National Institute for Health and Care Excellence

Integrated performance report

This report provides an update to the Board on the performance against our key performance indicators and progress against business plan objectives and deliverables for the period April to May 2021.

The Board is asked to review the report.
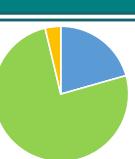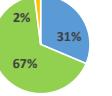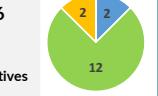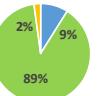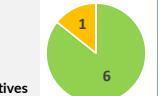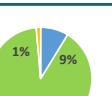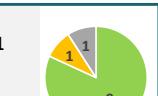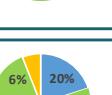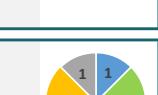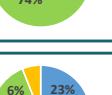
Jennifer Howells

Director

Finance, Strategy and Transformation

July 2021

# Transformation Portfolio - Performance Overview June 2021

Portfolio Overview

Portfolio Narrative:

The transformation portfolio is overall on track. The status can be summarised as follows:

- There are 3 objectives complete – 01-02 (Office for Digital Health), 04-07 (Citable Publications) and Digital Roadmap (E1-01).
- Progress is on track with 39 objectives and this includes all 6 high priority objectives.
- Minor delays have been reported against 10 objectives and this is not expected to impact upon completion date.
- Work has yet to commence on 2 objectives, with activity planned in from July 2021 onwards. This has no impact to completion date.
- There are no major delays reported against any objectives.

Milestone Delivery Progress

Complete:	20.6%
On Track:	75.7%
Delayed:	3.7%

Business Plan Objectives Status

Complete:	3
On Track:	39
Challenges to deliver:	10
Signifcant risk to delivery:	0
Not Started:	2

Percentage On Track / Complete:	96.31%

Total Objectives:	54

Programme Delivery Boards Update

	Strategic Link	Milestone Overview	Objectives Update	Executive Summary
Rapid, Robust and Responsive Technology Evaluation and Leadership in Data, Research and Science **Programme Delivery Board**	Pillars 1 and 4	2% / 31% / 67%	**16** Objectives (2, 2, 12)	We report excellent progress across the 16 objectives in Pillar 1 and 4. All are on track for delivery dates by the end of December 2021, meeting early milestones. One early deliverable has been achieved (Office for Digital Health), with a clear focus on priority deliverables such as ILAP, process and methods update, the Life Sciences Hub and an outline framework for the use of RWD in guidance development.
Dynamic, Living Guideline Recommendations **Programme Delivery Board**	Pillar 2	2% / 9% / 89%	**7** Objectives (1, 6)	Activity during our first quarter has enabled all 7 objectives within Pillar 2 to progress as planned, achieving defined milestones within this period. A minor delay is reported against our objective relating to "Stakeholder insights", which is being addressed through further definition work and the positive progress being made via the consultations project. Our priority deliverable for "adopting a new guideline authoring tool" is on target and underpinned by a detailed transformation content plan. We have recently strengthened our collaboration with Cochrane, an international network that prepares and maintains systematic reviews, to support our plans for dynamic living guideline recommendations.
Effective Guidance Uptake to Maximise our Impact, Communicationsand Engagement **Programme Delivery Board**	Pillar 3 and Enabler (Communications)	1% / 9% / 90%	**11** Objectives (1, 1, 9)	We report good progress to date on all 11 Pillar 3 and Communication's objectives, with all on track for completion by the agreed delivery timeframe. There is a clear focus and scope of work on our priority deliverable of "stating NICE's role in the Health and Care system". In particular, work is underway develop a life sciences marketing strategy, and a narrative developed to underpin our communications activities around the forthcoming methods and process review consultation (linked to our Pillar 1 priority deliverable). The narrative conveys the benefits of proposed changes to NICE's health technology evaluation programme to patients, the NHS and industry, and reaffirms NICE's central role in the UK medicines and healthtech regulatory and access system. We highlight a minor delay to one objective relating to "Health Inequalities". This has been addressed, with next steps to expand the scope to consider international comparisons for addressing health inequalities in health technology appraisals.
Organisational Effectiveness **Programme Delivery Board**	Enablers (Technology and Transformation)	6% / 20% / 74%	**8** Objectives (1, 1, 2, 4)	To date, we have made positive progress in delivering objectives within the remit of the organisational effectiveness. An early deliverable has been achieved (3-5 year technology and digital delivery roadmaps), with clear controls in place to monitor and review the delivery roadmap via the Technology Governance Board. Whilst we report a minor delay to 2 deliverables, we are confident that appropriate mitigation is in place to deliver all objectives within the agreed timeframe. We report good progress against the delivery of our Digital Workplace programme, one of our key deliverables with the business case approved. Preparatory work is proceeding at pace and we are close to selecting our implementation partners.
People, Organisation and Culture **Programme Delivery Board**	Enablers (People and Transformation)	6% / 23% / 71%	**12** Objectives (4, 8)	Strong progress has been made in the first quarter, in particular with executive portfolios, completion of talent management and succession planning for executive team direct reports, staff and committee Equality Diversity and Inclusion (EDI), including listening events, and the establishment of the new strategy and transformation unit – recruitment, protocols and reporting. Although there are some minor delays, these have been addressed through recruitment including Deputy Director - Finance, Programme Director Transformation and Associate Director Strategy. A new Organisational Development (OD) Programme Director is also in place.

