

National Institute for Health and Care Excellence

Integrated performance report

This report provides an update to the Board on the performance against our key performance indicators for the period 1 April to 30 September 2021, and a summary of progress with the objectives in the 2021/22 business plan.

The Board is asked to review the report.

Jennifer Howells

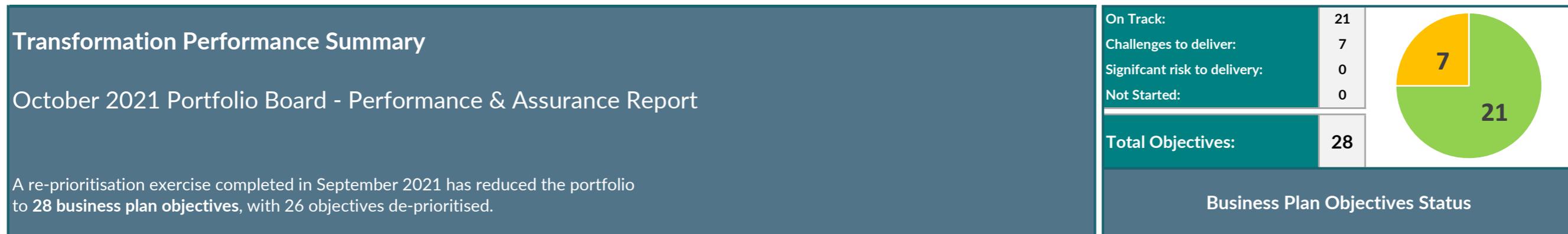
Director

Finance, Strategy and Transformation

November 2021



Pillar	Objective	Target	Status	Trend	Summary
Pillar 1	Speed up the evaluation pathway for medicines and devices.	Q2	On track to deliver	Upward	Service is operational with processes effective. 63 innovation passport applications received and 32 awarded, an increase of 23%. 8 target development profile applications received. The comms plan is complete, with a cross partner plan due by Q3. A pilot for an access tool across the 4 nations is close to launch.
	Publish evaluation methods and processes for health technology evaluations.	Q4	Risk to deliver	Stable	Public consultation completed on 13th October. To mitigate the risk associated with managing responses in a short turnaround time, additional resources have been identified to support this activity. Additional patient group and Medical Technologies Evaluation Programme (MTEP) focussed engagement held. Planning underway for implementation.
	Deliver phase 1 of a life sciences hub.	Q4	On track to deliver	Upward	Life sciences hub lead has been recruited on a fixed term basis. Website structure for the life sciences area has been finalised, with development on track for launching the revised web pages. Deloitte has been commissioned to support the life sciences hub strategy work for phase 2 activity.
Pillar 2	Adopt a new guideline authoring tool - MAGICapp.	Q2	On track to deliver	Stable	We have used a test and learn approach in adopting MAGICapp as a guideline authoring tool. A paper is planned for the board in January to outline the suitability and acceptability of MAGICapp as a structured guideline authoring tool to deliver NICE's vision for dynamic, living guidelines across health, social care and public health, presented in an interactive, digitalised format to meet the needs of our users and partners. This decision to use MAGICapp will take into account its utility as a development tool and as a publishing tool.
Pillar 3	State with system partners how our guidance adds value across the health and care system.	Q3	On track to deliver	Stable	Roundtable event held with partner ALBs. Agreed their role in promoting the use of NICE guidance and the key messages about benefits and expectations of using NICE guidance to share with the wider health care system. A brief has been produced to support development of an infographic helping to articulate this vision. A number of potential launch activities following completion of the initial aims of the objective are also being planned.
Pillar 4	Develop an initial framework for the use of real world data.	Q4	On track to deliver	Stable	A draft of the overarching framework has been developed. Engagement with stakeholders is planned, with a workshop focussing on data suitability assessment on 1st November. Positive progress is being made in developing collaboration agreements and protocols with Aetion and Flatiron.
Enabler	Digital Workplace - Initiate a 18 to 24 month rolling programme of work to deploy components of M365 including OneDrive and SharePoint.	Q1 and Ongoing	Minor challenges to deliver	Stable	Work on a second statement of work is underway and will include the build of a pilot on project spaces. Programme kick-off meeting in September a success and supported planning and roadmap activity. The scale of the programme remains challenging in the timeframe. Critical resourcing issues remain after several failed recruitments for key business change and programme support roles on fixed term contracts. One mitigation option may be to fund day rate contingent labour, but this will have a significant additional cost to the programme. If resourcing challenges are not rectified by Jan 2022 this will mean the programme faces severe impacts and will mean the programme status becomes 'red'.
Enabler	Organisational design (OD) review - Implement recommendations of organisational design review carried out in Q4 2020/21	Q3	Minor challenges to deliver	Stable	Recruitment for interim director posts is out to advert. Further engagement and contribution to organisational design work will continue ahead of the appointment of a new Chief Executive Officer (CEO). Permanent recruitment will commence in January. SCW have completed their contract, with ongoing work brought in house. A holistic view of organisational design requires input from the new CEO, however, directorate organisation design projects are commencing for CfG and CHTE. Deloitte skills capability mapping will complete in November. A tender is out for Culture development, and this will be awarded in November, with a plan developed in December. This should bring the work back on track.



