sum at aged 60 (bands of £2,500) £000	Total accrued pension at age 60 at 31 March 2020 (bands of £5,000) £000	Lump sum at age 60 related to accrued pension at 31 March 2020 (bands of £5,000) £000	Cash equivalent transfer value at 31 March 2019 £000	Real increase in cash equivalent transfer Value £000	Cash equivalent transfer value at 31 March 2020 £000
Sir Andrew Dillon <sup>1</sup>	Chief Executive	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Prof. Gillian Leng CBE, MD	Deputy Chief Executive and Director, Health and Social Care	0 to 2.5	5 to 7.5	65 to 70	195 to 200	1,511	58	1,630
Ben Bennett <sup>2</sup>	Director, Business Planning and Resources	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Jane Gizbert <sup>3</sup>	Director, Communications	0 to 2.5	nil	20 to 25	nil	343	21	389
Alexia Tonnel <sup>3</sup>	Director, Evidence Resources	0 to 2.5	nil	15 to 20	nil	190	13	225
Meindert Boysen	Director, Centre for Health Technology Evaluation	0 to 2.5	(0 to 2.5)	25 to 30	45 to 50	428	15	470
Dr Paul Chrisp <sup>3</sup>	Director, Centre for Guidelines	2.5 to 5	nil	20 to 25	nil	272	30	326
Catherine Wilkinson <sup>4</sup>	Acting Director, Business Planning and Resources	0 to 2.5	0 to 2.5	15 to 20	35 to 40	229	5	273

**1** No longer an active member of the NHS Pension Scheme. At 31 March 2014 Total Accrued Pension at age 60 was £85-90k and Lump Sum was £255-260k

**2** No longer an active member of the NHS Pension Scheme. At 31 March 2018 Total Accrued Pension at age 60 was £50-55k and Lump Sum was £150-155k

**3** No lump sum for senior managers who only have membership in the 2008 Section of the NHS Pension Scheme

**4** Acting Director, Business Planning and Resources from 1 January 2020

There is no CETV (cash equivalent transfer value) for those members who are over the age of 60 (1995 Section of the NHS Pension Scheme) and members over 65 (2008 Section)



## **Salary**

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by NICE and thus recorded in these accounts.

## **Benefits in kind**

The monetary value of benefits in kind covers any benefits provided by NICE and treated by HM Revenue and Customs as taxable. The Acting Director, Business Planning and Resources received a lease car and childcare vouchers under salary sacrifice arrangements. The Business Planning and Resources Director received a lease car under salary sacrifice arrangements in 2018/19.

## **Cash equivalent transfer values**

A cash equivalent transfer value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. CETVs are calculated in accordance with the Occupational Pension Schemes (Transfer Values) Regulations 2008.

## **Real increase in CETV**

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension because of inflation and contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement), and uses common market valuation factors for the start and end of the period.

## **Fair pay disclosure (subject to audit)**

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in NICE in the financial year 2019/20 was £190k–£195k (2018/19: £185k–£190k). This was 4.3 times (2018/19: 4.4) the median remuneration of the workforce, which was £44,044 (2018/19: £43,041). In 2019/20 no employees (2018/19: nil) received remuneration in excess of the highest-paid director. Remuneration ranged from £13k to £190k (2018/19, £8k–£188k).

Total remuneration includes salary, non-consolidated performance-related pay, and benefits in kind, but not severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

Other information about pay includes:

- The highest-paid director received a pay award of 1%. The pay increase changed the salary band of this director.
- All executive senior managers received an inflationary pay award, and 1 bonus was made during 2019/20.
- Median pay has increased by 2.3% from 2018/19, in line with national uplifts to pay bands.
- Incremental pay progression was applied, under Agenda for Change terms and conditions.
- Average staff numbers have increased from 618 in 2018/19 to 641 in 2019/20; the cost and composition of permanent and other staff can be seen in the tables below.

This information has been audited.

#### Staff numbers and related costs (subject to audit)

	Permanently employed £000	Other £000	2019/20 Total £000	Permanently employed £000	Other £000	2018/19 Total £000
Salaries and wages	29,606	654	30,260	27,855	647	28,502
Social security costs	3,296	0	3,296	3,091	0	3,091
Employer contributions to NHS pensions schemes	5,721	0	5,721	3,655	0	3,655
Apprentice levy	135	0	135	126	0	126
Termination benefits	71	0	71	46	0	46
	<b>38,829</b>	<b>654</b>	<b>39,483</b>	<b>34,773</b>	<b>647</b>	<b>35,420</b>
Less recoveries in respect of outward secondments	(8)	0	(8)	(58)	0	(58)
<b>Total net costs</b>	<b>38,821</b>	<b>654</b>	<b>39,475</b>	<b>34,715</b>	<b>647</b>	<b>35,362</b>

#### Average number of persons employed

The average number of whole-time equivalent persons employed (excluding non-executive directors) during the year was as follows:

	Permanently employed staff	Other	2019/20 Total	2018/19 Total
Directly employed	632	9	641	618

## Pensions

Past and present employees are covered by the provisions of the 2 NHS pension schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that 'the period between formal valuations shall be 4 years, with approximate assessments in intervening years'. An outline of these follows:

### **a Accounting valuation**

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This uses an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2020, is based on valuation data as 31 March 2019, updated to 31 March 2020 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

### **b Full actuarial (funding) valuation**

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.68%, and the Scheme Regulations were amended accordingly.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgement from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

For 2019/20, employers' contributions were payable to the NHS Pension Scheme at the rate of 20.68%. These costs are shown in the NHS pension line of the staff numbers and related costs table on p73. The scheme's actuary reviews employer contributions, usually every 4 years and now based on HM Treasury Valuation Directions, following a full scheme valuation. The previous review used data from 31 March 2012 and was published on the government website on 9 June 2014.

The NHS Pension Scheme provides defined benefits, which are summarised below. This is an illustrative guide only, and is not intended to detail all the benefits provided by the schemes or the specific conditions that must be met before these benefits can be obtained.

