

Integrated performance report

December 2022

NICE National Institute for
Health and Care Excellence



Summary

Area	Confidence in achieving targets at year end	Comments
Transformation		Progress continues on the business plan priorities that seek to deliver our ambition to focus on what matters most, create advice that is useful and usable, and to be an organisation as brilliant as the people in it. The business plan priorities on early value assessment of medtech and transforming the way we work are rated green; the priorities on digital living guidelines and proportionate approach to technology appraisal are rated amber which is not unexpected given the scale of the change.
Core advice and guidance		In addition to the work on NICE's transformation, the majority of the guidance programmes expect to deliver the volumes set out in the business plan. The number of medical technologies guidance and medtech innovation briefings will be lower than set out in the business plan due to the topic pipelines. There is also a risk the number of quality standard updates and alignments will be lower than the business plan.
Timely access to new technologies		5 of the 6 targets for enabling timely access to new technologies through our TA and HST programmes were met and are forecast green for year-end delivery. 2 TA topics exceeded target time in appraisal during September by 1 week and 3 weeks respectively due to planned adjustment to the timeline at the outset.
Supporting implementation and adoption of our guidance		Both indicators on track – no issues to report. Consideration is currently being given to the best way of providing better insight into the adoption of NICE guidance.
Communications		4 of the 6 targets are forecast for green for year-end, including the proportion of media coverage that is positive. Response times to enquiries is back on target, while the Freedom of Information target will not be met as it is 100% and 1 request was answered outside of timescale in each of April, June and July due to delays in identifying and processing the necessary information.
People		Sickness absence has reduced from August but remains higher than the start of the financial year. Staff turnover and vacancy rate continue to be above plan. The vacancy rate has remained at 7% for the last 2 months and given our careful approach to recruitment we do not anticipate it will decline this year. Increasing the proportion of Black, Asian and minority ethnic staff in senior roles remains an area of focus and ET have recently agreed further actions. The new substantive Chief People Officer starts in January 2023 and the staff survey is also underway.
Finance		We are on track to deliver our statutory financial duties. Income is forecast to exceed the plan, driven by strong performance from commercial activities, while income from fee-charging activities (TA/HST) is expected to be on target. The year-end forecast is a £0.8m underspend vs budget. This includes non-recurrent in-year spend of ca. £1.8m on new projects. There is a risk that some of these projects may slip due to team capacity and procurement lead times, which would increase the forecast underspend.

Transformation

1 April 2022 to 30 November 2022

NICE National Institute for
Health and Care Excellence

1

Focus on what matters most

Innovative methods

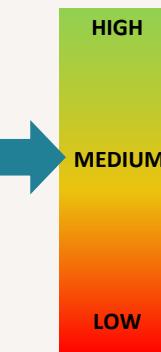
Proportionate Approach to TA Evaluation

Expanding our capacity for technology appraisal guidance for medicines by 20% through developing a more proportionate approach

Progress activity status and trend

Amber and stable

Confidence level in achieving objective



What's been achieved

We are piloting the streamlined approach to cost comparison assessments on Somatrogan for growth disturbance [ID5086], and actively exploring adding more pilot topics to continue to iteratively test this approach.

We are also in a live pilot of the pair appraisal approach on 2 drugs for chronic heart failure. The Pathways pilot is also preparing to commission its first model.

Reporting as amber confidence in achieving the target of a 20% capacity increase. This is because the capacity increase is an estimate based on predictions of topics some of which are more certain than others.

Key risks and challenges

Rapid Access to Managed Access (REMA) now has a much-reduced scope due to NHSE commercial requirements, limiting the extent of changes and efficiencies.

Pathways is taking forward a proactive approach to mitigate the risk of limited industry participation that doesn't effectively test the approach. This also involves collaboration with the ABPI.

Achieving additional capacity benefits at this stage is limited due to time left in the business year to restart/amend pilots

What we have learnt

We need to make changes to future KPI's to better reflect TA activity. A new framework to provide a more meaningful depiction of TA activity is being designed.

Exploring different approaches to the process, and testing hypotheses through a series of pilots, has allowed for early decision making as to which approaches to continue or stop e.g. pre-specified workstream.

Commercial negotiation challenges during a managed access period means the REMA pilot has been altered and will now be taken forward as a use case within the streamlined approach.