Delivery Update			
	Objectives Update	Pillar Trend	Narrative
Strategic Pillar 1 Rapid, Robust and Responsive Technology Evaluation	7 Objectives 	Upward 	Good progress is being made under pillar 1. The multi-agency advice service (MAAS) project has completed its alpha phase and is submitting evidence for GDS assessment to move to beta. The Innovative Medicines Fund (IMF) consultation document has been finalised in readiness for public consultation. For managed access of medical technologies, the pilot for managing blood glucose levels in type 1 diabetes continues and working groups have been rationalised to release capacity. The International Strategy will be considered at the November Public Board. The collaboration agreement between UK, Australian and Canadian HTA agencies is making good progress. Our 3 high priority deliverables are on track.
Strategic Pillar 2 Dynamic, Living Guideline Recommendations	4 Objectives 	Stable 	An approach for determining priority areas for consolidated guidelines is being refined for agreement on 4 November. Delays continue with the 'gather insights and system intelligence' objective. A revised approach is to be presented to the programme delivery board in November 2021.
Strategic Pillar 3 Effective Guidance Uptake to Maximise our Impact	3 Objectives 	Stable 	Our health inequalities deliverable is on track with two collaborative projects progressing with NHS England and NHS Improvement including shared decision making in elective recovery. Implementation strategy development is progressing well, although the timeframe for completing is now March 2022, to align with recruiting the new Director of Engagement. A Board update is due in January 2022.
Strategic Pillar 4 Leadership in Data, Research and Science	6 Objectives 	Stable 	Work in developing a framework for the consideration of environmental impact in NICE guidance has started. NICE Listens has been established, with public engagement exercise on first topic 'health inequalities' started. An options appraisal for societal perspectives is in development. Discussion to enable NICE access to NHS Digital's Trusted Research Environment (TRE) service is underway.
Enabling the delivery of our strategy To strive for excellence, with an efficient and effective organisation that delivers our strategy	8 Objectives 	Stable 	Civica is developing a data management strategy and a CRM (customer relationship management) system analyst is developing mapping of the stakeholder existing CRM landscape to enable options for CRM in the future. Our committee equality survey has been completed and discussed with the NICE Equality & Diversity Group. 3 new staff networks have been initiated. The review of technology appraisal charging is slightly delayed aligning with DHSC expectations and NICE Board reporting dates. Cost improvement plan options were reviewed by ET and contingency options are being considered to bridge potential gaps. A proposal for automating committee recruitment using the Trac system has been produced.

