

## **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 July 2021.

The Board is asked to review the report.

Jennifer Howells

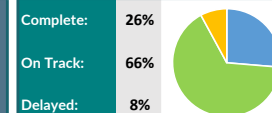
Director

Finance, Strategy and Transformation

September 2021

# High Priority Objectives Status 21/22

## July 2021 Performance & Assurance Report



92%

Milestone Overview

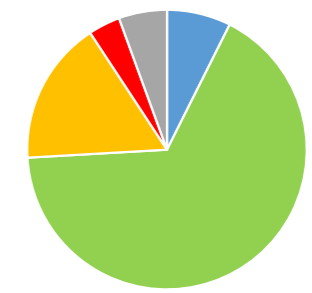
Percentage On Track (Milestones)

Pillar	Objective	Target	Status	Trend	Summary
Pillar 1	Speed up the evaluation pathway for medicines and devices.	Q2	Minor challenges to deliver	Downward (Minor)	The Innovative Licensing and Access Pathway (ILAP) service is operational with 50 innovation passport applications received and 26 awarded. Data sharing processes are in place although an update to the MHRA and NICE framework agreement is required. Minor delays relate to the framework agreement and the development of an external communications plan.
	Publish evaluation methods and processes for health technology evaluations.	Q4	Risk to deliver	Stable	Public consultation has launched as planned. The amber rating relates to the risk associated with managing potential consultation responses in a short turnaround time.
	Deliver phase 1 of a life sciences hub.	Q4	On track to deliver	Upwards	The revamp of our current life sciences page is on track. Three procurements are being initiated to support the delivery of an enhanced life sciences hub for our life sciences offer.
Pillar 2	Adopt a new guideline authoring tool - MAGICapp.	Q2	On track to deliver	Stable	Internal user research has been undertaken. Planning for the Application Programme Interface (API) for MAGICapp has been undertaken to facilitate the interface between NICE and MAGICapp tools.
Pillar 3	State with system partners how our guidance adds value across the health and care system.	Q3	On track to deliver	Upwards	Roundtable events have been scheduled to agree with partners core guidance types, their status in the system and expectations around their use.
Pillar 4	Develop an initial framework for the use of real world data.	Q4	On track to deliver	Stable	Plans for an initial framework have been presented to committee chairs.
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	Downward (Minor)	An implementation partner has been appointed. Resource issues are proving challenging with some unsuccessful recruitment campaigns. Interim support arrangements are being explored and a new programme manager has been appointed.
Enabler	Organisational design review - Implement recommendations of organisational design review carried out in Q4 2020/21	Q3	Minor challenges to deliver	Stable	The organisational change programme to support the delivery of our strategy is in progress and Interim Chief People Officer has been appointed and taken up post. Project work on skills mapping and the 'new world of work' is underway. Culture work has been rescheduled to prioritise focus on organisational change.

# Transformation Performance Summary

## July 2021 Performance & Assurance Report

Complete:	4
On Track:	36
Challenges to deliver:	9
Significant risk to delivery:	2
Not Started:	3