Key performance indicator for 22/23 (from business plan)

Status

3 INDICATORS	HTA Lab approach trialled on at least 2 innovative, complex topics (REMA currently being taken forward as a Use-case)	0 of 2
	Proportionate approach piloted	In progress
	Proportionate (HTA Lab, conventional TA and simpler, faster approach) fully implementable from April 2023, providing a 20% increase in capacity to undertake TAs in 23/24	In progress

2 Create advice that's useful and useable

Product innovation	Progress activity status and trend	Confidence level in achieving objective	What's been achieved	Key risks and challenges	What we have learnt
Digital Living Guideline Recommendation Improving the usefulness and usability of our guidelines by publishing digital living guideline recommendations for breast cancer, with a new model of support for adoption of best practice	Amber and stable 	 HIGH MEDIUM LOW	What's been achieved We have designed new approaches to creating guidelines that will be tested in two pilots: Pilot 1 (in breast cancer) will test the new methods and processes alongside a new team structure that is similar to the approach we took on COVID and reflects the output of the operating model workstream. Pilot 2 (in diabetes and women's health) will test the new methods and processes within our existing team structure. Pilots will be assessed on quality, timeliness, usability, impact and cost of guidance production. Our digital and content workstream has completed a proof of concept and output delivered to the NICE Website.	Key risks and challenges There is a risk that a content management system (CMS) will not link to other technologies to develop content, specifically the publishing architecture. Different CMS's will be explored during phase 2 of content and digital. There is a risk that the pilots do not measure all aspects of digital living guidelines and could result in the processes not being scalable, this will be mitigated by regularly reviewing during the remainder of this year.	What we have learnt The scale of the changes is too great to test in a single pilot. Therefore 2 pilots will be progressed. The breast cancer pilot will test, within a small developer team a new approach to surveillance, frequent updates to prioritised topics, agile resourcing and a proportionate approach to consultation. The women's health and diabetes pilot will test an approach using a central team, of living evidence surveillance across the portfolio, prioritising updates based on overall system needs.

Key performance indicator for 22/23 (from business plan)	Status
3 INDICATORS	Interactive, digital living guideline recommendations on the breast cancer topic published on NICE website via a proof-of-concept platform
	Deliver a bespoke implementation approach in partnership with national organisations, including a measurement framework
	Organisational design to support the target operating model signed off for phased implementation

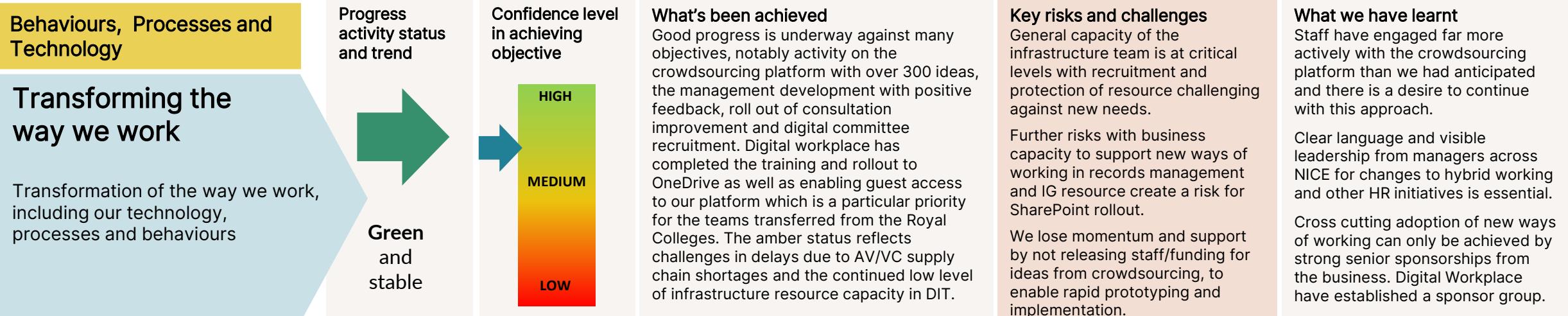
② Create advice that's useful and useable

Streamlined advice by topic	Progress activity status and trend	Confidence level in achieving objective	What's been achieved	Key risks and challenges	What we have learnt
MedTech EVA Actively drawing in medical devices, diagnostics and digital products that address national unmet needs and providing quicker assessments of early value to identify the most promising technologies conditional on further evidence generation	Green and upward		<p>What's been achieved Priority is on track, reflecting important progress being made for several topics, and growing pipeline of topics being prepared for early value assessment (EVA).</p> <p>Eight EVA topics have been launched. The second topic, 'digital CBT for children and young people with anxiety and low mood' is expected to publish in December 2022 or early 2023. This topic received good press coverage at draft guidance stage.</p> <p>Iterative changes to processes and methods are being made based on lessons learned and work is also underway to place a much greater emphasis on user needs to improve translation of guidance into practice.</p>	<p>Key risks and challenges Some digital technologies are not yet DTAC* compliant, which may cause delays to guidance publication.</p> <p>Balancing capacity of teams to support EVA, alongside BAU, as EVA more resource intensive in the early start-up phase than expected. Will resolve quarter 4 and FY 23/24.</p>	<p>Dependencies - Cross organisation collaboration is essential to optimise topic selection processes, with a dependency on information flow from topic intelligence to ensure we are reflecting system need. External stakeholders are now partners and this is a new working relationship.</p> <p>Adapting to change - Introducing EVA's innovative approach in the context of long-standing BAU is challenging and the impact of this has, at times been under-estimated. We are adopting more flexible, agile and solution focused approaches – including parallel working.</p>