Key - Objectives Pie Charts:

- Complete (Blue)
- On track to deliver (Green)
- Challenges to deliver, confident of mitigation actions (Yellow)
- Significant risk to delivery and limited confidence in mitigations (Red)
- Not yet started (Grey)

Guidance and supporting activity

Guidance and supporting outputs - Summary 1st April 2021 - 30th September 2021

Guidelines ecosystem

● YTD Actual — YTD Planned



Information ecosystem

● YTD Actual — YTD Planned



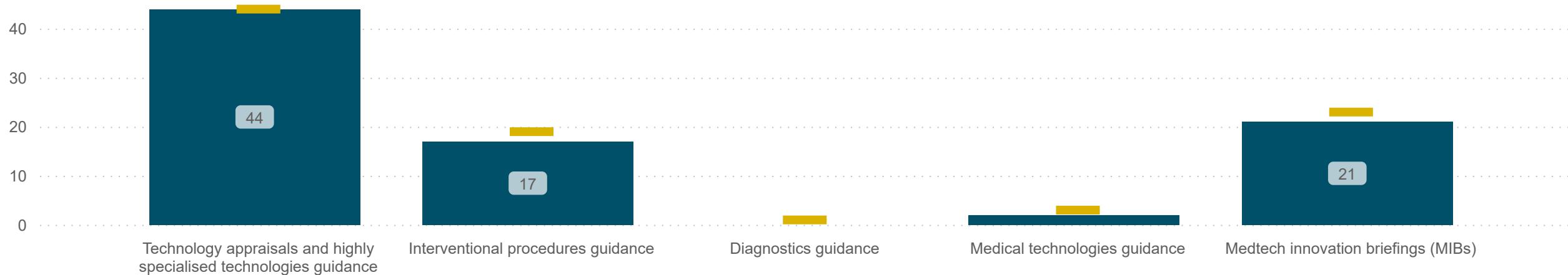
Comments

Guidelines Standard and interactive	Sept publication, Heart Valve disease, is delayed due to comments at consultation challenging modelling assumptions. NICE has conducted further cost effectiveness analyses. The expected publication date is now 17 November 2021 and the YTD forecast remains unchanged.
Guidelines Surveillance reviews	More Guidelines Surveillance reviews have been produced than was originally planned. This is due to more exceptional Guidelines Surveillance reviews being produced as a result of changes to the evidence base underpinning guidelines.
Shared decision making outputs (including prescribing briefings)	The outputs included in this target are produced by multiple teams and are dependent on various factors, including whether guideline or TA committees make recommendations which include preference-sensitive decisions and a decision aid or options comparison table to support shared decision making is appropriate. The year-end forecast for this KPI is 7.
Evidence reviews for NHSE&I specialised commissioning (including COVID-19 rapid evidence summaries)	The target is fully dependent on referrals from NHSE&I which can vary over time. NICE has responded to all requests received in the timeframe. The year-end forecast would now be 6 at the most, but that would still be dependent on receiving 2 more referrals from NHSE before mid-January 2022.
Medicines advice products - includes key therapeutic topics (KTTs), evidence summaries, and medicines evidence commentaries (MECs)	There is no longer an active programme of work for KTTs and evidence summaries, in line with the new medicines optimisation team strategy. We are currently looking for an alternative platform for MECs and in the meantime we have prioritised only the 4 annual MHRA safety alert MECs. The year-end forecast for this output is 5.
New CKS topics	CKS topics are planned for delivery towards the end of the year. Some are dependent on the delivery of foundational guidelines. One of the planned topics has been deferred to next year due to the revised timescale for the pressure ulcer guideline.