Feature or benefit	NHS Staff		Practitioners		All NHS workers and Approved Employer Staff	
	Practice and Approved Employer Staff	1995	2008	1995	2008	2015
Scheme		1995	2008	1995	2008	2015
Member contributions					Tiered contribution rates	
Type of scheme		Final salary based on the best of the last 3 years' pensionable pay	Final salary based on the average of the best 3 consecutive years within the last 10 years	Earnings accrual. The final value of pensionable earnings after adding all years' earnings and applying revaluation factors	Earnings accrual. The final value of pensionable earnings after adding all years' earnings and applying revaluation factors	Career average re-valued earnings based on a proportion of pensionable earnings in each year of membership
Pension		A pension worth 1/80th of pensionable pay per year and pro rata for any part year of membership	A pension worth 1/60 of reckonable pay per year and pro rata for any part year of membership	A pension based on 1.4% of total up-rated earnings	A pension based on 1.87% of total up-rated earnings	A pension worth 1/54th of each year's pensionable earnings, revalued at the beginning of each following scheme year in line with a rate set by Treasury plus 1.5 % while in active membership
Retirement lump sum		3 x pension. Option to exchange part of pension for more cash up to 25% of capital value	Option to exchange pension for a lump sum, up to 25% of capital value. Certain members may have a compulsory amount of lump sum	3 x pension. Option to exchange part of pension for more cash up to 25% of capital value	Option to exchange pension for a lump sum, up to 25% of capital value. Certain members may have a compulsory amount of lump sum	Option to exchange part of pension for a lump sum up to 25% of capital value
Normal pension age (NPA)		60 (55 for Special Class/MHO)	65	60	65	Equal to an individual's state pension age or age 65 if that is later.
Maximum age		75	75	75	75	75
Maximum membership		Non Special Class/MHO 45 years in total. Special Class/MHO 40 years at age 55 & 45 years overall	45 years	45 years	45 years	No limit
Minimum pension age		Age 50 if joined pre 6/4/20 06 and not had a break of 5 years or more, otherwise age 55	Age 55	Age 50 if joined pre 6/4/20 06 and not had a break of 5 years or more, otherwise age 55	Age 55	Age 55
Actuarially reduced early retirement		Yes	Yes	Yes	Yes	Yes
Late retirement		No late retirement factors applied	Late retirement factors applied to pension earned before age 65	No late retirement factors applied	Late retirement factors applied to pension earned before Age 65	Late retirement factors applied to all pension earned until retirement
Pensionable re-employment following payment of pension		Only available to eligible members who retire from active membership following ill health retirement who rejoin prior to age 50	Yes if eligible	Only available to eligible members who retire from active membership following ill health retirement who rejoin prior to age 50	Yes if eligible	Yes if eligible
Partial retirement		No	Yes	No	Yes	Yes
Ill health tier 1		Built up benefits paid without reduction	Built up benefits paid without reduction	Built up benefits paid without reduction	Built up benefits paid without reduction	Built up pension paid without reduction
Ill health tier 2		Tier 1 plus an enhancement of 2/3rds of prospective membership to NPA	Tier 1 plus an enhancement of 2/3rds of prospective membership to NPA	Tier 1 plus an enhancement of 2/3rds of prospective membership to NPA	Tier 1 plus an enhancement of 2/3rds of prospective membership to NPA	Tier 1 plus an enhancement of 1/2 of prospective pension to NPA
Increasing your pension		Purchase of additional pension in units of £250	Purchase of additional pension in units of £250	Purchase of additional pension in units of £250	Purchase of additional pension in units of £250	Purchase of additional pension in units of £250

Details can be found on the pension scheme website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions).

### **Pensions indexation**

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in consumer prices in the 12 months ending 30 September in the previous calendar year.

### **Options to increase pension benefits**

The NHS Pension Scheme provides different ways for members to increase their standard pension benefits. They are also able to contribute to money purchase additional voluntary contributions run by the scheme's approved providers.

### **Transfer of pension benefits**

Scheme members have the option to transfer their pension into the NHS Pension Scheme providing they apply within 12 months of becoming eligible to join. Should they leave pensionable employment or decide to opt out of the NHS Pension Scheme they are able to transfer their accrued benefits out of the scheme to another pension provider.

### **Preserved benefits**

Where a scheme member ceases NHS employment with more than 2 years' service they can preserve their accrued NHS pension for payment when they reach retirement age.

### **Retirements due to ill health**

This note discloses the number and additional pension costs for individuals who retired on ill-health grounds during the year. There were no retirements during 2019/20 (2018/19: no retirements). Ill health retirement costs are met by the NHS Pension Scheme.

### **Redundancies and terminations**

During 2019/20 there were 2 redundancies / terminations, totalling £96k (2018/19: 4 cases at £155k).

## Exit packages (subject to audit)

Exit package cost band (including any special payment element)	Number of compulsory redundancies	Cost of compulsory redundancies £000s	Number of other departures agreed	Cost of other departures agreed £000s	Total number of exit packages	Total cost of exit packages £000s
Less than £10,000	0 (1)	0 (6)	5 (0)	15 (0)	5 (1)	15 (6)
£10,000–£25,000	0 (1)	0 (23)	0 (0)	0 (0)	0 (1)	0 (23)
£25,001–£50,000	1 (1)	31 (40)	0	0	1 (1)	31 (40)
£50,001–£100,000	1 (1)	65 (86)	0	0	1 (1)	65 (86)
£100,001–£150,000	0 (0)	0 (0)	0	0	0 (0)	0 (0)
£150,001–£200,000	0 (0)	0 (0)	0	0	0 (0)	0 (0)
More than £200,000	0 (0)	0 (0)	0	0	0	0
<b>Totals</b>	<b>2 (4)</b>	<b>96 (155)</b>	<b>5 (0)</b>	<b>15 (0)</b>	<b>7 (4)</b>	<b>111 (155)</b>

Figures in brackets are 2018/19.

There were no special payments agreed for any of the departures.

Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Pension Scheme. Exit costs in this note are accounted for in full in the year

of departure. Where NICE has agreed early retirements, the additional costs are met by NICE and not by the NHS Pension Scheme. This disclosure reports the number and value of exit packages agreed within the year.

Note: the expenses associated with these departures may have been recognised in part or in full in a previous period.

## Analysis of other departures

	Number of agreements	Total value of agreements £000s
Voluntary redundancies including early retirement contractual costs	0	0
Mutually agreed resignations contractual costs	0	0
Early retirement in the efficiency of service contractual costs	0	0
Contractual payments in lieu of notice <sup>1</sup>	5	15
Exit payments following employment tribunals or court orders	0	0
Non-contractual payments requiring HM Treasury approval <sup>2</sup>	0	0
	<b>5</b>	<b>15</b>

As a single exit package can be made up of several components each of which will be counted separately in this note, the total number above will not necessarily match the total numbers in the previous table which will be the number of the individuals.

**1** Any non-contractual payments in lieu of notice are disclosed under 'non-contractual payments requiring HMT approval' below.

**2** Includes any non-contractual severance payment following judicial mediation and £ relating to non-contractual payments in lieu of notice.

No non-contractual payments were made to individuals where the payment value was more than 12 months' of their annual salary.

The Remuneration Report includes disclosure of exit payments payable to individuals named in that report.



## Health and safety

We are committed to adhering to the Health and Safety at Work Act 1974 and other related requirements to ensure that staff and visitors enjoy the benefits of a safe environment. There were 8 accidents and 1 near-miss reported during the year, which were risk assessed and appropriate action was taken. There was 1 day lost because of injury at work during 2019/20.

## Employee consultation

NICE is committed to consulting and communicating effectively with employees. NICE has policies in place to ensure that, for all changes that affect the organisation there is open, honest and consistent 2-way consultation with UNISON and staff representatives. Information about proposed change, its implications and potential benefits are communicated clearly to all affected staff, who are encouraged to contribute their own ideas and to voice any concerns with their managers. Also, all policy development for employment policies is carried out in partnership with trade union representatives at NICE. We believe that communication with employees is essential, and keep employees updated and informed via the weekly NICE newsletter. Monthly staff meetings are held on both sites for all staff to attend. These are chaired by the Chief Executive to enable high levels of communication and consultation.

### Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
11	11

### Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1-50%	11
51%-99%	0
100%	0

### Percentage of pay bill spent on facility time

	Cost/ Percentage
Total cost of facility time	£19,357
Total pay bill	£38,623,461
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	0.05%

## Paid trade union activities

	Percentage
Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	42.89%

## Equality and diversity

NICE is committed to equality of opportunity for both current and prospective employees, and in the recruitment of committee and group members. Everyone who works for NICE, applies to work at NICE or applies to join a committee or group is treated fairly and valued equally.

NICE has a single equality scheme covering all protected characteristics. NICE complies with legislation and statutory codes of practice that relate to equality and diversity. All workers are treated fairly and equally regardless of age, disability, race, religion or belief, gender, marriage or civil partnership, pregnancy and maternity, sexual orientation or gender reassignment.

To ensure equal opportunities for disabled employees, NICE is committed to making reasonable adjustments to working conditions or to the physical working environment where this would help overcome the practical effects of a disability. NICE provides support to enable workers with a disability to participate fully in meetings and training courses. NICE also offers an interview to all disabled applicants who meet the essential shortlisting criteria for a post in accordance with the Employment Services 'disability confident' scheme, and makes reasonable adjustments to the recruitment process where requested and where practical.

All employee data is collated and recorded and NICE ensures it is accurate and up to date in accordance with the Equality Act 2010. The equality data of the NICE workforce is reported on an annual basis within the NICE equalities report, which can be found at [www.nice.org.uk/about/who-we-are/policies-and-procedures/nice-equality-scheme](http://www.nice.org.uk/about/who-we-are/policies-and-procedures/nice-equality-scheme).

Our commitment to equality and diversity is also found in the intranet resources available for all staff, which provide links to legislation, policy and useful guidance.

## Staff composition

NICE employs 68 staff at a grade equivalent to senior civil servants of which 60 are at band 8d, band 9 or engaged on Medical & Dental terms and conditions; and 8 are part of our Senior Management Team (referred to as VSM in the figure below).

NICE's workforce is 71.1% female and 28.9% male. Our staff composition by salary band is shown in the figure below.

### Staff composition by gender

All staff	71%	29%
Staff bands 3-8c (including apprentices)	72%	28%
Staff bands 8d-9 and Medical & Dental	67%	33%
VSM	45%	55%

**Female**

**Male**

## Gender pay gap

A pay gap is common in many organisations, the reasons for which are complex. NICE's gender pay gap is below the national average at 7.9% (national average – 17.3%), and our gender pay gap for bonuses favours females. We have a wide range of flexible working opportunities for staff at all levels, which enables staff to balance caring and work responsibilities. However, we recognise there is more we can do, and is under regular review with our senior management team, where we have an appointed diversity champion.

## Sickness absence

During the period January to December 2019, the number of days lost as a result of sickness by full-time equivalent employee was 5.1 days, or 2.3% (2018: 2.6%). DHSC considers the annual figures to be a reasonable proxy for financial year equivalents.

## Effectiveness of whistleblowing arrangements

The whistleblowing policy was reviewed during 2018 and approved by the Board at its meeting in November 2018. This was followed up with training for line managers. During 2019 we introduced Freedom to Speak Up guardians to NICE, an extra route for employees to raise any concerns. At the same time we continue to increase communication with staff about whistleblowing, to raise the profile and understanding of the policy. This includes regular reviews of the information for staff on the NICE intranet site NICE Space. There were no reported case of whistleblowing at NICE in 2019/20.

## Review of tax arrangements of public sector appointees – off-payroll engagements

As part of the Review of Tax Arrangements of Public Sector Appointees published by the Chief Secretary to the Treasury on 23 May 2012, NICE must publish information about off-payroll engagements.

### Off-payroll engagement longer than 6 months

**For all off-payroll engagements as of 31 March 2020, for more than £245 per day and that last for longer than 6 months**

Number of existing engagements as of 31 March 2020	7
Of which...	
Have existed for less than 1 year at time of reporting	7
Have existed for between 1 and 2 years at time of reporting	0
Have existed for between 2 and 3 years at time of reporting	0
Have existed for between 3 and 4 years at time of reporting	0
Have existed for 4 or more years at time of reporting	0

### New Off-payroll engagements

**For all new off-payroll engagements, or those that reached 6 months in duration, between 1 April 2019 and 31 March 2020, for more than £245 per day and that last for longer than 6 months**

Number of new engagements, or those that reached 6 months in duration, between 1 April 2019 and 31 March 2020	9
Of which...	
Number assessed as caught by IR35	0
Number assessed as not caught by IR35	9
Number engaged directly (via PSC contracted to the entity) and are on the departmental payroll	0
Number of engagements reassessed for consistency or assurance purposes during the year	0
Number of engagements that saw a change to IR35 status following the consistency review	0

### Off-payroll Board members / senior official engagements

**For any off-payroll engagements of Board members, and/or senior officials with significant financial responsibility, between 1 April 2019 and 31 March 2020**

Number of off-payroll engagements of Board members, and/or senior officials with significant financial responsibility, during the financial year	0
Total number of individuals that have been deemed 'Board members and/or senior officials with significant financial responsibility', during the financial year. This figure should include both off-payroll and on-payroll engagements	3

## Expenditure on consultancy

During the year NICE spent £445k on consultancy to facilitate development of our digital workplace, IT infrastructure, data management and record management strategies to support our move to a digital workplace (£158k in 2018/19).

# Parliamentary Accountability and Audit Report

The purpose of the Parliamentary Accountability and Audit Report is to bring together the key Parliamentary accountability documents within the Annual Report and Accounts, much of this has historically formed part of the Financial Statements.

It is comprised of:

- losses and special payments, remote contingent liabilities, gifts or any other significant payments; and
- Certificate and Report of the Comptroller and Auditor General to the House of Commons.

The information in this section of the report is subject to audit.

## Losses and special payments

NICE did not have any losses or special payments that meet the disclosure requirements.

## Fees and charges

The following table provides an analysis of charging for technology appraisals and highly specialised technologies:

Charging activity	Income £000	Full cost £000	Deficit £000
Technology appraisals and highly specialised technologies	(3,582)	9,459	5,877

Fees are made in accordance with UK Statutory Instrument 2018 No.1322 to cover the cost of producing technology appraisals and highly specialised technologies. The regulations and fees came into effect on 1 April 2019. Fees are set to recover the full cost incurred, other than a 75% discount for small companies which is subsidised by NICE through the grant-in-aid funding from DHSC. The full cost relating to chargeable activities includes predominantly staff costs but also other costs including committee meetings and overheads.

It should be noted that because fees were only charged on topics that began after 1 April 2019, the income covered amounted to 38% of the full cost of the technology appraisal and highly specialised technologies programme in 2019/20. Much of the resource used this year was spent working on topics than began in the previous financial year for which no fee was charged. The deficit is funded through grant-in-aid. In future years, the cost of the activity is

expected to be fully recoverable through fees charged, apart from the discount for small companies which will continue to be funded through grant-in-aid.