**Total Objectives: 54**

### Business Plan Objectives Status

#### Delivery Update

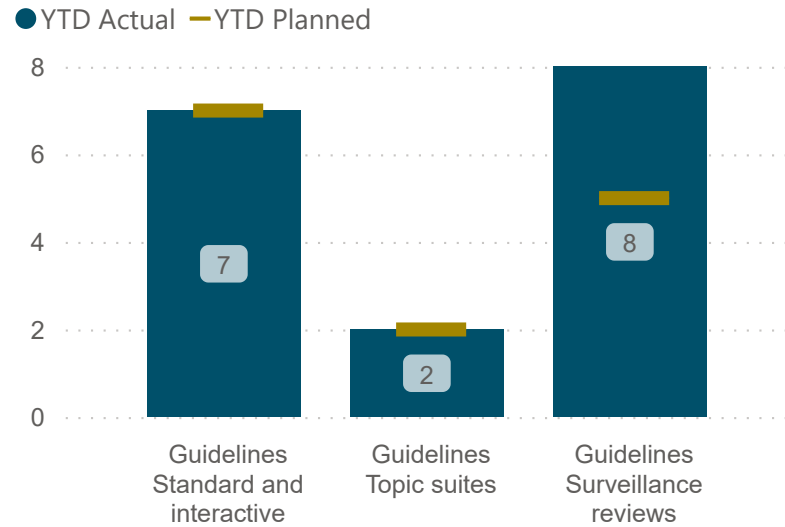
	Objectives Update	Pillar Trend	Narrative
<b>Strategic Pillar 1</b> Rapid, Robust and Responsive Technology Evaluation	8 Objectives 	 Upward	Good progress is being made under pillar 1. The London School of Economics (LSE) joint masters programme has launched with lectures commencing in late June. The life sciences hub delivery date has been extended by a quarter to include an additional phase to focus on the long-term strategy of our offer and the needs of users.
<b>Strategic Pillar 2</b> Dynamic, Living Guideline Recommendations	7 Objectives 	 Stable	Our priority deliverable for adopting a new guideline authoring tool is on target. Collaboration with Cochrane has been agreed to support quicker and more flexible guideline development processes. There is a delay to the 'gather insights and system intelligence' objective due to the organisational changes.
<b>Strategic Pillar 3</b> Effective Guidance Uptake to Maximise our Impact	7 Objectives 	 Upward	The 'state with partners how our guidance adds value across the system' objective has been extended by a quarter to enable roundtable discussions to take place outside of the main holiday season. Implementation strategy development is on track and the patient safety proposal was presented to ET in August.
<b>Strategic Pillar 4</b> Leadership in Data, Research and Science	8 Objectives 	 Upward	Plans for the use of real-world data and "NICE Listens" are on track. Options to consider wider societal perspectives in NICE evaluations are on track with a paper due in Q3.
<b>Enabling the delivery of our strategy</b> To strive for excellence, with an efficient and effective organisation that delivers our strategy	24 Objectives 	 Downward (Minor)	There are minor delays for management of contacts data and deploying a Customer Relationship Management (CRM) system, due to capacity. Equality and diversity committee listening events and surveys are underway with positive numbers responding and the NICE Equality and Diversity Group has been reconstituted including a Non-Executive Director. There are minor delays with the review of priority business support functions due to prioritisation of organisational changes and the integrated performance report.