Guidance and supporting outputs - Summary 1st April 2021 - 30th September 2021

Life Sciences ecosystem

● YTD Actual — YTD Planned



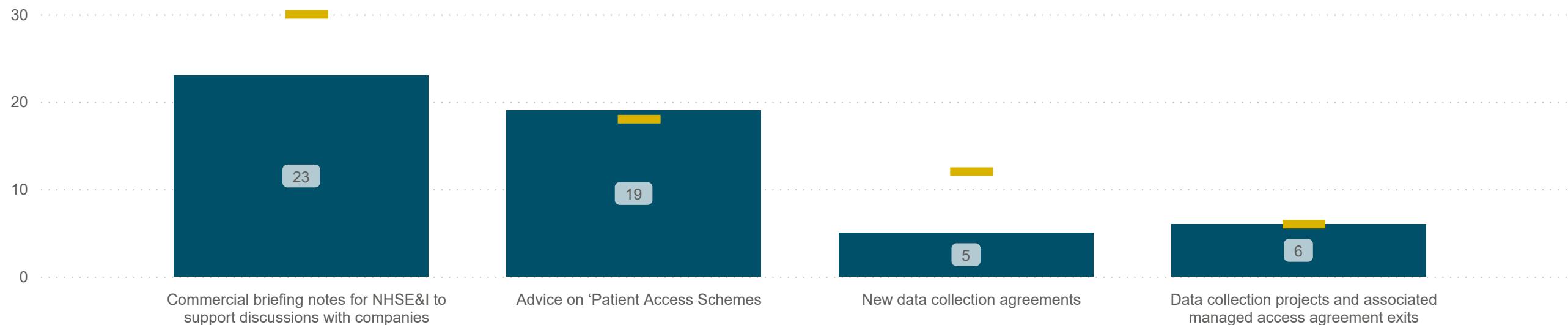
Comments

Technology appraisals and highly specialised technologies guidance	Despite capacity issues the programmes have published 44 pieces of guidance and remain on track to publish 98 pieces of guidance by 31 March 2022, although this is expected to be achieved by a higher proportion of terminated appraisals than was signalled in the business plan, impacting income recognition.
Interventional procedures guidance	Two topics have been delayed, due to the need to address the issues raised at resolution and the second committee meeting respectively. Revised publication dates for both pieces of guidance is TBC.
Diagnostics guidance	The programme was unable to launch new topics for several months in 2020 either due to the pandemic or as a result of insufficient numbers of topics being routed to the programme. The programme is now on track to publish 4 pieces of diagnostics guidance this financial year, 36% of the business plan target of 11. One topic has been delayed due to additional modelling work requested by the committee, and another has been delayed due to resolution requests received.
Medical technologies guidance	We expect to publish 11 pieces of guidance against the target of 14 with 6 topics planned for delivery in Q4. Two topics that have recently gone through committee are delayed and will not publish this financial year. Another topic is returning to the TSOP panel for re-routing and will not publish this financial year. While another is suspended due to the Healthcare Safety Investigation Board (HSIB) report.
Medtech innovation briefings (MIBs)	Although we are slightly behind target at this point; a lack of analyst capacity has the potential to affect our ability to achieve our target of 46 MIBs in the financial year. The team are working to address this reduced capacity by using the External Assessment Centres.

Guidance and supporting outputs - Summary 1st April 2021 - 30th September 2021

Life Sciences ecosystem

● actual — planned



Comments

Commercial briefing notes for NHSE&I to support discussions with companies	The target is "up to" and dependent on referrals and requests from NHSE&I which can vary over time. NICE has responded to all requests received in the timeframe.
Advice on 'Patient Access Schemes'	The target is "up to" and dependent on referrals and requests from NHSE&I which can vary over time. NICE has responded to all requests received in the timeframe.
New data collection agreements	We have delivered 100% of MAAs for topics recommended for managed access. The target is "up to" and is dependent on various external factors, including whether NICE TA Committees make any recommendations for managed access, data collection feasibility and successful commercial negotiations between companies and NHSE&I

