

**Annexes to the Framework Agreement
between the Department of Health & Social Care (DHSC) and the National
Institute for Health and Care Excellence (NICE)**

Annex A	Wider guidance
Annex B	Public-facing communications
Annex C	Finance and accounting responsibilities
Annex D	Relationships with other organisations

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Annex A: Wider guidance

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The following general guidance documents and instructions apply to NICE. DHSC may require NICE to provide additional management information on an ad hoc basis. Where this is the case, DHSC will provide NICE with clear reasons for the request and will allow as much time as possible to comply with the request.

General

- Appropriate adaptations of sections of *Corporate Governance in Central Government Departments: Code of Good Practice* and its related guidance http://www.hm-treasury.gov.uk/psr_governance_corporate.htm
- *Managing Public Money* <https://www.gov.uk/government/publications/managing-public-money>
- *Code of Conduct for Board Members of Public Bodies* <https://www.gov.uk/government/publications/board-members-of-public-bodies-code-of-conduct>
- *Governance code on public appointments* <https://publicappointmentscommissioner.independent.gov.uk/regulating-appointments/governance-code/>
- The Parliamentary and Health Service Ombudsman's *Principles of Good Administration* <http://www.ombudsman.org.uk/improving-public-service/ombudsmansprinciples/principles-of-good-administration>
- Consolidation Officer Memorandum, and relevant DCO letters;
- Other relevant guidance and instructions issued by HM Treasury in respect of Whole of Government Accounts
- Other relevant instructions and guidance issued by the central departments
- Any statutory duties that are applicable to NICE
- Specific instructions and guidance issued by DHSC, including requests for information
- Any departmental plans to ensure continuity of services
- Recommendations made by the Public Accounts Committee, or by other Parliamentary authority, that have been accepted by the Government and relevant to NICE.
- Guide to Cabinet Office Committees

<https://www.gov.uk/government/publications/the-cabinet-committees-system-and-list-of-cabinet-committees>

Audit and Risk

- *Public Sector Internal Audit Standards*
<https://www.gov.uk/government/publications/public-sector-internal-audit-standards>
- Audit and Risk Assurance Committee Handbook
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/512760/PU1934_Audit_committee_handbook.pdf
- Treasury guidance management of Risk and Fraud: Principles and concepts
<https://www.gov.uk/government/publications/orange-book>

Finance

- *Government Financial Reporting Manual (FReM)*
<https://www.gov.uk/government/publications/government-financial-reporting-manual-2017-to-2018>
- Fees and Charges Guide, Chapter 6 of *Managing Public Money*
- Departmental Banking: A Manual for Government Departments, Annex 5.6 of *Managing Public Money*
- Relevant Dear Accounting Officer letters
- *Regularity, Propriety and Value for Money* <http://www.esrc.ac.uk/files/about-us/governance-and-structure/regularity-propriety-and-value-for-money-hm-treasury-see-annex-21/>
- *Improving spending control* http://www.hm-treasury.gov.uk/improving_spending_control.htm

HR

- *Model Code for Staff of Executive Non-departmental Public Bodies* (Cabinet Office) <https://www.gov.uk/government/publications/public-bodies-information-and-guidance>
- DHSC Pay Framework for Executive Senior Managers in Arms-Length Bodies (available from DHSC)
- <http://www.gmc-uk.org/doctors/revalidation.asp>

FOI

- Relevant Freedom of Information Act guidance and instructions (Ministry of Justice);

Estates and Sustainability

- Greening Government Commitments
<https://www.gov.uk/government/publications/greening-government-commitments-2016-to-2020>
- Government Property Unit National Property Controls and standards for office accommodation (available from DHSC)
- DHSC Property Asset Management procedures (available from DHSC)

Information Governance and Security

- HMG IA Standard No. 6: *Protecting Personal Data and Managing Information Risk* (available from DHSC)
- HM Government's *Security Policy Framework*
<http://www.cabinetoffice.gov.uk/resource-library/security-policy-framework>
- The NHS *Information Security Code of Practice*
<https://www.gov.uk/government/publications/security-policy-framework>
- The NHS *Confidentiality Code of Practice*
<https://www.gov.uk/government/publications/confidentiality-nhs-code-of-practice>