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

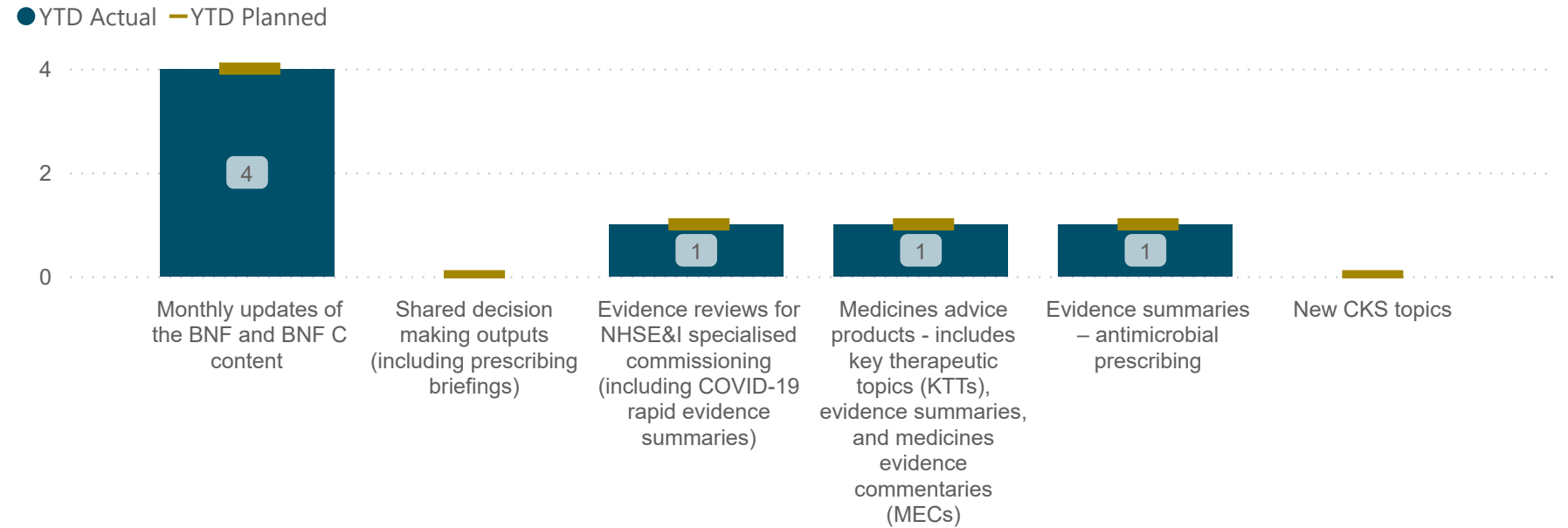
# Guidance and supporting activity

## Guidance and supporting outputs - Summary 1st April 2021 - 31st July 2021

### Guidelines ecosystem



### Information ecosystem



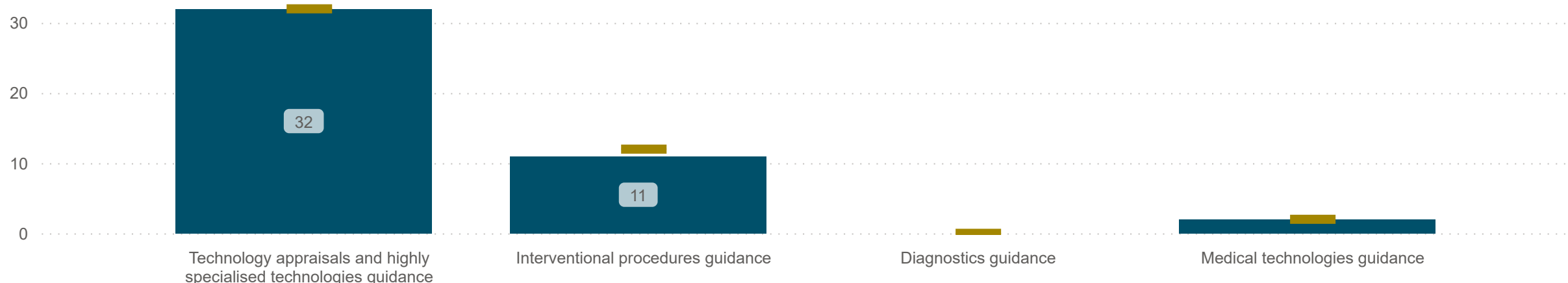
### Comments

**Guidelines Surveillance reviews** More surveillance reviews were produced compared with target. This is due to more exceptional surveillance reviews being produced as a result of changes to the evidence base underpinning guidelines.