Key - Milestones Pie Charts: Complete | On track | Delayed

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

High Priority Objectives 21/22
June 2021 Performance & Assurance Report

	Milestone Overview	
Complete:	18%	
On Track:	79%	
Delayed:	3%	
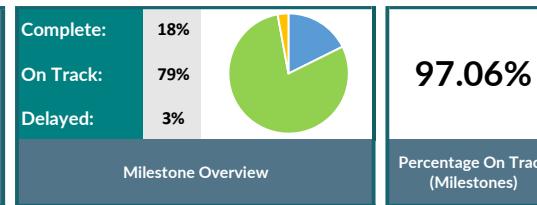
97.06%
Percentage On Track (Milestones)

Pillar	Objective	Target	Status	Milestone Overview	Summary:
Pillar 1	Speed up the evaluation pathway for medicines and devices.	Q2	On track to deliver	33% Complete / 67% On track	NICE ILAP interface function established. Operational arrangements established with collaborative working on joint 'standard operating practice' procedures underway. Resource forecasting discussions for potential applications underway. At 18 June 32 Innovation Passport applications received by MHRA and 17 Innovation Passports awarded. 1 TDP application submitted to MHRA and initial TDP development activities underway.
	Publish evaluation methods and processes for health technology evaluations.	Q3	On track to deliver	12% Complete / 88% On track	Consultation responses reviewed and proposals developed. Topic selection proposals further developed. Engagement meeting on HST criteria held. Board update provided on 16 June.
	Deliver phase 1 of a life sciences hub.	Q3	On track to deliver	100% On track	Recruitment process for design and development post underway. CEO, ET lead and SRO detailed scoping meeting took place 1 July.
Pillar 2	Adopt a new guideline authoring tool - MAGICapp.	Q2	On track to deliver	25% Complete / 50% On track / 25% Delayed	Test guidelines set up with MAGICapp. Outline benefits of MAGICapp completed including collaboration with WHO and Australian taskforce. Goals for alpha website defined. Establishment of external advisory group underway. Content transformation plan due for approval July, which is a slight delay of 1 week.
Pillar 3	State with system partners how our guidance adds value across the health and care system.	Q2	On track to deliver	100% On track	CEO, ET lead and SRO detailed scoping meeting took place 1 July.
Pillar 4	Develop an initial framework for the use of real world data.	Q4	On track to deliver	20% Complete / 80% On track	Internal advisory group established. Draft research governance framework produced for CHTE methods manual. Programme recruitment complete.

Key - Milestone Pie Charts: ■ Complete ■ On track ■ Delayed

Guidance and supporting activity

![NICE National Institute for Health and Care Excellence]