Transparency

- Guidance on Gov.UK website
<https://www.gov.uk/government/topics/government-efficiency-transparency-and-accountability>

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Annex B: Public-facing communications

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General:

1. This annex sets out the principles that govern how DHSC and NICE will work together to deliver effective and coherent communications in the spirit of common purpose.
2. To ensure that communication activities deliver real benefit for patients, the public, communities, stakeholders and the system itself, these principles will underpin all communications activities, creating an integrated communications approach for the health and care system as a whole.
3. To support this, the NICE Director of Communications will take part in the cross-system Arm's Length Bodies Directors of Communications forum that will take ownership of the cross-system communications approach. NICE and the DHSC will also ensure that relevant senior officials from their communications teams meet regularly, build effective working relationships and design detailed working practices.
4. The general principles underpinning the approach to communications to be followed by NICE and the Department will be:
 - Mutual respect, co-operation and 'no surprises'
 - Value for money and avoiding duplication
 - A shared responsibility to promote and protect the public's health, aligning these activities where appropriate
 - The most effective communication using the most appropriate voice.

Communications strategy and planning:

5. NICE and DHSC will set out their communications objectives and priorities. Where objectives are the same, the organisations will work together to ensure the associated activities are coherently aligned and add value to each other.
6. The ALB Directors of Communications forum will play a key role in ensuring communications strategies and planning across the health and care system are aligned and coherent.
7. As agreed by the Public Expenditure Committee (Efficiency and Reform) – PEX(ER) – major paid-for communications activity will also be incorporated into the annual health communication and marketing plans developed by the 'Health Hub'. The Hub structure has been developed across government to ensure value for money, reduce duplication and share expertise. The annual

Health Hub communications and marketing plan is a requirement of the Cabinet Office's annual cross-government Proactive Communications Plan.

8. In addition, PEX(ER) agreed to a cross-government freeze on paid-for communications activity and a process managed by the Cabinet Office's Efficiency and Reform Group (ERG) to manage this. The process, and details of the operation of the control, will be communicated to NICE separately by the Department.

Media Handling:

9. NICE will establish and maintain independent relationships with all those interested in, or affected by its work, including the media. It will have responsibility for dealing with media enquiries received relating to its work and the way in which it exercises its functions.
10. DHSC and NICE will keep each other informed of plans for media announcements. When it comes to the attention of DHSC or NICE that the media or any other organisation is intending to make public information related to NICE or its work, NICE or DHSC will, where possible, bring this matter to the attention of the other.
11. DHSC and NICE will, where possible, bring to the attention of communications leads in each organisation issues creating media interest and expected media coverage which relates to the work of DHSC or NICE.

Announcements:

12. To support the principle of partnership working described in the framework agreement and the commitment to 'no surprises', NICE and DHSC will share a schedule of relevant planned announcements weekly or fortnightly as appropriate. These should be treated "in-confidence" by the receiving parties and care taken with onward circulation.
13. NICE and DHSC will endeavour to give each other as much notice as possible to enable early discussions on all aspects of the announcement with relevant policy and communications leads from each organisation.
14. NICE and DHSC will also share, in confidence and principally for information, a near-final draft of any relevant report to be published, including conclusions, any executive summary and recommendations.

Publications:

15. 'Publications' in this section refers to documents such as annual reports, anything relating to the structure or operation of the organisation, and statutory reports such as accounts. It does not include green or white papers or any other significant statements of Government policy. In these cases DHSC will commit to the principle of 'no surprises' wherever possible and endeavour to share drafts with NICE officials for comment where appropriate.
16. There are separate arrangements for publication of official statistics and these are described in the Statistics section below.
17. To support the principle of partnership working described in the framework agreement and the commitment to 'no surprises', NICE and DHSC will share a schedule of relevant forthcoming publications weekly or fortnightly as appropriate.
18. NICE and DHSC will, except in exceptional circumstances, share publications with each other ten working days before publication for information and to allow clarification of any issues that may arise. This applies in circumstances other than where NICE's published processes indicate a different engagement timeline. NICE and DHSC officials will liaise as necessary to provide briefing on the publication. NICE and DHSC will, whenever possible, send a final copy of the publication to each other's officials at least five days before publication. In exceptional circumstances, this period may be shorter and both parties will endeavour to allow as long as possible in such cases.
19. Where NICE and DHSC cannot resolve an issue relating to the detail in a publication due for release, the organisation publishing the document will respond to the querying organisation in writing before publication explaining why the comments cannot be taken on board in the final copy of the document.
20. When it comes to the attention of DHSC or NICE that another Government Department or public body is intending to publish a report concerning the other party and its work, DHSC or NICE will, wherever possible, bring this matter to the other's attention.