## **Remote contingent liabilities**

As at 31 March 2020, NICE had no remote contingent liabilities (2018/19: none).

## **Gifts**

NICE did not have any gifts or other significant payments that meet the disclosure requirements.

Signed:

**Professor Gillian Leng CBE, MD**

Chief Executive and Accounting Officer

22 June 2020

# The Certificate and Report of the Comptroller and Auditor General to the Houses Of Parliament

## Opinion on financial statements

I certify that I have audited the financial statements of the National Institute for Health and Care Excellence for the year ended 31 March 2020 under the Health and Social Care Act 2012. The financial statements comprise: The Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of the National Institute for Health and Care Excellence's affairs as at 31 March 2020 and of net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Health and Social Care Act 2012 and Secretary of State directions issued thereunder.

## Opinion on regularity

In my opinion, in all material respects the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of the National Institute for Health and Care Excellence in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.



### **Conclusions relating to going concern**

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- The National Institute for Health and Care Excellence's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The National Institute for Health and Care Excellence have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the National Institute for Health and Care Excellence's ability to continue to adopt the going concern basis.

### **Responsibilities of the Accounting Officer for the financial statements**

As explained more fully in the Statement of the Board's and Chief Executive's Responsibilities, the Board and the Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

### **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to examine, certify and report on the financial statements in accordance with the Health and Social Care Act 2012.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion

on the effectiveness of the National Institute for Health and Care Excellence's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

### **Other Information**

The Board and the Accounting Officer are responsible for the other information. The other information comprises information included in the annual report, other than the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

### **Opinion on other matters**

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Secretary of State directions made under the Health and Social Care Act 2012;
- in the light of the knowledge and understanding of the National Institute for Health and Care Excellence and its environment obtained in the course of the audit, I have not identified any material misstatements in the Performance Report or the Accountability Report; and
- the information given in the Performance Report and Accountability Report for the financial year for which the

financial statements are prepared is consistent with the financial statements.

### **Matters on which I report by exception**

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

### **Report**

I have no observations to make on these financial statements.

**Gareth Davies**                      Date: 26 June 2020  
Comptroller and Auditor General  
National Audit Office  
157–197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP



# Financial statements

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# Statement of comprehensive net expenditure for the year ended 31 March 2020

	2019/20 Total £000	2018/19 Total £000	Notes to accounts
Revenue from contracts with customers	<b>(15,260)</b>	(13,526)	6
Other operating income	<b>(3,162)</b>	(3,063)	6
<b>Total operating income</b>	<b>(18,422)</b>	(16,589)	
Staff costs	<b>39,483</b>	35,420	5
Purchase of goods and services	<b>28,156</b>	30,836	3
Depreciation and impairment charges	<b>570</b>	543	3
Provisions expense	<b>514</b>	47	3
<b>Total operating expenditure</b>	<b>68,723</b>	66,846	
<b>Net comprehensive expenditure for the year ended 31 March 2020</b>	<b>50,301</b>	50,257	

There was no other comprehensive expenditure for the year ended 31 March 2020.

The notes at pages 95 to 114 form part of these accounts.

# Statement of financial position as at 31 March 2020

	Total 31 March 20 £000	Total 31 March 19 £000	Notes to accounts
<b>Non-current assets</b>			
Property, plant and equipment	<b>1,041</b>	1,537	7
Intangible assets	<b>70</b>	144	7
<b>Total non-current assets</b>	<b>1,111</b>	1,681	
<b>Current assets</b>			
Trade and other receivables	<b>2,786</b>	5,201	8
Cash and cash equivalents	<b>9,343</b>	2,640	9
<b>Total current assets</b>	<b>12,129</b>	7,841	
<b>Total assets</b>	<b>13,240</b>	9,522	
<b>Current liabilities</b>			
Trade and other payables	<b>(9,121)</b>	(4,227)	10
Provisions for liabilities and charges	<b>(841)</b>	(359)	11
<b>Total current liabilities</b>	<b>(9,962)</b>	(4,586)	
Total assets less net current liabilities	<b>3,278</b>	4,936	
<b>Non-current liabilities</b>			
Provision for liabilities and charges	<b>(506)</b>	(598)	11
<b>Total non-current liabilities</b>	<b>(506)</b>	(598)	
<b>Assets less liabilities</b>	<b>2,772</b>	4,338	
<b>Taxpayers' equity</b>			
General fund	<b>2,772</b>	4,338	
<b>Total taxpayers' equity</b>	<b>2,772</b>	4,338	

The notes at pages 95 to 114 form part of these accounts.

The financial statements were approved by the Board and signed by:

**Professor Gillian Leng CBE, MD**

Chief Executive and Accounting Officer Date: 22 June 2020



# Statement of cash flows for the year ended 31 March 2020

	Total 2019/20 £000	Total 2018/19 £000	Notes to accounts
<b>Cash flows from operating activities</b>			
Net operating expenditure	(50,301)	(50,257)	
Non-cash funding from DHSC	1,742	0	
Adjustments for non-cash transactions	1,084	590	3
Decrease/(increase) for trade and other receivables	2,415	(1,336)	8
Increase in trade and other payables	4,894	1,420	10
Use of provisions	(124)	(98)	11
<b>Net cash outflow from operating activities</b>	<b>(40,290)</b>	<b>(49,681)</b>	
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	0	(82)	7
Purchase of intangible assets	0	(89)	7
<b>Net cash outflow from investing activities</b>	<b>0</b>	<b>(171)</b>	
<b>Cash flows from financing activities</b>			
Grant-in-aid	46,993	49,000	
<b>Net increase/(decrease) in cash equivalents in the period</b>	<b>6,703</b>	<b>(852)</b>	
<b>Cash and cash equivalents at the beginning of the period</b>	<b>2,640</b>	<b>3,492</b>	<b>9</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>9,343</b>	<b>2,640</b>	<b>9</b>

The notes at pages 95 to 114 form part of these accounts.

# Statement of changes in taxpayers' equity for the year ended 31 March 2020

	General Fund <sup>1</sup> £000
Balance at 1 April 2018	5,595
<b>Changes in taxpayers' equity for 2018/19</b>	
Grant-in-aid funding from DHSC	49,000
Comprehensive net expenditure for the year	(50,257)
Balance at 1 April 2019	4,338
<b>Changes in taxpayers' equity for 2019/20</b>	
Grant-in-aid funding from DHSC	46,993
Non-cash funding from DHSC	1,742
Comprehensive net expenditure for the year	(50,301)
<b>Balance at 31 March 2020</b>	<b>2,772</b>

**1** The General Fund represents the net assets vested in NICE (stated at historical cost less accumulated depreciation at that date), the surplus or deficit generated from notional charges and trading activities and grant-in-aid funding provided. It also includes surpluses generated from commercial activities. Further information on these activities is described in note 2.

In 2019/20 non-cash funding from DHSC of £1.7m offsets the increase of 6.3% in employer's pension contribution rates included within the comprehensive net expenditure for the period. The increased cost was paid directly to the NHS pension scheme on our behalf by DHSC.