People

People 1st April 2021 - 30th September 2021

Output	Plan	Actual	Variance	On Target	Year- end forecast - RAG	Trend - plan in yellow April 2021 - September 2021	Comments
	▼				●		
The rate of staff turnover	9.00%	10.64%	1.64%	⬇	●		82 leavers in the 12 months from 1st October 2020 – 30th September 2021. Most of our leavers were voluntary resignations (61), we had 1 death in service, 1 dismissal and 1 redundancy, 10 leavers were at the end of a fixed term contract and 8 people took retirement. The highest percentage of leavers were from CHTE (25%) followed by FST (22%) and CfG (21%). Leavers by length of service had an average of 5yr6m service. 55% of leavers completed an exit interview (for the period Feb 2020 – Sep 2021) most leavers cited career progression as a reason to leave, 22% said they felt they had the tools, resources and working conditions to do their role (64% were not stated), 46% answered No to the question do you feel your skills were fully utilised in your role.
Budget Vacancy Rate	5.00%	9.40%	4.40%	⬇	●		The number of vacancies has fallen since July, reducing from 92fte to 75fte. This is mainly due to 32 new starters in August and September, although this was offset by 15 leavers in the same period. Those actively recruited in this period are 129 offers and 102 starts.
The proportion of WTE days reported as sickness (reported quarterly and annually).	2.30%	1.81%	-0.49%	⬆	●		40% of sickness absences was due to anxiety/stress/depression/other psychiatric illnesses, followed by 30% due to Cough/Cold/Flu, Infectious Diseases and Chest/Respiratory reasons (which were the main symptoms recorded for COVID related illnesses).

Finance

Overall, the year-to-date position for month 6 was an underspend of £773k.

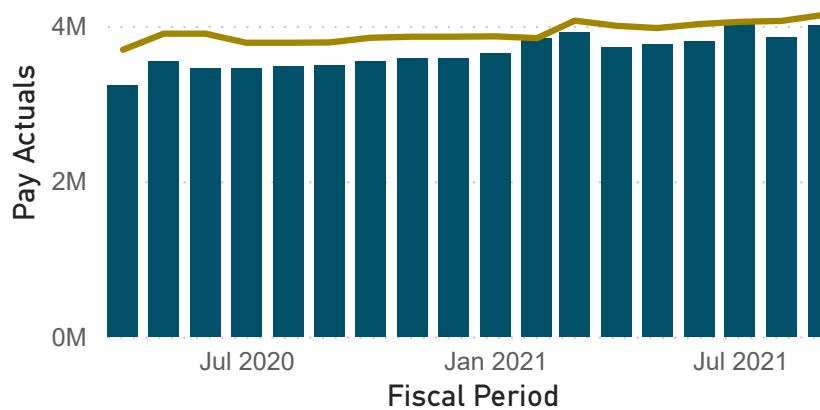
Financial position as at 30 September 2021