Guidance and supporting outputs - Summary 1st April 2021 - 31st May 2021

## Guidelines ecosystem

- YTD Actual — YTD Planned

Categories:
- Guidelines Standard and interactive — 3
- Guidelines Topic suites — 1
- Guidelines Surveillance reviews — 2
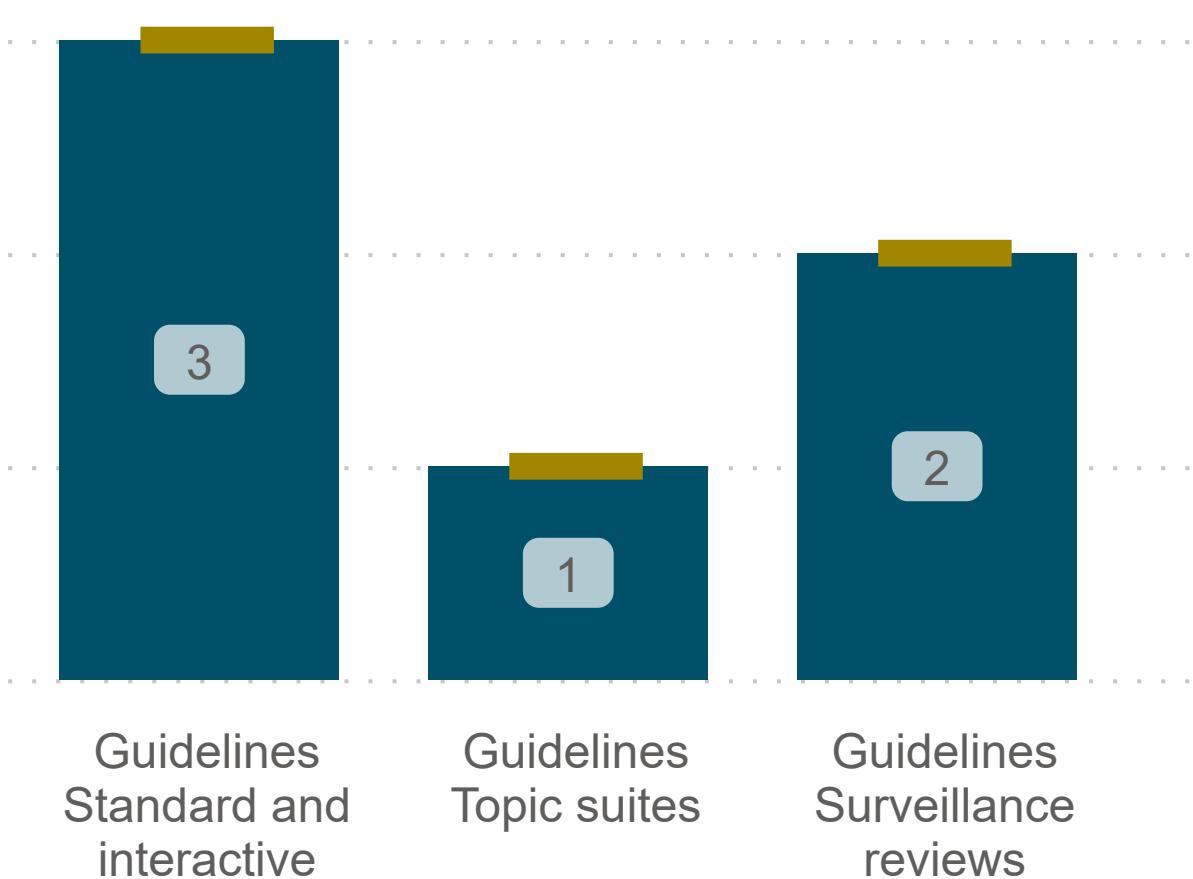
Information ecosystem

- YTD Actual — YTD Planned

Categories:
- Monthly updates of the BNF and BNF C content — 2
- Shared decision making outputs (including prescribing briefings)
- Evidence reviews for NHSE&I specialised commissioning (including COVID-19 rapid evidence summaries)
- Medicines advice products - includes key therapeutic topics (KTTs), evidence summaries, and medicines evidence commentaries (MECs)
- Evidence summaries – antimicrobial prescribing — 1
- New CKS topics
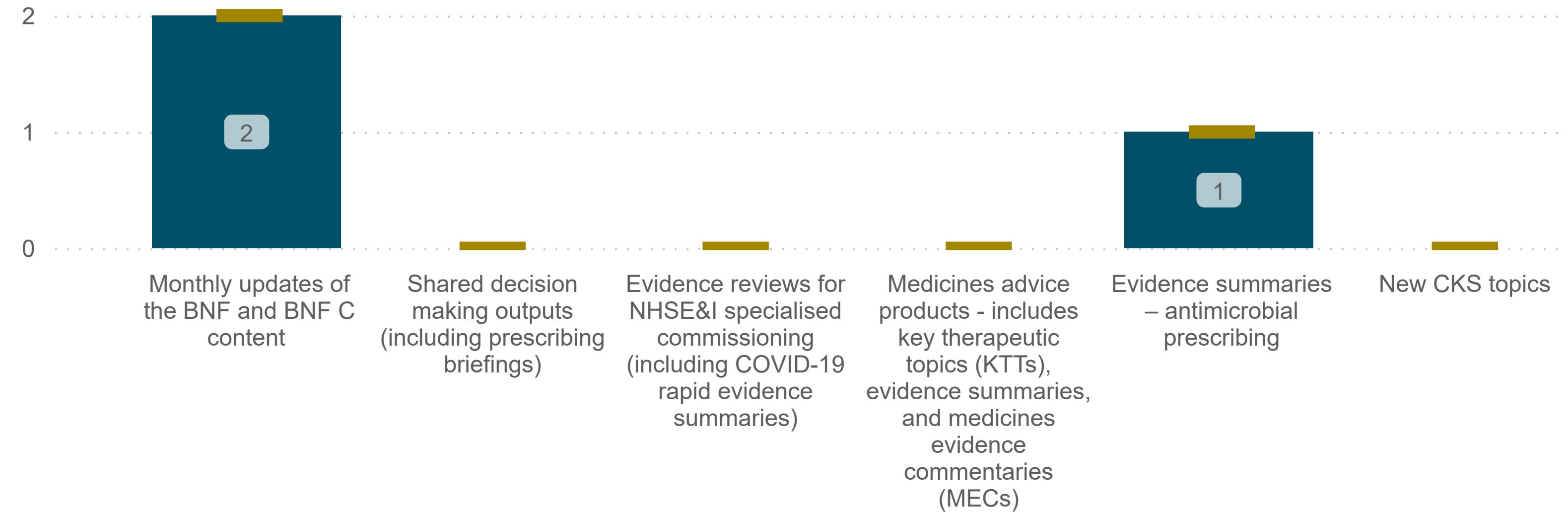
Guidance and supporting outputs - Summary 1st April 2021 - 31st May 2021

