National Institute for Health and Care Excellence

People and Resources report

This report gives details of the financial position as at 28 February 2021, an update on Human Resources & Organisational Development and an update on the NICE Connect transformation programme.

Financial Position

Table 1 summarises year to date and estimated outturn financial position as at 28 February 2021. There is a full breakdown in Appendix A.

Table 1: Financial position as at 28 February 2021

| Spend Category | Year to Date Budget £m | Year to Date Actual £m | Year to Date Variance £m | Annual Budget £m | Estimated Outturn £m | Estimated Outturn Variance £m |
| --- | --- | --- | --- | --- | --- | --- |
| Pay | 42.1 | 38.9 | (3.2) | 46.1 | 42.7 | (3.4) |
| Non pay | 26.9 | 24.0 | (2.9) | 29.2 | 26.3 | (2.9) |
| Income | (20.2) | (17.6) | 2.6 | (22.1) | (19.3) | 2.8 |
| **Total** | **48.8** | **45.3** | **(3.5)** | **53.3** | **49.8** | **(3.5)** |

Year to date

Overall, the year-to-date position to 28 February 2021 was an underspend of £3.5m (7%) as shown in Table 1 above. The underspend was due to the following key variances:

* £3.2m underspend on pay due to vacancies and staff turnover
* £2.9m non pay underspend relating to unspent travel and subsistence budgets and lower than expected spend on contracts.
* £2.6m under recovery of income, mainly due to the expected reduction in income from the technology appraisal and highly specialised technologies (TA/HST) programme arising from the impact of the COVID-19 pandemic and the impact it has had on capacity within the team. The under recovery of income has been partially offset by the £0.5m surplus generated by NICE Scientific Advice (NSA).

In February, EY and the National Audit Office (NAO) carried out the interim audit of NICE’s financial accounts for 2020/21. The team received positive feedback and there were no issues to highlight. The finance team have begun preparations for the end of the financial year ahead of the full audit in April.

Forecast outturn

The estimated outturn financial position is an underspend of £3.5m (7%) as shown in table 1 above. The estimated underspend is due to the following:

* Whilst some recruitment is expected in the final months of the year, we expect the pay underspend to continue to grow from £3.2m at the end of February to £3.4m at year end.
* Non-pay underspend highlighted above is forecast to remain at £2.9m underspend at year end.
* Under recovery of income is expected to be £2.8m at year end due to the TA/HST programme not achieving full cost recovery. However, it is now likely that the programme will meet the reasonable worse-case scenario income target of £7m as set out in the revised 2020/21 business plan.

The following updates have occurred since the previous Board report in January:

* The Public Involvement Programme (PIP) has received an additional £70,000 of income from NHS England/Improvement (NHSE/I) to help develop a Decision Support Tools (DSTs) Standards Framework.
* Additional £75,000 of income from NHSE/I to fund development of the HealthTech Connect database.
* The new lease for Redman Place has been signed. There had been delays in signing the new lease that was generating an underspend, but we are now incurring charges.

NICE Scientific Advice (NSA)

Year to date, NSA has generated income of £2.4m against expenditure of £1.9m, generating a surplus of £0.5m. We expect the surplus at year end to remain at this level.

Increasing interest in scientific advice services has resulted in higher than anticipated project bookings in 2020/21. Of the range of services offered by NSA, demand for Express projects which incur higher fees have been popular, accounting for 32% of all income generated.

The NSA business unit includes our NICE International function. Demand for NICE international engagements has picked up in the previous few months after an initial quiet period at the start of the financial year. NICE International activity has generated total year to date income of £60,000.

Human Resources & Organisational Development Update

This section is to provide an update on people issues and activities in January and February 2021.

Values and behaviours

We continue to progress a comprehensive programme of activity to bring the new values and behaviours to life (collaborative, kind, respectful, dynamic, inclusive, excellent, empowered).

Work is ongoing to embed our values and behaviours into core people activity including annual appraisal (My Contribution), the recruitment and selection process and the introduction of values-based interview questions. We are also planning to launch a values and behaviours staff recognition scheme in April.

Diversity and inclusion

In February, the Executive Team considered and agreed our workforce equality, diversity, and inclusion action plan for the next 12 months. This sets out an ambitious programme of activity designed to address our key challenges in a systematic and sustainable way. Areas of focus for the first six months include recruitment (including the implementation of diverse interview panels); improving workforce equality impact assessment; improving equality data; ‘shadowing meetings’- a development offer for black, Asian and minority ethnic staff.

Work to progress these priority areas has started including the development of a new training offer to support workforce equality impact assessment and the commissioning of a development offer for hiring managers planned for June.

In keeping with our commitment to building staff voice into everything we do, we have scheduled regular listening events into our programme of work and continue to solicit input from our staff networks and those with lived experience wherever possible.

Workforce planning

The recruitment and workforce planning working group has conducted a root cause analysis to review the barriers experienced in recruitment and to discuss and implement innovative ideas for resourcing in a robust action plan.