YTD PAY

Variance

-£1,056,000 Underspend

● Pay Actuals ● Pay Budget

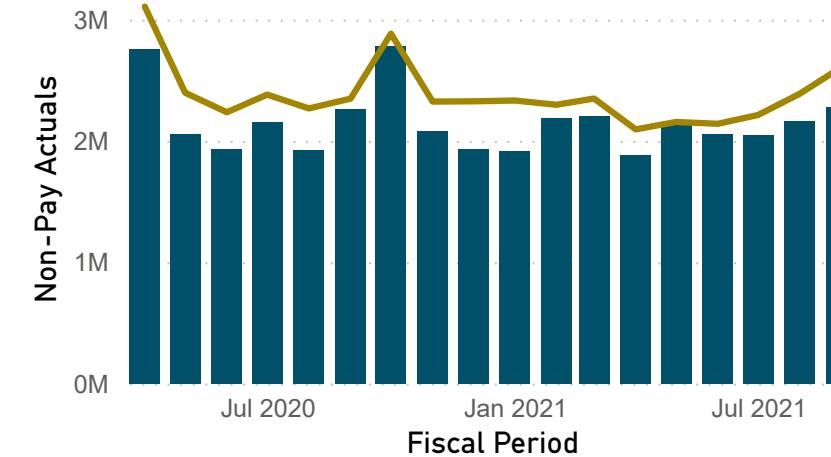


YTD NON - PAY

Variance

-£1,029,000 Underspend

● Non-Pay Actuals ● Non-Pay Budget

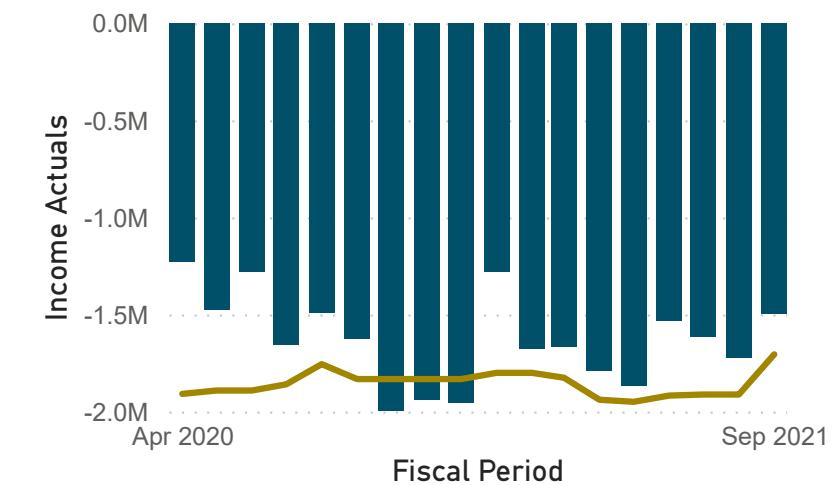


YTD INCOME

Variance

£1,312,000 Deficit

● Income Actuals ● Income Budget



	Year-to-date Budget £000	Year-to-date Actual £000	Year-to-date Variance £000	Year-to-date Variance %
PAY	24,260	23,204	-1,056	-4%
NON-PAY	13,602	12,573	-1,029	-8%
INCOME	-11,336	-10,025	1,312	12%
Grand Total	26,525	25,752	-773	-3%

Vacancies continue to be a significant cause of the year-to-date underspend with 75wte vacancies at the end of September against the business plan headcount of 801wte'. Recruitment continues to move rapidly with 47 active (pre start date agreed) recruitment campaigns to recruit to 50.4 wte. For budgeting purposes we have assumed a 5% vacancy factor (approximately 40 posts)