Campaign activity:

21. Any major, public-facing campaign activity should be incorporated into the annual health communication and marketing plans developed by the Health Hub and agreed through the ERG process.

22. NICE will discuss this activity with DHSC in advance and ensure that DHSC has appropriate opportunities to inform the thinking and ensure a strategic fit with other campaigns across the health and care system. This will avoid unnecessary duplication and inefficient use of resource.

Statistics:

Pre-announcement of statistical publications:

23. The planned month of any statistical publications should normally be announced at least 12 months in advance. The precise date should be announced or confirmed at least 4 weeks in advance. To support the principle of co-operation, NICE should inform the DHSC Statistics Team of any changes to planned publication dates for Official Statistics.

Sharing data in their final form for briefing:

24. Official statistics in their final form, including any press release for publication of official statistics, will be shared with those officials and Ministers for whom pre-release access has been agreed no earlier than 24 hours before the formal time of publication. Access for briefing purposes is limited to requirements to brief Ministers or others who may be required to comment at the time of publication. A list of people should be agreed 10 working days in advance, by NICE, who will consult with the DHSC Head of Profession if they judge necessary (current DHSC models for pre-release access may be consulted as a guide). NICE will not provide media with embargoed access to the press release in advance of publication.

Sharing pre-publication data for other purposes

25. Official statistics may also, with the agreement of the lead official for official statistics at NICE, be shared before publication for other purposes as set out below:
- With DHSC analytical staff where those staff are directly involved in producing the statistics, or related DHSC statistical products.
 - With named DHSC analysts and subject specialists, where there would be added value derived from expert Quality Assurance (QA) (either on the figures themselves, or on any statement of DHSC policy positions in the draft publication).
 - Where DHSC officials apply to NICE for access for a specified management purpose (if, for example, it is evident that patient health or public finances would be protected by granting such access).

- Where up-to-date data are needed for inclusion in a DHSC publication planned for releases at the same time or shortly after the statistics are to be published.

26. In all cases where pre-release access is agreed, the purpose, timings and names of individuals should be agreed in advance by the lead official for statistics. All pre-release access will be documented, and lists of people granted access will be made available on request. Where pre-release access has been granted, the pre-publication uses of the data will not exceed the stated purpose.

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Annex C: Finance and Accounting

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1. The Framework Agreement sets out the governance and accountability arrangements between DHSC and NICE. This annex provides additional detail on the finance and accounting arrangements which complements the Framework Agreement itself.

Annual Expenditure Limits

2. The Secretary of State will issue NICE with grant-in-aid funding in line with the prevailing annual business planning process (see para 9.2 of the Framework Agreement). As Accounting Officer, the Chief Executive must ensure that, in any financial year, NICE's spending in each of the following categories does not exceed the limit set by the Secretary of State for that year:
 - revenue (non ring-fence);
 - revenue (ring-fence);
 - capital;
 - annually managed expenditure; and
 - technical accounting/budgeting.
3. The Accounting Officer must also ensure that:
 - NICE's total spending on administration in any financial year does not exceed the overall admin control limit for NICE; and that
 - in any given year the cash usage of NICE does not exceed the cash limit (allotment) for NICE.
4. Each of the controls referred to in paragraphs 2 and 3 above must be met individually.

Business Planning

5. The NICE business plan will need to identify detailed revenue, capital and cash forecasts for grant-in-aid funded activity, and also equivalent expenditure associated with any other income sources. It will need to clearly identify the distinction between costs and income falling inside and outside the administration budget regime.