# Notes to accounts

## 1 Accounting policies

The Annual Report and Accounts have been prepared and issued by NICE, under directions given by the Secretary of State, with the approval of HM Treasury, in accordance with the Health and Social Care Act 2012. The financial statements have been prepared on an accruals basis in accordance with the 2019/20 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of NICE for the purpose of giving a true and a fair view has been selected. The particular policies adopted by NICE are described below. They have been consistently applied in dealing with items that are considered material to the accounts.

### 1.1 Going concern

NICE has prepared its financial statements in accordance with the Health and Social Care Act 2012 and Secretary of State directions issued thereunder. The functions and purpose of NICE are delivered in accordance with the Health and Social Care Act 2012 and the Framework Agreement between the Department of Health and Social Care (DHSC) and NICE which sets out NICE's role to provide guidance and support to providers and commissioners to help them improve outcomes for people using the NHS, public health and social care services. NICE has no reason to assume that its current functions and purpose within the NHS, public health and social care services will not continue.

At the reporting date NICE had a net asset position and a strong cash position. NICE is mainly financed by grant-in-aid funding from DHSC. DHSC has confirmed that the funding of NICE will continue and next year's funding has been agreed. As an arms-length body sponsored by DHSC, NICE has no reason to assume that that future funding will not be forthcoming and accordingly NICE has assumed that funding will continue beyond the 2020/21 financial year broadly in line with current levels. NICE does not consider there to be any material estimation uncertainty over the valuation of assets and liabilities at the reporting date as disclosed within the financial statements. It is therefore considered appropriate to prepare the 2019/20 financial statements on a going concern basis.

## 1.2 Income

In the application of IFRS 15 a number of practical expedients offered in the Standard have been employed. These are as follows;

- NICE does not disclose information regarding performance obligations part of a contract that has an original expected duration of 1 year or less.
- NICE is to similarly not disclose information where revenue is recognised in line with the practical expedient offered in the Standard, where the right to consideration corresponds directly with value of the performance completed to date.
- The FReM has mandated the exercise of the practical expedient offered in the Standard that requires NICE to reflect the aggregate effect of all contracts modified before the date of initial application.

Revenue in respect of services provided is recognised when performance obligations are satisfied by transferring promised services to the customer, and is measured at the amount of the transaction price allocated to that performance obligation.

Where income is received for a specific performance obligation that is to be satisfied in the following year, that income is deferred. Payment terms are standard reflecting cross government principles.

Operating income is income that relates directly to the operating activities of NICE. It principally comprises fees and charges for services provided on a full-cost basis to external customers, but it also includes other income such as that from DHSC, the devolved administrations (Wales, Scotland and Northern Ireland), NHS England and Health Education England. It includes both income appropriated-in-aid and income to the Consolidated Fund, which HM Treasury has agreed should be treated as miscellaneous income.

NICE receives grants from other UK and overseas government departments, philanthropic organisations and development banks. Where income is received for a specific activity that is to be delivered in the following financial year, that income is deferred. On a monthly basis a work in progress calculation is completed according to contract dates with income being accrued or deferred in line with this calculation.

### Other funding

The main source of funding for NICE is grant-in-aid funding from DHSC, from Request for Resources within an approved cash limit, and is credited to the General Fund. Grant-in-aid funding is recognised in the financial period in which the cash is received. The 2020/21 NICE business plan has been approved by DHSC and details of indicative funding for the next financial year has been provided.

The value of the benefit received when NICE accesses funds from the Government's apprenticeship service are recognised as income in accordance with IAS 20, Accounting for Government Grants.

Where these funds are paid directly to an accredited training provider, non-cash income and a corresponding non-cash training expense are recognised, both equal to the cost of the training funded.

### **1.3 Taxation**

NICE is not liable to pay corporation tax. Expenditure is shown net of recoverable VAT. Irrecoverable VAT is charged to the most appropriate expenditure heading or capitalised if it relates to an asset.

### **1.4 Employee benefits**

#### **Short-term employee benefits**

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of leave earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period.

### **1.5 Non-current assets**

#### **A Capitalisation**

All assets falling into the following categories are capitalised:

- i Intangible assets where they are capable of being used for more than 1 year and have a cost, individually or as a group, equal to or greater than £5,000.
- ii Purchased computer software licences are capitalised as intangible fixed assets where expenditure of at least £5,000 is incurred per license.
- iii Property, plant and equipment assets which are capable of being used for more than 1 year, and which:
  - individually have a cost equal to or greater than £5,000
  - collectively have a cost of at least £5,000, and an individual cost of more than £250, where the assets are functionally interdependent, and had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control
  - form part of the initial setting-up cost of a new building, irrespective of their individual or collective cost.
- iv Desktop and laptop computers are not capitalised.

#### **B Valuation**

##### **Intangible assets**

Intangible assets held for operational use are valued at amortised historical cost as a proxy for market value in existing use given the immaterial balance. The accounts are therefore materially

consistent with the FReM. Surplus intangible assets are amortised and valued at the net recoverable amount.

The carrying value of intangible assets is reviewed for impairment at the end of the first full year following acquisition, and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

### **Property, plant and equipment**

All property, plant and equipment are measured initially at cost, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. All assets are measured subsequently at depreciated historic cost as this is considered to be not materially different from fair value. The carrying values of property, plant and equipment assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Leasehold improvement assets in the course of construction are valued at current cost. These assets include any assets under the control of a contractor.

### **C Depreciation and amortisation**

Depreciation is charged on each individual fixed-asset as follows:

- i Intangible assets are amortised, on a straight line basis, over the estimated lives of the assets: 3–10 years
- ii Purchased computer software licences are amortised over the shorter of the term of the licence and their useful economic lives: 3–10 years
- iii Assets under construction are not depreciated
- iv Leasehold improvements are depreciated over 10 years, except where the lease will not be renewed, in which case it will be the remaining life of the lease
- v Each equipment asset is depreciated evenly over the expected useful life:
  - Furniture: 10 years.
  - Office, information technology and other equipment: 3–5 years.

## **1.6 Financial instruments**

NICE's financial assets are simple debt instruments held in order to collect contractual cash flows. NICE's material financial liabilities are trade payables and accruals. Under IFRS 9 financial instruments are measured at amortised cost.

## 1.7 Foreign exchange

Transactions which are denominated in a foreign currency are translated into Sterling at the exchange rate ruling on the date of each transaction, except where rates do not fluctuate significantly, in which case an average rate for a period is used.

## 1.8 Leases

All operating leases and the rentals are charged to the statement of comprehensive net expenditure on a straight-line basis over the term of the lease.

NICE has no finance leases.

## 1.9 Provisions

Provisions are recognised when NICE has a present legal or constructive obligation as a result of a past event, it is probable that NICE will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using HM Treasury's discount rates.