## Guidance and supporting outputs - Summary 1st April 2021 - 31st July 2021

### Life Sciences ecosystem

● YTD Actual — YTD Planned



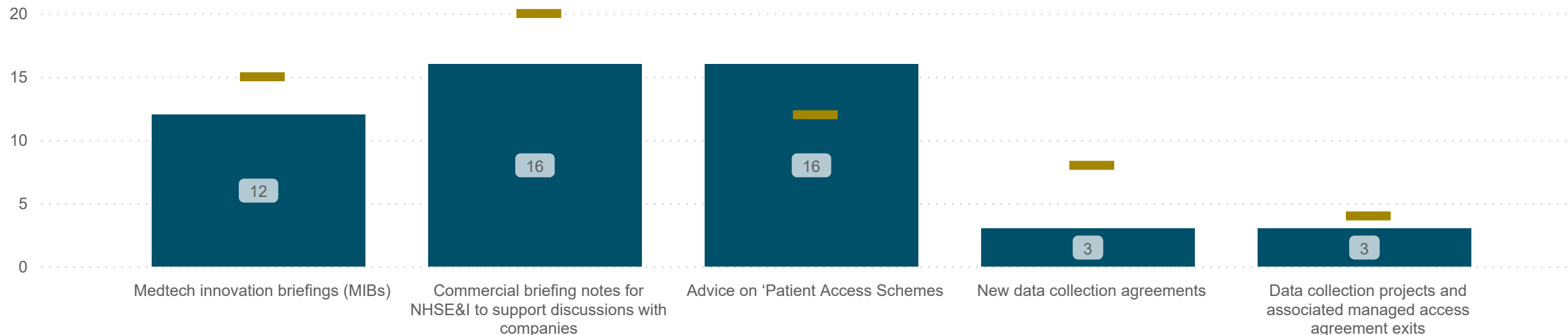
### Comments

Technology appraisals and highly specialised technologies guidance	The TA and HST work programme is extremely fluid and every year we overschedule the work programme to account for topics that will be delayed or stop due to regulatory issues. As a result of moving topics from the work programme, capacity issues are not expected to begin having an impact on publications until later in the business year, with most of the impact in 2022-23. Despite capacity issues the programmes have published 32 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.
Interventional procedures guidance	IP742 delayed due to process query - new proposed publication September 2021
Diagnostics guidance	The diagnostics assessment programme (DAP) 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 assessment of PIGF-based testing to help diagnose suspected pre-eclampsia (update of DG23) has been delayed due to additional modelling work requested by the Diagnostic Assessment Committee at the first committee discussion. The programme is now on track to publish 4 pieces of diagnostics guidance this financial year, 36% of the business plan target.
Medical technologies guidance	Sleepio for adults with difficulty sleeping was due to publish in August 2021 but has been delayed to February 2022. This is due to additional External Assessment Centre (EAC) work required on the economic model requested by Committee. The development of Novii Wireless Patch System for maternal and fetal monitoring is suspended due to the Healthcare Safety Investigation Board (HSIB) report and the need to update Intrapartum care for healthy women and babies (CG190). The guidance, UroLift for treating lower urinary tract symptoms of benign prostatic hyperplasia (MTG58), was due to publish in July 2021 but published early in May 2021. The year end forecast is Amber as we are unlikely to publish the full number of topics due to several topics selected by the Topic Selection Oversight Panel (TSOP) being unsuitable for MTG development due to the value proposition or other factors such as Novii and the HSIB report.

## Guidance and supporting outputs - Summary 1st April 2021 - 31st July 2021

### Life Sciences ecosystem

● YTD Actual — YTD Planned






### Comments

Medtech innovation briefings (MIBs)	There have been delays to some topics due to expert advice sourcing or to clarify content with draft MIBs. The 3 delayed MIBs will publish by the end of August 2021 bringing us back on target to publish 46 MIBs by the end of the year.
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	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  June/July figures: 3 data collection agreements in development have been paused as ACDs were released to enable further time for commercial negotiations between NHSE and the companies - these topics are likely to have recommendations for managed access or routine commissioning in the Autumn.
Data collection projects and associated managed access agreement exits	The timing of planned exits from managed access is being impacted by multiple external factors: CHTE capacity and scheduling; delayed real-world data collection due to Covid-19; later reporting timelines for clinical trials; and adjustments to data collection timelines to address evidential uncertainties

# People



## People 1st April 2021 - 31st July 2021

Output	Plan	Actual	Variance	On Target	Year- end forecast - RAG	Trend - plan in yellow April 2021 - July 2021	Comments
The rate of staff turnover	9.00%	9.84%	0.84%	↓	●		Slightly above target for this report. We will continue to monitor
Budget Vacancy Rate	5.00%	10.30%	5.30%	↓	●		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%	1.73%	-0.57%	↑	●		

# Finance

Financial position as at 31 July 2021

Overall, the year-to-date position for month 4 was an underspend of £276,225.