Accounts

6. Paragraph 6.2 of the Framework Agreement sets out the expectation, arising from Secretary of State's powers under the Health and Social Care Act 2012, that DHSC will routinely have full access to NICE's information and files.
7. In relation to financial reporting, DHSC is required by HM Treasury to report in-year financial performance and forecasts for all its arm's length bodies, by Estimate Line, and in a specified format, to a strict timetable. NICE is required to comply with Departmental plans and schedules which enable DHSC to meet HM Treasury deadlines, and the DHSC's overall financial

planning to meet HM Treasury spending controls through the Shared Financial Planning Agreement.

8. NICE must prepare annual accounts for each financial year ending 31 March, and interim accounts for shorter periods if required. In relation to these accounts, NICE must:
 - ensure that accounts are prepared according to the form, content, methods and principles prescribed by the Secretary of State in his annual group accounting instructions;
 - submit these accounts (both unaudited and audited) to the Department by a date to be specified by the Secretary of State and
 - submit these accounts to the Comptroller and Auditor General (C&AG) for audit as soon as reasonably practicable after the year end (or, in the case of any interim account, as soon as reasonably practicable after the end of the interim period to which that interim account relates).

9. As set out in paragraph 4.11 NICE must publish an annual report of its activities together with its audited accounts after the end of each financial year. Information on performance against key financial targets is within the scope of the audit and should be included in the notes to the accounts. The report and accounts are to be signed by NICE's Accounting Officer. The report is laid before Parliament by NICE and the accounts are laid before Parliament by the Comptroller and Auditor General. Both are made available on NICE's website, in accordance with the guidance in the Government Financial Reporting Manual (FRoM). A draft of the report should be submitted to the Department in line with the published timetable.

10. The Accounting Officer must also ensure that NICE participates fully in all agreement of balances exercises initiated by DHSC, and in the form specified by the DHSC, and that it agrees income and expenditure and payables and receivables balances both with other organisations within DHSC's resource accounting boundary and, for the purposes of the WGA, with other government bodies outside that boundary. In doing so, NICE should seek to agree all outstanding balances but in any case should keep within any level of materiality set by DHSC.

Audit

11. Section 8 of the Framework Agreement sets out the high level requirements for audit.

12. To meet the requirements for internal audit, NICE must:
 - ensure DHSC is satisfied with the competence and qualifications of the Head of Internal Audit and the requirements for approving appointments in accordance with Public Sector Internal Audit Standards;

- prepare an audit strategy, taking into account the DHSC's priorities, and forward the audit strategy, periodic audit plans and annual audit report, including NICE's Head of Internal Audit's opinion on risk management, control and governance as soon as possible to DHSC; and
 - keep records of theft suffered by NICE and notify DHSC of any unusual or major incidents as soon as possible including fraud issues.
13. DHSC is committed to the development of a group assurance model for itself and its arms' length bodies. NICE's internal audit provision will be delivered as part of a shared model with the Government Internal Audit Service. .
14. DHSC's group internal audit service has a right of access to all documents prepared by NICE's internal auditor, including where the service is currently contracted out. It will also have a right of access to all previous audit documentation.
15. For external audit, the C&AG audits NICE's annual accounts. In the event that NICE has set up and controls subsidiary companies, NICE will, in the light of the provisions in the Companies Act 2006, ensure that the C&AG is appointed auditor of those company subsidiaries that it controls and/or whose accounts are consolidated within its own accounts. NICE shall discuss with DHSC the procedures for appointing the C&AG as auditor of the companies.
16. The C&AG:
- will consult DHSC and NICE on whom – the National Audit Office or a commercial auditor – shall undertake the audit(s) on his behalf, though the final decision rests with the C&AG;
 - has a statutory right of access to relevant documents including, by virtue of section 25(8) of the Government Resources and Accounts Act 2000, those held by another party in receipt of payments or grants from NICE;
 - will share with DHSC information identified during the audit process and the audit report (together with any other outputs) at the end of the audit, in particular on issues impacting on the Department's responsibilities in relation to financial systems within NICE;
 - will, where asked, provide DHSC and other relevant bodies with regulatory compliance reports and other similar reports which the Department may request at the commencement of the audit and which are compatible with the independent auditor's role.
17. The C&AG may carry out examinations into the economy, efficiency and effectiveness with which NICE has used its resources in discharging its functions. For the purpose of these examinations the C&AG has statutory access to documents as provided for under section 8 of the National Audit Act 1983. In addition, NICE is to provide, in conditions to grants and contracts, for the C&AG to exercise such access to documents held by grant recipients and contractors and sub-contractors as may be required for these examinations;

and is to use its best endeavours to secure access for the C&AG to any other documents required by the C&AG which are held by other bodies.