All general provisions are subject to different discount rates according to the expected timing of cashflows from the Statement of Financial Position date:

- A nominal short-term rate of 0.51% (2018/19: 0.76% in real terms) for inflation adjusted expected cash flows up to and including 5 years from Statement of Financial Position date.
- A nominal medium-term rate of 0.55% (2018/19: 1.14% in real terms) for inflation adjusted expected cash flows over 5 years up to and including 10 years from the Statement of Financial Position date.

All 2019/20 percentages are expressed in nominal terms with 2018/19 being the last financial year that HM Treasury provided real general provision discount rates.

## 1.10 Pensions

Past and present employees are covered by the provisions of the NHS pensions schemes. Details of the benefits payable under these provisions can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions).

These schemes are unfunded defined benefit schemes that cover NHS employers, general practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The schemes are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the schemes are accounted for as though they were a defined contribution schemes: the cost to NICE of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to expenditure at the time NICE commits itself to the retirement, regardless of the method of payment. The schemes are subject to a full actuarial valuation every 4 years and an accounting valuation every year.

## 1.11 Key areas of judgement and estimates

NICE has made estimates in relation to provisions, useful economic lives of its assets and depreciation and amortisation. These estimates were informed by legal opinion, specialist knowledge of managers and senior staff, and length of property leases.

## 1.12 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. The components that make up cash and cash equivalents are not analysed in the financial statements as NICE holds only cash.

## 1.13 Early adoption of standards, amendments and interpretations

NICE has not adopted any IFRSs, amendments or interpretations early.

### **Standards, amendments and interpretations in issue but not yet effective or adopted**

International Accounting Standard 8, accounting policies, changes in accounting estimates and errors, requires disclosure in respect



of new IFRSs, amendments and interpretations that are, or will be, applicable after the accounting period. There are two IFRSs issued by the International Accounting Standards Board that are effective for financial statements after this accounting period.

### **IFRS 16 Leases**

IFRS 16 application is required for accounting periods beginning on or after 1 January 2018. The standard has not been applied in 2019/20 as it is still subject to HM Treasury FReM adoption, with planned implementation in 2021/22. Early adoption is not therefore permitted.

IFRS 16 is anticipated to increase NICE's assets and liabilities by approximately £8.0m on initial application in line with the current value of NICE's operating leases with over 1 year remaining and over £5k in value. This is an estimate as the full impact of the new standard continues to be reviewed and reported to DHSC and HM Treasury.

### **IFRS 17 Insurance Contracts**

IFRS 17 has not been adopted by the HM Treasury FReM, and early adoption is not therefore permitted. The adoption of this standard is unlikely to have any impact on NICE.

## 2 Analysis of net expenditure by segment

NICE operates 2 reportable operating segments that meet specified criteria as defined within the scope of IFRS 8 (Segmental Reporting), where each reportable segment accounts for either 10% of the reported income, surplus/deficit or net assets of the entity.

The largest reportable segment is for the core activities of NICE, funded mainly through grant-in-aid from DHSC. NICE also receives funding from other sources, notably from NHS England, Health Education England and for the first time this year fees for technology appraisals and highly specialised technologies. Activity associated with this funding is not business activity as defined in IFRS 8, therefore it is not shown as a separate operating segment here. Note 6 provides a detailed breakdown of funding and income received to support NICE activities.

The NICE Scientific Advice programme provides fee-for-service consultation to pharmaceutical and biotechnology companies on product development plans. It operates on a full cost recovery basis and receives no exchequer funding.

This has now become an established programme within NICE, with dedicated resources. In 2019/20 it accounted for 12.8% (10.7% in 2018/19) of operating income (excluding grant-in-aid) received and is therefore shown as a separate reporting segment below.

### Net expenditure by segment

	NICE £000	Scientific Advice £000	Total £000
<b>2019/20</b>			
Gross expenditure	66,690	2,033	68,723
Income	(16,072)	(2,350)	(18,422)
<b>Net expenditure</b>	<b>50,618</b>	<b>(317)</b>	<b>50,301</b>
<b>Segment net assets (as at 31 March 2020)</b>	<b>1,643</b>	<b>1,129</b>	<b>2,772</b>
<b>2018/19</b>			
Gross expenditure	64,838	2,008	66,846
Income	(14,807)	(1,782)	(16,589)
Net expenditure	50,031	226	50,257
<b>Segment net assets (as at 31 March 2019)</b>	<b>3,526</b>	<b>812</b>	<b>4,338</b>

With the agreement of the DHSC sponsor department the net assets of the operating segments are to be held separately within the General Fund.

### 3 Operating costs

	2019/20 £000	2018/19 £000	Notes to accounts
Staff costs (before recovery of outward secondments)	<b>39,483</b>	35,420	5
Guideline development centres	<b>5,955</b>	6,622	
External contractors	<b>3,930</b>	5,893	
British National Formulary	<b>4,767</b>	4,752	
Healthcare library services	<b>3,526</b>	3,708	
Premises and fixed plant	<b>3,168</b>	3,142	
Medical technology external assessment centres	<b>1,404</b>	1,296	
Rentals under operating leases	<b>2,009</b>	1,985	
Travel expenditure	<b>1,677</b>	1,659	
Establishment expenses	<b>434</b>	408	
Supplies and services – general	<b>509</b>	547	
Education, training and conferences	<b>496</b>	498	
Legal fees	<b>68</b>	84	
Chair and non-executive directors' costs	<b>128</b>	150	
Auditor's remuneration: audit fees*	<b>52</b>	50	
Internal audit expenditure	<b>33</b>	42	
<b>Non-cash items</b>			
Depreciation	<b>496</b>	469	7
Amortisation	<b>74</b>	74	7
Provisions (sum of arising in year, prior year unused and change in discount rate)	<b>514</b>	47	11
	<b>1,084</b>	590	
<b>Total</b>	<b>68,723</b>	<b>66,846</b>	

\* No non-audit fees were charged

## 4 Reconciliation

### 4.1 Reconciliation of net operating cost to net resource outturn

	31 March 20	31 March 19
Net operating cost	<b>50,301</b>	50,257
Net resource outturn	<b>50,301</b>	50,257
Revenue resource limit	<b>50,735</b>	52,920
Underspend against limit	<b>434</b>	2,663

### 4.2 Reconciliation of gross capital expenditure to capital resource limit

	31 March 20 £000	31 March 19 £000
Gross capital expenditure	<b>0</b>	171
Net capital resource outturn	<b>0</b>	171
Capital resource limit	<b>500</b>	500
Underspend against limit	<b>500</b>	329

## 5 Staff costs

	Permanently employed £000	Other £000	2019/20 Total £000	Permanently employed £000	Other £000	2018/19 Total £000
Salaries and wages	29,606	654	30,260	27,855	647	28,502
Social security costs	3,296	0	3,296	3,091	0	3,091
Employer contributions to NHS pension schemes	5,721	0	5,721	3,655	0	3,655
Apprentice levy	135	0	135	126	0	126
Termination benefits	71	0	71	46	0	46
	<b>38,829</b>	<b>654</b>	<b>39,483</b>	<b>34,773</b>	<b>647</b>	<b>35,420</b>
Less recoveries in respect of outward secondments	(8)	0	(8)	(58)	0	(58)
<b>Total net costs</b>	<b>38,821</b>	<b>654</b>	<b>39,475</b>	<b>34,715</b>	<b>647</b>	<b>35,362</b>

Please also see the Remuneration and Staff Report, p66.