The action plan will focus on four key areas:

* 1. Creating a pool of flexible resources that can be developed across the organisation;
	2. Increasing secondments and placements into the organisations and building closer links with universities;
	3. Proactively anticipating and resourcing vacancies through monthly workforce planning meetings; and
	4. Reviewing our recruitment and assessment processes to improve how we test candidates technical and leadership capability to support the external recruitment of experienced staff members.

Employee Relations

The HR operations team are continuing to support ongoing employee relations cases and we have returned to our usual operating levels pre-pandemic. The team is successfully managing employee relations issues remotely, albeit with appropriately adapted processes to ensure that everyone affected has the support that they need. In the previous 12 months the team has dealt with over 81 informal cases and 19 formal HR cases, which included: capability; disciplinary; grievance; sickness absence and probationary issues.

There has been an increase in staff sickness absence overall in January, showing an increase to the levels pre pandemic. The figures for the next three months will be monitored to see if this increase remains on an upwards trajectory. Absence levels remain low across the organisation and we are looking at benchmarking figures to report on over the next few months. In September 2020, NICE showed a figure of 1.82%, the seventh lowest across all ALB’s and this will be monitored monthly.

Mental health and stress-related absences have remained the largest reason for staff absences at just over 30% of all absences related to stress, anxiety, and other mental health issues. This has remained static during the pandemic and has shown a small upward trajectory when compared to the same periods for the previous year. We will continue to monitor this on a month-by-month basis. Stress-related illnesses are supported informally by HR and we continue to see resolution on an individual level.

Health and Wellbeing

We continue to prioritise staff wellbeing and recently focused on Winter wellbeing, highlighting the resources and virtual sessions available to staff. Starting in January, a 6-week WINTER wellbeing plan introduced different themes and related resources for staff on a variety of areas including home schooling, caring, managing loneliness, building resilience and mindfulness. There was also a spotlight on [Working Families](https://workingfamilies.org.uk/) and the tools available to working parents, carers, and managers.

Virtual healthy work week took place in January providing a range of activities and resources for staff focusing on the [five ways to wellbeing.](https://www.nhs.uk/conditions/stress-anxiety-depression/improve-mental-wellbeing/) To provide extra winter wellbeing support during this challenging period, we launched a staff suggestion scheme, for ideas to further improve motivation and morale. All suggestions are reviewed each week by members of the Coronavirus Response Group and representatives from the Values Champions Group and Diversity and Inclusion Network, with feedback provided to the respective staff members.

Transformation update: February 2021

Appendix B reflects the status of key 2020/21 final quarter deliverables for the NICE Connect work programme. Each Expert Group is reviewing these in detail to ensure optimum focus and momentum on these outputs.

Key priorities were agreed by the Executive Team in January and these are reflected in Appendix B. The overall transformation programme is green against these priorities.

Work on creating a delivery plan for 2021/22 is underway – reflecting the 5-year strategic objectives. The creation of this plan will involve identifying new deliverables reflecting the goals of the strategy, and therefore the content of Appendix B will change in the next report. This will also identify the optimum approach to the programme governance structure and capture resource requirements.

Key risks for the directorate

The board was updated on key risks and steps being taken to mitigate them in January. We noted the risk of staff becoming demotivated due to capacity issues within teams caused by the number of vacancies and the impact of another lockdown including school closures. In addition to mitigating steps taken by HR noted above, the recruitment services provider was changed in February which is expected to help reduce vacancies. Further, HR have been running a series of Manager Support Circles in March to provide support and an opportunity to share experiences. The impact of schools reopening on 8 March 2021 is expected to be beneficial for staff that had been adversely affected by the closures, but HR are still supporting staff affected by Covid-19 restrictions and lockdowns.

The relocation of the London office and continued closure of both offices continue to present the risk of possible business disruption. However, both offices are expected to open from 5 April 2021, although office use from this date is expected to be very limited until Covid-19 restrictions are gradually eased over the following months.

Appendix A: NICE financial position

The table below is a summary of the financial position per centre and directorate as at 28 February 2021 and gives an estimated outturn to March 2021.