Life Sciences ecosystem

● YTD Actual ━ YTD Planned

Technology appraisals and highly specialised technologies guidance: 16
Interventional procedures guidance: 8
Diagnostics guidance
Medical technologies guidance
Medtech innovation briefings (MIBs): 4
Commercial briefing notes for NHSE&I to support discussions with companies: 6
Advice on 'Patient Access Schemes: 4
New data collection agreements: 2
Data collection projects and associated managed access agreement exits: 2

Comments

Medtech innovation briefings (MIBs)	There have been delays to some topics due to expert advice sourcing or to clarify content with draft MIB's. The published MIB output will return to meeting our year to date target by the end of August.
Commercial briefing notes for NHSE&I to support discussions with companies	The target is "up to" and dependent on referrals and requests from NHSE&I which can vary over time. NICE has responded to all requests received in the timeframe.
Advice on 'Patient Access Schemes	The target is "up to" and dependent on referrals and requests from NHSE&I which can vary over time. NICE has responded to all requests received in the timeframe.
New data collection agreements	(i) Fewer CHTE appraisals scheduled than originally planned in 2020/21 therefore fewer topics recommended for managed access; (ii) NICE Commercial and Managed Access function has engaged early with companies and NHSE&I to identify topics which might require new commercial flexibilities to support an assessment of cost-effectiveness. At the same time the NHSE&I Commercial Framework has created opportunities for new commercial flexibilities which have previously only been available via a managed access agreement between NHSE&I and companies. There are a higher proportion of topics being recommended for routine commissioning with other commercial flexibilities.

People

People 1st April 2021 - 31st May 2021

Output	Plan	Actual	Variance	On Target	Year- end forecast - RAG	Trend - plan in yellow	Comments
The rate of staff turnover	9.00%	9.60%	0.60%	⬇	🟢		Slightly above target for this report. We will continue to monitor
Budget Vacancy Rate	5.00%	10.20%	5.20%	⬇	🟡		Significant increase in recruitment in Q1 expected to close the gap during Q2 and Q3 - supported by additional interventions given challenging external environment
The proportion of WTE days reported as sickness (reported quarterly and annually).	2.30%	1.51%	-0.79%	⬆	🟢		