Other staff costs relates to agency staff and seconded staff into NICE from other organisations.

Employer's pension contribution rates to NHS pension scheme rose by 6.3% from 2019/20 onwards.

## 6 Income

### 6.1 Revenue from contracts with customers

NICE receives contractual income from several separate sources, as shown below in accordance with IFRS 15.

	2019/20 £000	2018/19 £000
<b>Contract income from related NDPBs and Special Health Authorities</b>		
NHS England	4,337	6,781
Health Education England	3,873	4,065
NHS Business Services Authority	0	1
<b>Contract income from other sources</b>		
Technology appraisals and highly specialised technologies	3,582	0
NICE Scientific Advice	2,350	1,782
Copyright and licence fees	118	0
Office for Market Access	204	174
Research grant receipts	741	620
Income from higher education	47	45
Income received for staff seconded out (note 5)	8	58
<b>Total revenue from contracts with customers</b>	<b>15,260</b>	<b>13,526</b>

Contract income from related NDPBs and Special Health Authorities shows the income from other NHS organisations whose parent is the Department of Health and Social Care. The funding from NHS England relates to several programmes that NICE delivers or contributes to. Health Education England (HEE) fund the cost of core content (such as journals and databases) that is available on the NICE Evidence Search website (available at [www.evidence.nhs.uk](http://www.evidence.nhs.uk)).

The NICE Scientific Advice Programme is an operating segment under IFRS 8 (Segmental Reporting), see Note 2 for further details. Copyright and licence fees income includes receipts relating to intellectual property and NICE content, charged in the UK and internationally. In 2018/19 this income was included within the NICE Scientific Advice figure, and totalled £0.2m in year.

The Office for Market Access provides expert advice for the life sciences industry in engaging with the NHS on a not for profit basis.

We receive funding from a number of research projects, much of which is funded by the European Union. The £47,000 income from higher education relates to a payment by JISC Collections for access to the Cochrane library online resource hosted on the NICE website.

## 6.2 Other operating income

	2019/20 £000	2018/19 £000
<b>Income from devolved administrations</b>	<b>2,023</b>	<b>2,002</b>
<b>Other income sources</b>		
Office sublet income	904	938
Contribution to UK Pharnascan costs	20	12
Other income	107	27
Apprenticeship training grant (non cash)	108	84
<b>Total other operating income</b>	<b>3,162</b>	<b>3,063</b>

Income from devolved administrations is a contribution of funds from Wales, Scotland and Northern Ireland to provide certain NICE products and services in those countries.

Other income includes receipts from subletting parts of the London and Manchester offices, a contribution to the cost of running the UK Pharnascan database, plus travel reimbursements and honorariums for speaking engagements at conferences and seminars.

## 7 Non-current assets

### 7.1 Property, plant and equipment

2019/20	Leasehold improvements £000	Plant and machinery £000	Information technology £000	Furniture and fittings £000	Total £000
<b>Cost or valuation</b>					
At 1 April 2019	3,576	300	1,456	1,005	6,337
Additions – purchased	0	0	0	0	0
Disposals	0	0	0	0	0
<b>At 31 March 2020</b>	<b>3,576</b>	<b>300</b>	<b>1,456</b>	<b>1,005</b>	<b>6,337</b>
<b>Depreciation</b>					
At 1 April 2019	2,891	201	1,155	553	4,800
Charged during the year	202	36	119	139	496
Disposals	0	0	0	0	0
<b>At 31 March 2020</b>	<b>3,093</b>	<b>237</b>	<b>1,274</b>	<b>692</b>	<b>5,296</b>
<b>Net book value at 31 March 2020</b>	<b>483</b>	<b>63</b>	<b>182</b>	<b>313</b>	<b>1,041</b>
Net book value at 31 March 2019	685	99	301	452	1,537

No assets were donated during 2019/20. All of NICE's assets are owned.

2018/19	Leasehold improvements £000	Plant and machinery £000	Information technology £000	Furniture and fittings £000	Total £000
<b>Cost or valuation</b>					
At 1 April 2018	3,579	294	1,441	961	6,275
Additions – purchased	(3)	6	35	44	82
Disposals	0	0	(20)	0	(20)
<b>At 31 March 2019</b>	<b>3,576</b>	<b>300</b>	<b>1,456</b>	<b>1,005</b>	<b>6,337</b>
<b>Depreciation</b>					
At 1 April 2018	2,663	168	1,056	464	4,351
Charged during the year	228	33	119	89	469
Disposals	0	0	(20)	0	(20)
<b>At 31 March 2019</b>	<b>2,891</b>	<b>201</b>	<b>1,155</b>	<b>553</b>	<b>4,800</b>
<b>Net book value at 31 March 2019</b>	<b>685</b>	<b>99</b>	<b>301</b>	<b>452</b>	<b>1,537</b>
Net book value at 31 March 2018	916	126	385	497	1,924

No assets were donated during 2018/19. All of NICE's assets are owned.

## 7.2 Intangible assets

	Total software licenses £000
<b>Cost or valuation</b>	
At 1 April 2019	452
Additions – purchased	0
Disposals	0
<b>At 31 March 2020</b>	<b>452</b>

<b>Amortisation</b>	
At 1 April 2019	308
Charged during the year	74
Disposals	0
<b>At 31 March 2020</b>	<b>382</b>

<b>Net book value at 31 March 2020</b>	<b>70</b>
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All of NICE's assets are owned.

<b>Cost or valuation</b>	
At 1 April 2018	715
Additions – purchased	89
Disposals	(352)
<b>At 31 March 2019</b>	<b>452</b>

<b>Amortisation</b>	
At 1 April 2018	586
Charged during the year	74
Disposals	(352)
<b>At 31 March 2019</b>	<b>308</b>

<b>Net book value at 31 March 2019</b>	<b>144</b>
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All of NICE's assets are owned.



## 8 Trade receivables and other current assets

Amounts falling due within 1 year	2019/20 £000	2018/19 £000
Contract receivables invoiced	985	2,497
Contract receivables not yet invoiced	217	222
Total contract receivables	1,202	2,719
Other receivables	501	878
Prepayments	1,083	1,602
Accrued income	0	2
	2,786	5,201

NICE does not hold any contract assets.

The amount of contract receivable not yet invoiced relating to EU funding is £68,000 (£93,000 in 2018/19).