Delegated Authorities

18. Paragraph 9.5 of the Framework Agreement requires NICE to abide by any relevant cross-Government efficiency controls. The Secretary of State has approved the establishment of revised controls for NICE, applicable specifically to and only for its expenditure on transition activities concerned with developing itself as a new organisation, where these activities will by their very nature be critical to the success of the system-wide reforms. These controls will be communicated to NICE.
19. Once the budget and business plan has been approved by DHSC and subject to the Secretary of State's instructions and any other processes set out in this document, NICE has authority to incur expenditure approved in the budget without further reference to the DHSC, on the following conditions:
- NICE will comply with its delegated authorities, which cannot be altered without the prior agreement of the DHSC, noting that authority to approve novel, contentious or repercussive proposals cannot be delegated from HM Treasury; and
 - inclusion of any planned and approved expenditure in the budget will not remove the need to seek formal departmental approval where any proposed expenditure is outside the delegated limits or is for new schemes not previously agreed.
20. NICE must obtain the DHSC's prior written approval before entering into any undertaking to incur expenditure outside its delegations or not provided for in its business plan as approved by the DHSC. In addition, DHSC's prior written approval is required when:
- incurring expenditure for any purpose that is or might be considered novel or contentious, or which has or could have significant future cost implications;
 - making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by DHSC;
 - making any change of policy or practice which has wider financial implications that might prove repercussive or which might significantly affect the future level of resources required; or
 - carrying out policies that go against the principles, rules, guidance and advice in *Managing Public Money*.
21. For major projects, NICE will participate in the DHSC's common assurance and approval process.

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Annex D: Relationships with other ALBs

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1. In order to deliver its functions efficiently and effectively, and to support alignment across the whole system, NICE will work closely with the ALB's listed below, standing ready to be their evidence partner of choice:
 - **NHS England:** NHS England will commission most of NICE's NHS facing activity, including NHS quality standards. NHS England and DHSC will share the cost of this activity. NHS England will be required to have regard to relevant NICE Quality Standards and may, along with Clinical Commissioning Groups (CCGs), be required by Regulations to have regard to NICE advice or guidance, or to comply with NICE recommendations.
 - **Public Health England:** NICE will work with Public Health England (PHE), DHSC policy officials and other stakeholders to provide guidance and advice to local government, PHE, Ministers and other relevant audiences.
 - **Department for Education (DfE):** NICE will work with DfE to help ensure that its work reflects DfE's needs and priorities in relation to children's and young people's social care and health in schools
 - **NHS Digital:** NICE will develop indicators with NHS Digital for the NICE indicators. NICE will be able to require NHS Digital to collect information where necessary to allow NICE to fulfil its statutory duties, subject to the constraints in the Health and Social Care Act 2012 or made in regulations.
 - **The Care Quality Commission (CQC):** CQC will use NICE's disease and condition-based guidance and quality standards as a reference in their inspection work and when reviewing providers who are failing to meet registration standards.
 - **NHS Improvement (NHSI):** NICE and NHSI share the common purpose of using evidence to enable the NHS to deliver better services that improve and protect the public's health. They work together to help the NHS to improve quality, sustainability and productivity, and support best practice. The partnership includes activities on value for money interventions, patient safety, reducing unwarranted variation, and supporting innovation. .
 - **Medicines and Healthcare products Regulatory Agency (MHRA):** NICE and the MHRA have related interests in the safe and appropriate use of medicines. They will work together to ensure information about

safety, quality and efficacy is shared as appropriate, to facilitate decision-making in a timely fashion.

- **Health Education England (HEE):** NICE and HEE will work together to help assist the spread of innovation across the NHS so that the health workforce has the right skills, behaviour and training to support the delivery of high quality health care.
- **Other DHSC ALBs, NHS organisations, local authorities, devolved administrations, other Government Departments and other public and patient representatives:** NICE will work with those who use or are affected by NICE guidance and advice, in order to help ensure that NICE's work reflects their needs and priorities.