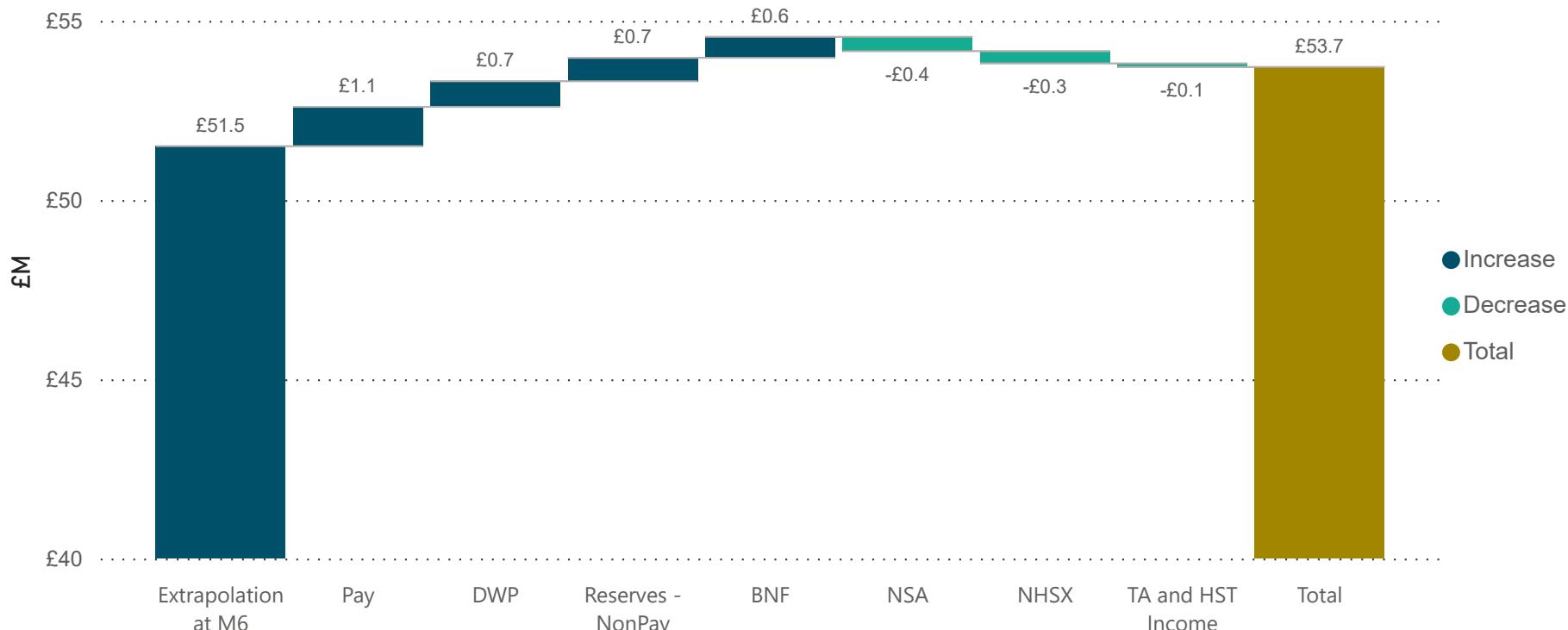
The number of vacancies has a knock-on impact on capacity, including income generating teams.

Total income is below plan for TA/HST income and NICE Scientific Advice, although other income sources are currently on target. It is anticipated TA and HST income will continue at current levels for the remainder of the year.

Non-pay underspends relate to low depreciation costs to date, slippage in the Digital Workplace programme, and uncommitted contingency reserves.

Forecast year-end position 2021-22

	£M
Extrapolation of YTD (Sept) net outturn	51.5
Estimate pay growth during remainder of year	1.1
Digital Workplace programme (DWP)	0.7
BNF print and distribution costs (Oct 21)	0.6
Reserves - Non Pay	0.7
Income (NSA)	-0.4
TA Income	-0.1
Income (NHSX)	-0.3
Estimated net outturn	53.7
Net annual budget	54.6
Variance (projected under spend)	0.9



Based on the current run-rate extrapolated to the end of the financial-year, along with estimates of additional expenditure / income we are likely to incur / receive, as shown in the table above, the forecast underspend for 2021-22 is £0.9m against a net budget of £54.6m

Key adjustments to the extrapolation at month 6 are:

Pay - includes planned recruitments for the remainder of the year, plus assumed growth in establishment with a corresponding reduction in the current vacancy rate.

Digital Workplace - in line with new profile of spend and agreed work plan

Reserves - Non Pay - committed expenditure in the remainder of the financial year over current extrapolation.

Income - NHSX monies recognised from July.

Income - NSA improved position from October as a result of recruitment and pricing re-structure

Income - TA and HST expected improvement in forecast from M6 in line with £8.5m forecast outturn.

This forecast may change 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 disruption on income and expenditure (for example TA/HST income, travel costs)
- further commitments to expenditure funded from Reserves
- the pace of progress on the Digital Workplace programme