Finance

NICE National Institute for Health and Care Excellence

Financial position as at 31 May 2021

PAY

Variance
-£480,530 Underspend

● Pay Actuals ● Pay Budget

NON - PAY

Variance
-£227,850 Underspend

● Non-Pay Actuals ● Non-Pay Budget

INCOME

Variance
£233,190 Deficit
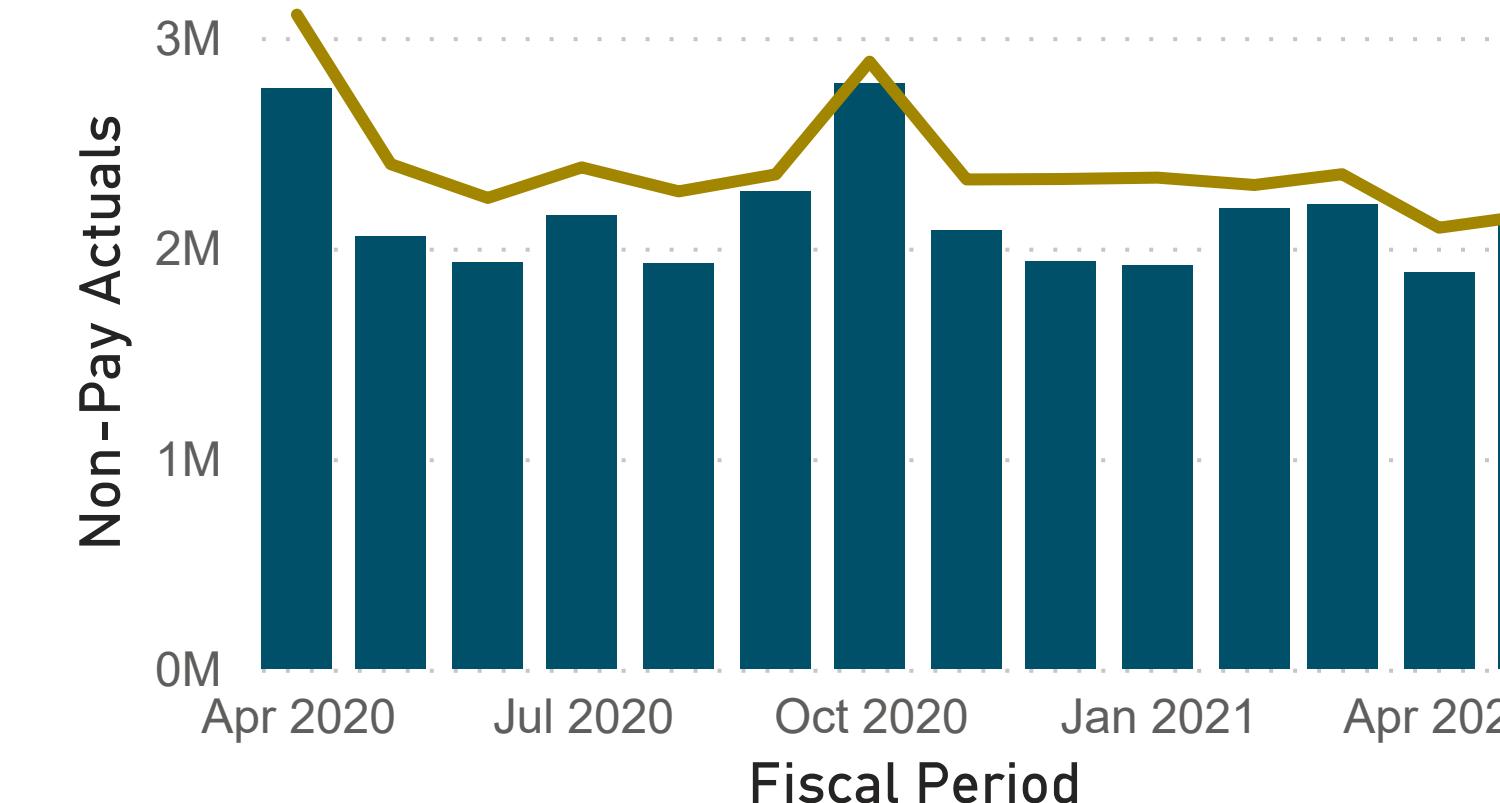
● Income Actuals ● Income Budget
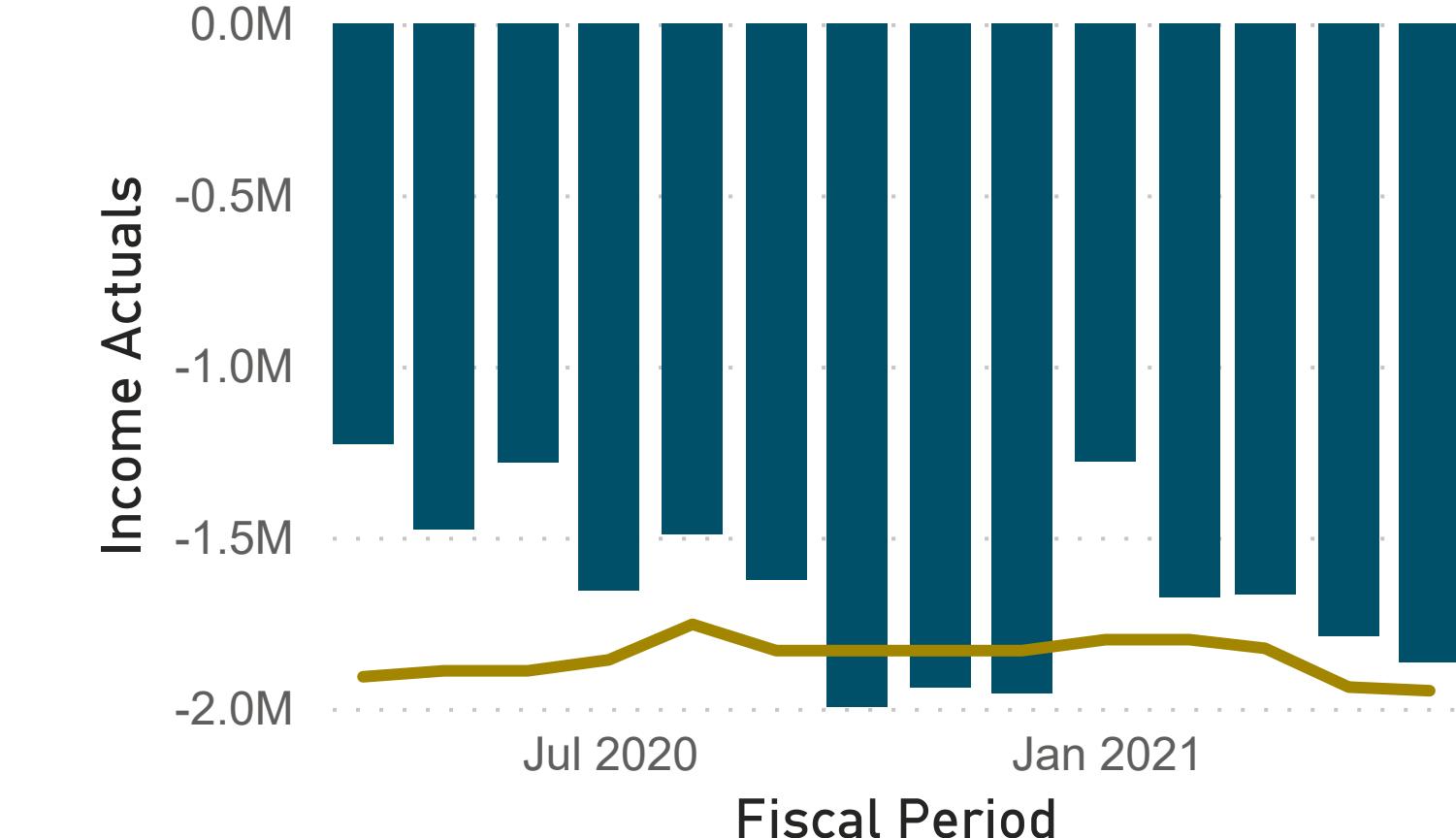
| Class	YTD Budget £000	YTD Actual £000	Variance YTD £000	First YTD Variance (%)
PAY	7,975	7,494	-481	-6%
NON-PAY	4,251	4,023	-228	-5%
INCOME	-3,889	-3,656	233	6%
Grand Total	8,337	7,862	-475	-6%