**YTD PAY**

Variance

**-£711,000** Underspend

**YTD NON - PAY**

Variance

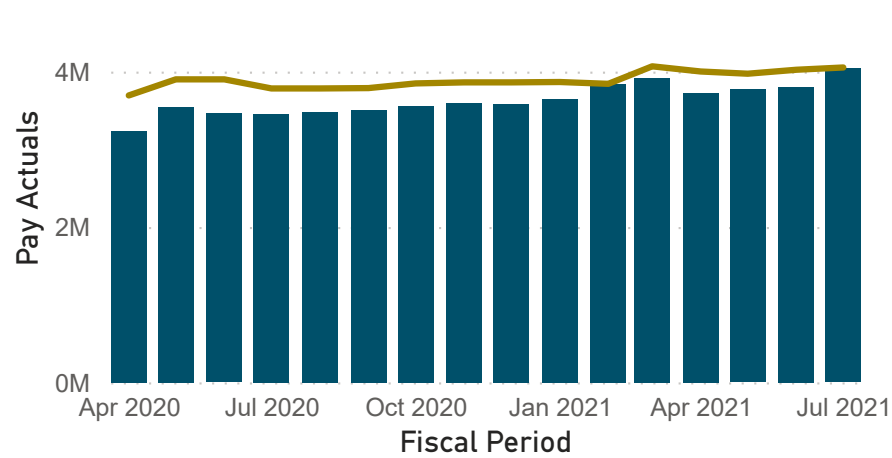
**-£478,000** Underspend

**YTD INCOME**

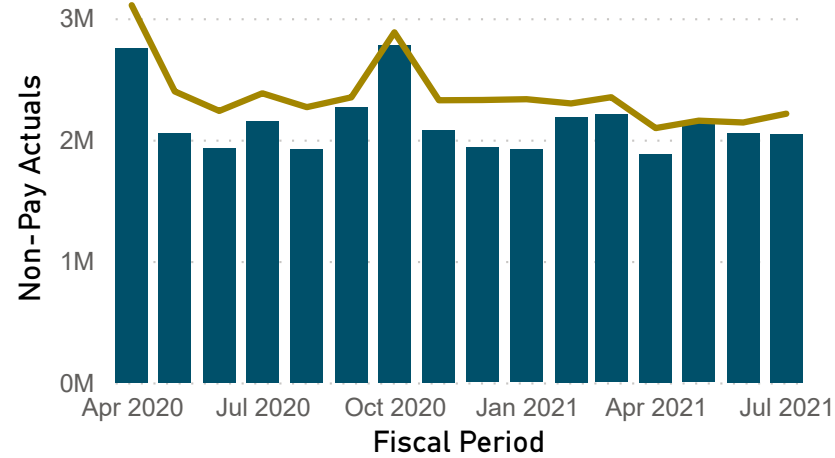
Variance

**£913,000** Deficit

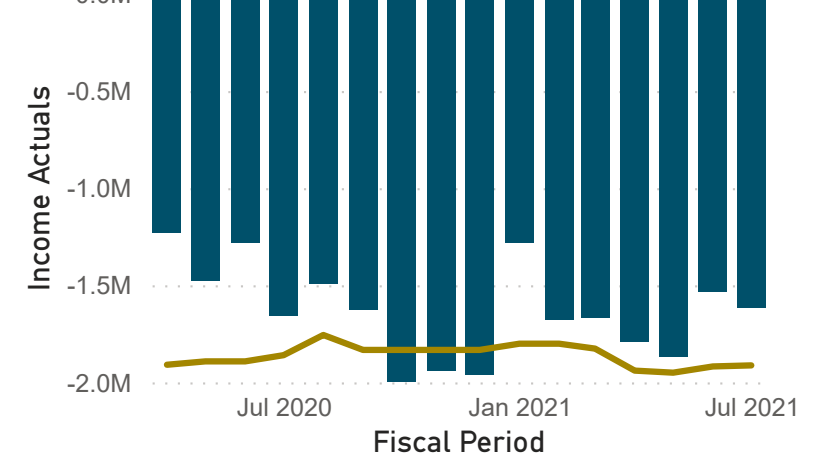
● Pay Actuals ● Pay Budget



● Non-Pay Actuals ● Non-Pay Budget



● Income Actuals ● Income Budget



	Year-to-date Budget £000	Year-to-date Actual £000	Year-to-date Variance £000	Year-to-date Variance %
PAY	16,052	15,341	-711	-4%
NON-PAY	8,605	8,127	-478	-6%
INCOME	-7,719	-6,806	913	12%
Grand Total	16,939	16,662	-276	-2%

Vacancies continue to be the main reason for the year-to-date underspend with 92 vacancies at the end of July. Recruitment continues to move rapidly with 50 active (pre start date agreed) recruitment campaigns to recruit to 72 posts. For budgeting purposes we have assumed a 5% vacancy factor (approximately 40 posts)