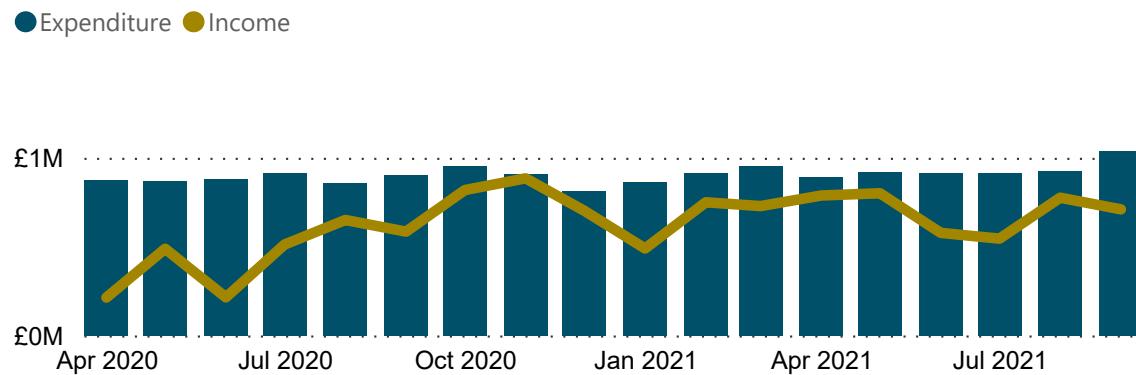
Following the pay award agreement, YTD actuals include the agreed 3% pay award, back dated to April 2021.

The board will be updated on changes to the forecast outturn throughout the financial year

Technology Appraisal / Highly Specialised Technology Income

	Year-to-date Actuals £'000
Expenditure	5,600
Income	4,196
Variance	1,404

TA/HST income and expenditure since April 2020



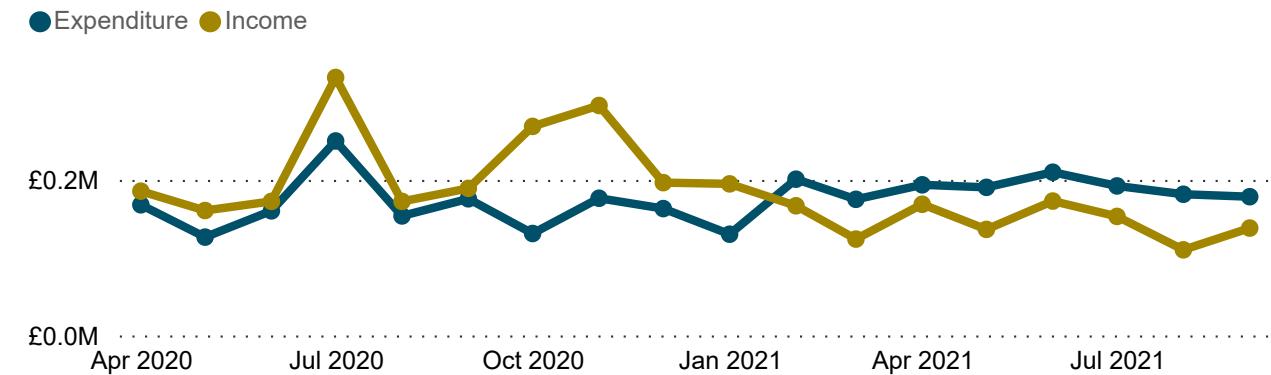
The TA/HST income target for 2021-22 is £10m. This target was set lower than the estimated full cost of the programme (estimated to be £11m at the start of the year). This was partly in recognition of the discount for small companies, but mostly because of the disruption caused by Covid -19 and vacancies, and the double impact this was expected to have on the programme.

However, income was £4.2m (£0.8m below plan) at the mid-year point due to capacity constraints in the TA/HST team. Similar levels of income are expected in the latter half of the year, and the forecast is for £8.5m to be recognised in 2021-22.

NICE Scientific Advice Income

	Year-to-date Actuals £'000
Expenditure	1,146
Income	879
Variance	267

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, which is mainly due to staff turnover within the team.

The capacity of the team is expected to increase later in the year following recruitment, which should increase revenues. Further, a review of pricing has taken place due to changes in skill mix within the team and recent pay award, and as a result new prices have been implemented from July, improving the forecast outturn.