The main reason for the under spend is the number of vacancies in the first 2 months, with 101 vacancies as the end of May. A significant amount of recruitment is underway (with 43 active campaigns in May to recruit to 67 posts), but it will take time to fill these vacant posts. For budgeting purposes, we had assumed a 5% vacancy factor (approximately 40 posts).

The number of vacancies has a knock-on impact on capacity, including income generating teams. Total income is below plan for TA/HST income and NICE Scientific Advice, although other income sources are currently on target.

Non-pay underspends relate to low depreciation costs to date and uncommitted contingency reserves.

Forecast year-end position 2021-22

	£ M
Extrapolation of YTD (May) net outturn	47.20
Estimate pay growth during remainder of year	1.70
Digital Workplace programme (DWP)	1.60
BNF print and distribution costs (Oct 21)	0.70
Travel costs in second half of year	0.30
Other known pressures	0.90
Estimated net outturn	52.40
Net annual budget	54.40
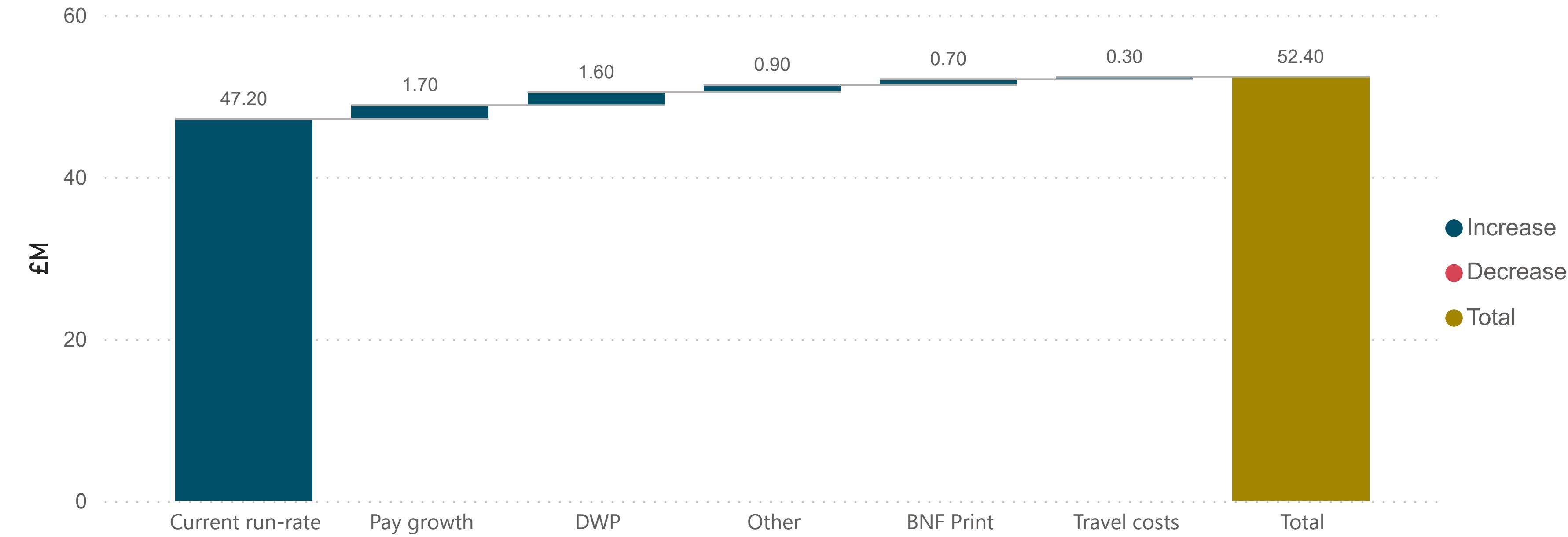
Variance (projected under spend)   2.00

Based on the current run-rate extrapolated to the end of the financial-year, along with estimates of additional expenditure we are likely to incur as shown in the table above, the forecast underspend for 2021-22 is £2.0m against a net budget of £54.4m.

This forecast will change throughout the year due to uncertainties and new cost pressures that may emerge. These uncertainties include:

 - the pace of recruitment and general turnover of staff may change the pay growth assumed above as we fill vacancies.
 - possible restructuring costs as part of the organisational development review and transformation
 - impact of vacancies / further Covid-19 description on income and expenditure (for example TA/HST income, travel costs)

The board will be updated on changes to the forecast out turn throughout the financial year.

![NICE National Institute for Health and Care Excellence]

Technology appraisal / Highly Specialised Technology Income

	Year-to-date Actuals £'000
Expenditure	1,808
Income	-1,588
Variance	220

TA/HST income and expenditure since April 2020
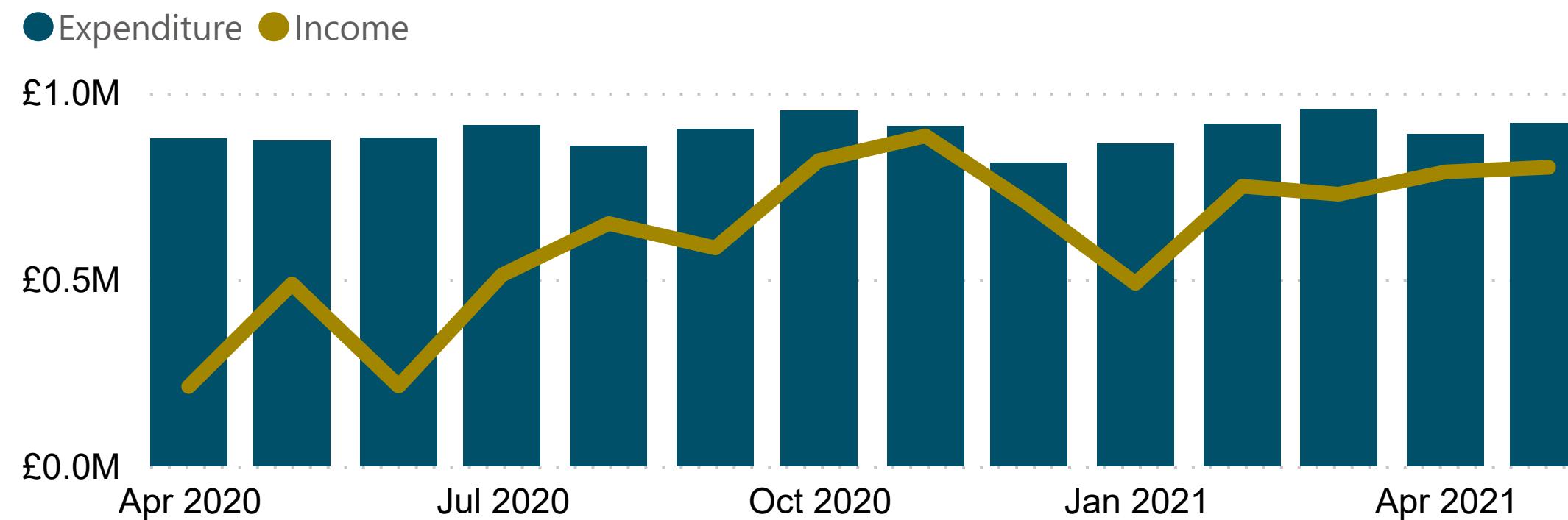
The TA/HST income target for 2021-22 is £10m. Based on the current trajectory the forecast income for 2021-22 is £9.0m.