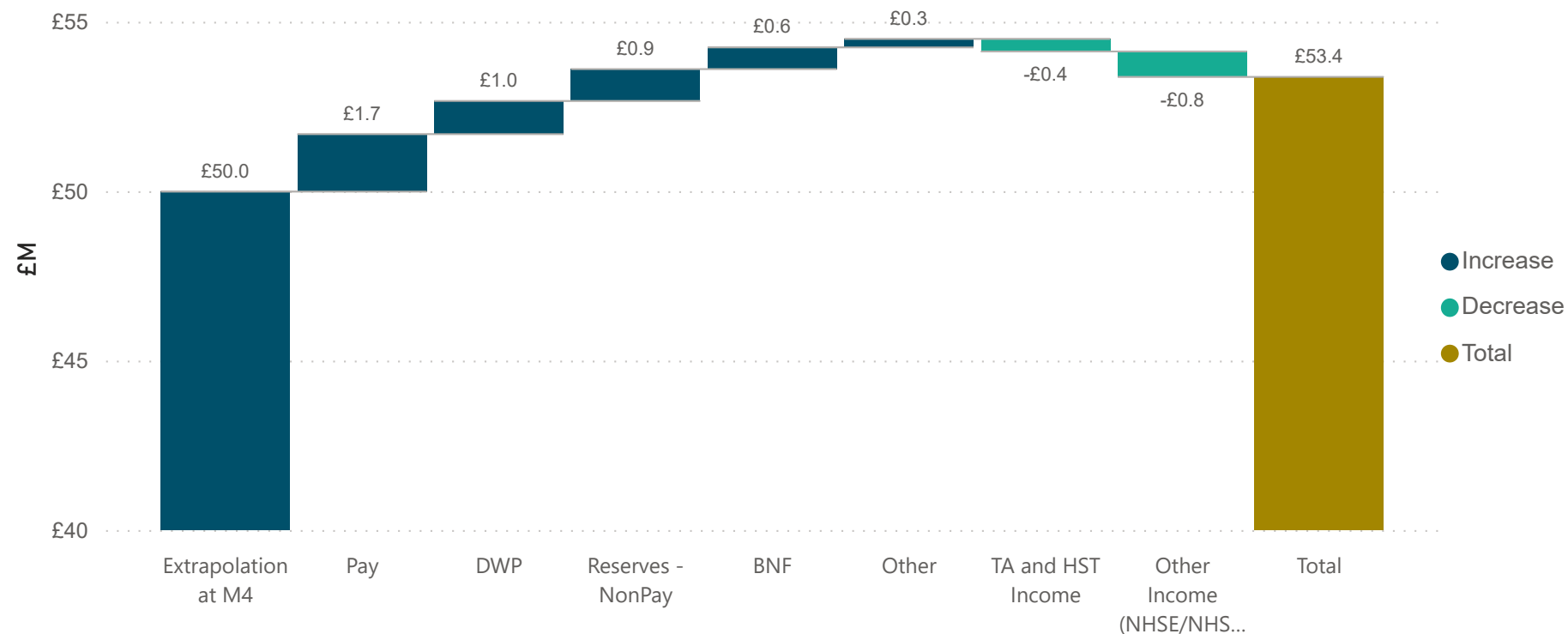
The number of vacancies has a knock-on impact on capacity, including income generating teams.

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 improve in the remainder of the financial year.

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

## Forecast year-end position 2021-22

	£ M
Extrapolation of YTD (July) net outturn	50.0
Estimate pay growth during remainder of year	1.7
Digital Workplace programme (DWP)	1.0
BNF print and distribution costs (Oct 21)	0.6
Reserves - Non Pay	0.9
Other Pressures	0.3
TA Income	-0.4
Other Income (NHSE/NHSX)	-0.8
Estimated net outturn	53.4
Net annual budget	54.3
Variance (projected under spend)	0.9



Based on the current run-rate extrapolated to the end of the financial-year, adjusted for expected changes in expenditure and income, as shown in the table above, the forecast underspend for 2021-22 is £0.9m against a net budget of £54.3m

Key adjustments to the extrapolation at month 4 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 the business case planned expenditure, adjusting extrapolated expenditure of £0.9m.