NICE financial position per centre/directorate as at 28 February 2021

| Centre / Directorate | Year to Date Budget £m | Year to Date Actual £m | Year to Date Variance £m | Annual Budget £m | Estimated Outturn £m | Estimated Outturn Variance £m |
| --- | --- | --- | --- | --- | --- | --- |
| Income from TA and HST cost recovery | (9.8) | (6.3) | 3.5 | (10.7) | (7.0) | 3.7 |
| Other funding from other ALBs, Devolved Administrations | (6.8) | (6.9) | (0.1) | (7.4) | (7.6) | (0.1) |
| Centre for Guidelines | 18.7 | 18.3 | (0.4) | 20.3 | 19.9 | (0.4) |
| Centre for Health Technology Evaluation | 12.5 | 10.4 | (2.0) | 13.7 | 11.7 | (2.0) |
| Health & Social Care | 6.4 | 5.7 | (0.7) | 7.0 | 6.3 | (0.7) |
| Digital, Information and Technology | 6.0 | 5.9 | (0.1) | 6.5 | 6.5 | 0.0 |
| Science, Evidence and Analytics | 7.0 | 6.7 | (0.3) | 7.6 | 7.4 | (0.2) |
| Finance, Strategy and Transformation | 8.2 | 7.3 | (0.9) | 9.1 | 8.0 | (1.1) |
| Communications | 2.3 | 2.1 | (0.2) | 2.5 | 2.3 | (0.2) |
| NHS Pension (6.3% increase) and other staff costs | 1.6 | 1.7 | 0.1 | 1.8 | 1.8 | 0.1 |
| Depreciation (non-cash) | 0.6 | 0.5 | (0.2) | 0.7 | 0.5 | (0.2) |
| Part-year effect Pay budget adjustment | 2.2 | 0.0 | (2.2) | 2.3 | 0.0 | (2.3) |
| **Grand total** | **48.8** | **45.3** | **(3.5)** | **53.3** | **49.8** | **(3.5)** |

Appendix B: Transformation update: February 2021

Content Expert Group 20-21 key deliverables status

| Output | Update | Next Steps | Risks & Issues | Due Date | Updated RAG |
| --- | --- | --- | --- | --- | --- |
| **Integrated Guidance** | Content Design London (CDL) consultancy in place. 4 sprints completed. Three showcases delivered. Presentation given to the Board strategy meeting in February. | Integrated guidance prototypes created | Costs of working with an external content platform provider may be prohibitive. | **May 2021** | **Green** |
| **Structured Guideline Authoring Tool** | Executive Team has approved business criteria and a ‘deep dive’ assessment of shortlisted tools has also been undertaken. | Recommendation to Board 23 March. | Capacity to deliver given other priorities. | **Mar 2021** | **Green** |
| **Life Sciences Hub - discovery** | The initial ‘light-touch’ discovery progressed with an internal workshop. | Feedback from the workshop will be incorporated into the road map for the development of the NICE website in the next financial year. | May be impacted by higher priority deliverables given resource and time constraints | **Q4** | **Green** |
| **Citeable publications feasibility study** | The project team has explored the options to make NICE ‘review’ content findable / citeable, including but not limited to NIHR collaboration. Scoping exercise of content under consideration has been completed. | Further meetings with NIHR to share more detailed baseline of content in scope and discuss next steps. Report being presented to Content Expert Group and Steering Group during March. | Complexity and scale of work | **Q4** | **Green** |

Data Management Expert Group 20-21 key deliverables status

| Output | Update | Next Steps | Risks & Issues | Due Date | Updated RAG |
| --- | --- | --- | --- | --- | --- |
| **SharePoint investment decision** | Programme Manager and additional consultancy support procured to contribute to next iteration of business case, vision, blueprint, and roadmap for future programme. | Revise report and carry out quality review to enable a submission to Board in April. | Achieving a revised submission that provides assurance and justifies approval | **Q1 21-22** | **Green** |
| **Continue roll out of next phase of comment collection tool** | This is a tool to make it easier for external stakeholders to provide feedback on our consultations - public beta is underway. Work currently paused as DIT team currently working on EU Exit UK PharmaScan changes. | Agreed with Gold Group that the team will complete the current feature (organisational commenting) then work will temporarily pause – and be included within stakeholder projects in 21-22. | N/A | **Q4** | **Green** |

Process, Methods & Analytics Expert Group 20-21 key deliverables status

| Output | Update | Next Steps | Risks & Issues | Due Date | Updated RAG |
| --- | --- | --- | --- | --- | --- |
| **Integrated Surveillance** | 4 options are being finalised including reviewing the anticipated scale and cost of organisational change for the possible future models. | Finalise the proposed options and present back to Expert Group on 22 March. | Resistance to change and potential impact on BAU as organisational change is embedded | **Q4** | **Green** |
| **CHTE updated methods & processes** | Board approval to start processes consultation which is now underway until 15 April.Collaborated with CMA team & NHS E on requirements and changes to commercial processes. | Stakeholder webinar on HST.Continue process alignment and progress towards revised manual for publication in Oct 21. | Potential impact of the end of the EU transition period | **Oct 21** | **Green** |
| **NICE-wide consultation activities (for guidance products)** | Phases 1&2 (benchmarking and ‘as is’ process) running in parallel. | Complete phases 1&2 and present recommendations for change. | Maintaining sufficient resource to complete work within timescale | **May 21** | **Green** |
| **Data & Analytics methods & standards framework** | Board approved the delivery plan on 27 Jan for the Methods and Standards Programme. | Recruitment of the wider programme team, and call for engagement and contributions from academia, industry, and wider system partners. | Delays in recruitment or start dates due to notice periods | **Q4** | **Green** |

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March 2021