## 9 Cash and cash equivalents

	2019/20 £000	2018/19 £000
Balance at 1 April	2,640	3,492
Net change in cash and cash equivalent balances	6,703	(852)
<b>Balance at 31 March</b>	<b>9,343</b>	2,640

The following balances at March were held:

Government Banking Service	9,343	2,640
<b>Balance at 31 March</b>	<b>9,343</b>	2,640

## 10 Trade payables and other liabilities

Amounts falling due within one year	2019/20 £000	2018/19 £000
Trade payables	(406)	(1,292)
Tax and social security	0	0
Accruals	(2,626)	(2,131)
Contract liabilities	(6,089)	(804)
	<b>(9,121)</b>	<b>(4,227)</b>

## 11 Provisions for liabilities and charges

	Total £000
Balances at 1 April 2018	1,008
Arising during the year	330
Utilised during the year	(98)
Provision not required written back	(215)
Change in discount rate	(68)
<b>Balance at 1 April 2019</b>	<b>957</b>
Arising during the year	507
Utilised during the year	(124)
Provision not required written back	(21)
Change in discount rate	28
<b>At 31 March 2020</b>	<b>1,347</b>

### Analysis of expected timing of cash flows

Within 1 year to (period to Mar 2021)	841
1–5 years (period Apr 2021–Mar 2025)	0
Over 5 years (period Mar 2025+)	506

As at 31 March 2020 NICE had provisions of £238,000 in respect of legal costs, £246,000 in relation to delayed London office move, £158,000 for IT infrastructure costs, £86,000 for staff expenses for working from home due to Covid-19, and £619,000 in respect of expected dilapidation.

The dilapidation relates to NICE's contractual liability at the end of the lease to reinstate the premises to the same state as at the start of the lease. The amount of the liability provision represents the current best estimate. The provisions have been discounted at 0.51% for short term (up to 5 years) and 0.55% for medium term (5–10 years).

## 12 Capital commitments

NICE has no contracted capital commitments at 31 March 2020 for which no provision has been made (31 March 2019 £nil).

## 13 Commitments under leases

### Operating lease obligations

Total future minimum lease payments under operating leases are given in the table below, analysed according to the period in which the lease expires.

Obligations under operating leases comprise	2019/20 £000	2018/19 (restated) £000
<b>Buildings</b>		
Not later than 1 year	<b>2,119</b>	2,106
Later than 1 year and not later than 5 years	<b>3,571</b>	5,102
Later than 5 years	<b>2,534</b>	687
	<b>8,224</b>	7,895
<b>Other leases</b>		
Not later than 1 year	<b>12</b>	11
Later than 1 year and not later than 5 years	<b>1</b>	5
Later than 5 years	<b>0</b>	0
	<b>13</b>	16

### Buildings

NICE leases office space in London and Manchester. The Manchester lease expires in December 2027, with a break clause date of December 2024. The rent is due to be reviewed in December 2022. The London office is sublet from the British Council and expires in December 2020 alongside the head lease.

### Other

Other leases include office equipment such as copiers, watercoolers and fire extinguishers. These leases are usually between 3 and 5 years in duration. Following an IFRIC 4 review, it was assessed that lease cars are not right to control assets and have been removed from the operating lease note. The prior year figure has been restated and reduced by £206k.

## 14 Other financial commitments

NICE has entered into non-cancellable contracts (which are not leases or private finance initiative contracts) for services. The payments to which NICE is committed during 2019/20 analysed by the period during which the commitment expires are as follows:

	2019/20 £000	2018/19 £000
Not later than 1 year	<b>666</b>	419
Later than 1 year and not later than 5 years	<b>496</b>	88
Later than 5 years	<b>0</b>	0
	<b>1,162</b>	507

## 15 Related parties

NICE is sponsored by DHSC, which is regarded as a related party. During the year, NICE has had various material transactions with DHSC itself and with other entities for which DHSC is regarded as the parent entity. These include NHS England, Health Education England, the Care Quality Commission, the Human Fertilisation and Embryology Authority, NHS Business Services Authority, NHS trusts and NHS foundation trusts.

In addition, NICE has had transactions with other government departments and central government bodies. These included Homes England, the Regulator of Social Housing and the British Council. During the year ended 31 March 2020, no Board members, members of senior management, or other parties related to them have undertaken any material transactions with NICE except for those shown in the table below.

It is important to note that the financial transactions disclosed were between NICE itself and the named organisation. The individuals named in the table have not benefited from those transactions. Any compensation paid to management, expense allowances and similar items paid in the ordinary course of operations is included in the notes to accounts and in the remuneration and staff report (p66).

## Related parties 2019/20

Related party appointment	NICE Board member or senior manager	NICE appointment	Interest	Value of goods and services provided to related party £000	Value of goods and services purchased from related party £000	Amounts owed to related party £000	Amounts due from related party £000
Guidelines International Network	Prof Gillian Leng CBE, MD	Deputy Chief Executive and Director	Chair	0.8	2.1	0.0	0.0
King's College London	Prof Tim Irish	Interim Chair	Professor and consultant	0.0	341.3	0.0	0.0
Novartis	Prof Martin Cowie	Non-Executive Director	Consultancy payments related to global clinical trials or registries	898.9	0.0	0.0	72.7
Public Health England	Prof Gillian Leng CBE, MD	Deputy Chief Executive and Director	Spouse – executive director	0.0	5.6	0.0	0.0
Royal Society of Medicine	Prof Gillian Leng CBE, MD	Deputy Chief Executive and Director	Trustee	0.0	0.1	0.1	0.0
Salford Royal NHS Foundation Trust and Pennine Acute NHS Trust	Elaine Inglesby-Burke CBE	Non-Executive Director	Chief Nursing Officer	0.0	7.9	2.3	0.0
University College London Hospitals NHS Foundation Trust	Dr Rima Makarem	Interim Vice Chair	Non-Executive director	0.0	33.6	33.6	0.0

## Related parties 2018/19

Related party appointment	NICE Board member or senior manager	NICE appointment	Interest	Value of goods and services provided to related party £000	Value of goods and services purchased from related party £000	Amounts owed to related party £000	Amounts due from related party £000
Guidelines International Network	Prof Gillian Leng CBE, MD	Deputy Chief Executive and Director	Trustee	0.0	2.8	0.0	0.0
King's College London	Prof Gillian Leng CBE, MD	Deputy Chief Executive and Director	Visiting professor	0.0	502.1	29.8	0.0
Novartis	Prof Tim Irish	Vice Chair	Professor and consultant				
	Prof Martin Cowie	Non Executive Director	Consultancy payments related to global clinical trials or registries	31.8	0.0	0.0	13.8
Public Health England	Prof Gillian Leng CBE, MD	Deputy Chief Executive & Director	Spouse – executive director	3.5	4.1	0.0	0.0
Royal Society of Medicine	Prof Gillian Leng CBE, MD	Deputy Chief Executive and Director	Trustee and honorary librarian	0.1	5.1	0.6	0.0
Salford Royal NHS Foundation Trust and Pennine Acute NHS Trust	Elaine Inglesby-Burke CBE	Non Executive Director	Chief Nursing Officer	0.0	0.1	0.0	0.0

When comparing the prior year disclosure to that as presented in the 2018/19 Annual Report and Accounts, some previously disclosed related parties have been removed following a review of what constitutes a related party.

## 16 **Events after the reporting period**

In accordance with requirements of IAS 10, events after the reporting period are considered up to the date on which the accounts are authorised for issue. This is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General.

The financial statements were authorised for issue by the Accounting Officer on the date that they were certified by the Comptroller and Auditor General.