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

**Other Income** - NHSX income recognised from July.

**TA and HST Income** - expected improvement in forecast from M5 in line with £8.5m forecast outturn.

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 disruption on income and expenditure (for example TA/HST income, travel costs)
- further commitments to expenditure funded from Reserves

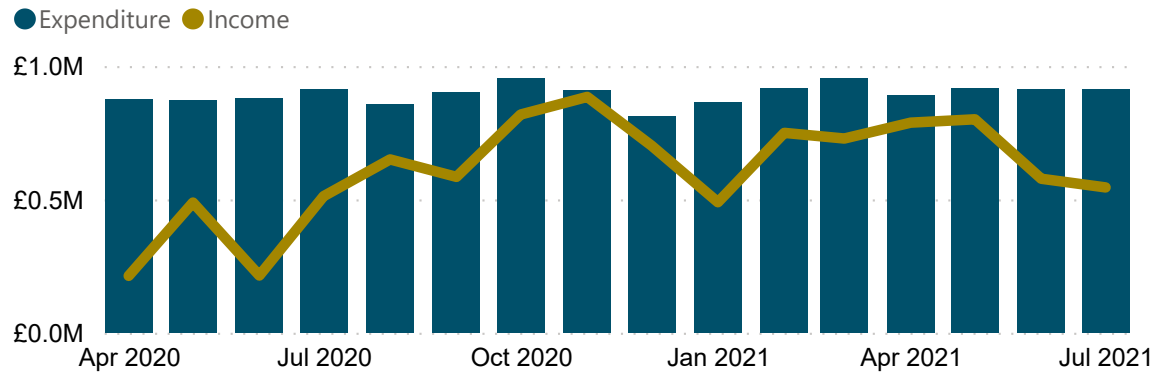
Following the pay award agreement, the forecast and YTD actuals now include the proposed 3% pay award, back dated to April 2021 (additional £0.9m)

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

## Technology Appraisal / Highly Specialised Technology Income

	Year-to-date Actuals £000
Expenditure	3,634
Income	-2,711
Variance	923

TA/HST income and expenditure since April 2020



The TA/HST income target for 2021-22 is £10m. The YTD income variance is an under recovery of £0.7m against plan.

Based on an anticipated improvement in performance for the remainder of 2021-22, the expected TA/HST income forecast outturn is a total of £8.5m.

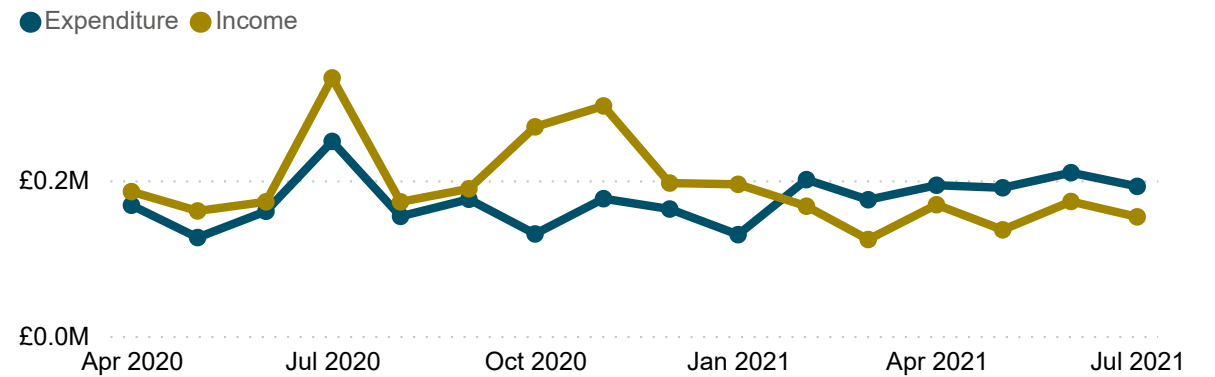
In a continuation from 2021-22, income is still tracking lower than expenditure (25%) due to capacity constraints that are slowing down throughput of some topics.

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

## NICE Scientific Advice Income

	Year-to-date Actuals £'000
Expenditure	786
Income	-631
Variance	155

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 summer following recruitment, which should increase revenues. Further, a review of pricing has taken place due to changes in skill mix within the team and as a result new prices have been implemented from July, improving the forecast outturn.