In a continuation from 2020-21, income is still tracking lower than expenditure (12%), but the gap is narrowing. There may still be challenging period ahead due to capacity constraints that are slowing down throughput of some topics.

The dips in income shown in the previous year corresponds to reductions in capacity due to Covid-19 lockdowns.

NICE Scientific Advice Income

	Year-to-date Actuals £'000
Expenditure	384
Income	-305
Variance	79

NICE Scientific Advice income and expenditure since April 2020
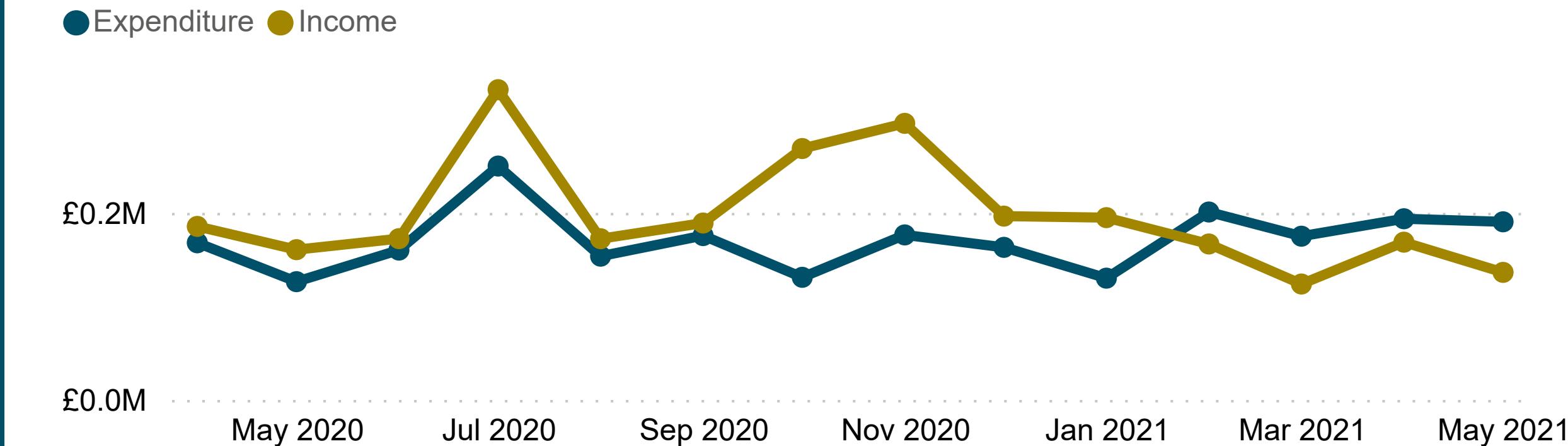
The NSA team is currently reporting a deficit.
Monthly income is currently tracking lower than in 2021-22, this is mainly due to staff turnover within the team.

Expenditure has increased compared to 2020-21, but this includes a significant increase in contributions to overheads and charge for use of NICE's intellectual property.

The capacity of the team is expected to increase later in the summer following recruitment, which should increase revenues. Further, a review of pricing due to changes in skill mix within the team has taken place and new prices will be implemented from July.