Key performance indicator for 22/23 (from business plan)		Status
4 INDICATORS	10 medtech products (at least 6 of which will be digital) assessed	8 of 10
	5 products have published guidance	0 of 5
	Data collection workshops held and evidence generation plans developed for 60% of products that are conditionally recommended	In progress
	Methods and resourcing in place to extend medtech early value assessment to all medtech in 23/24	In progress

* Digital Technology Assessment Criteria (DTAC) - national baseline criteria and awards compliance for digital health technologies entering and already used in the NHS and social care.

To be an organisation as brilliant as the people in it

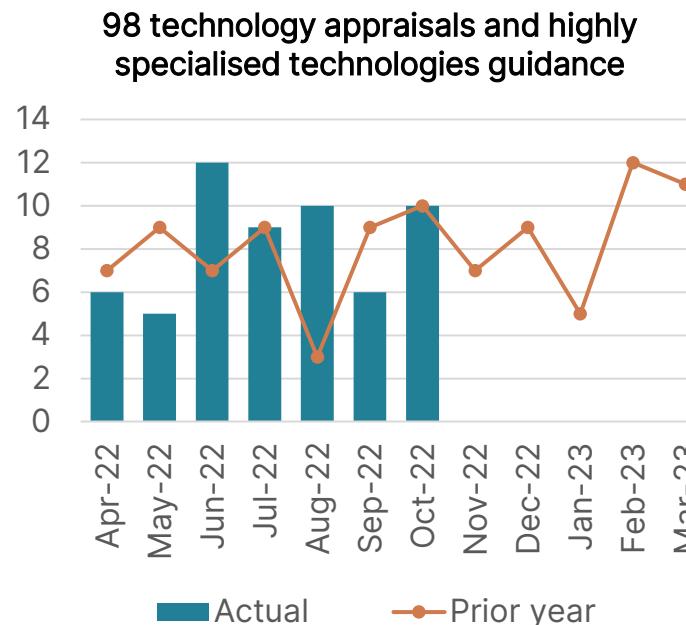
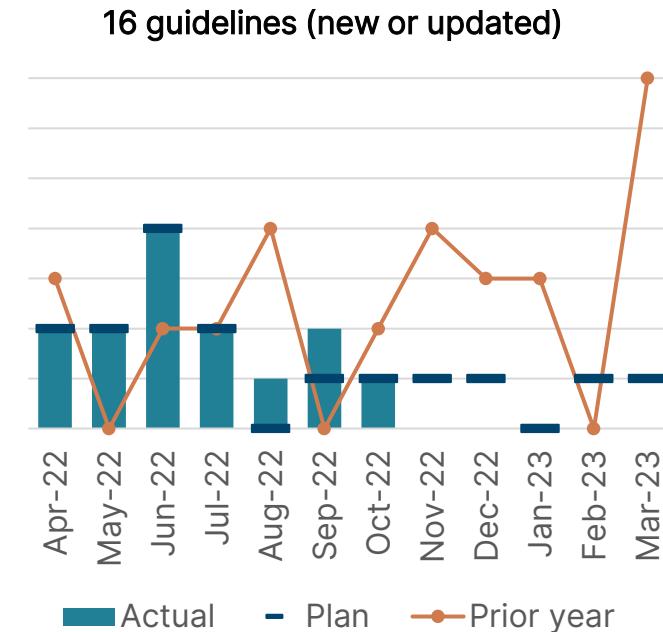


11 INDICATORS	Key performance indicator for 22/23 (from business plan)	Status
	Formal hybrid working introduced	In progress
	Leadership/management development training rolled out	In progress
	Process improvement for consultation comments rolled out if pilot successful	In progress
	OneDrive rolled out as part of My Space service	In progress
	SharePoint established as the main platform for document management in at least 1 directorate	In progress
	Priority objective projects are using Project Spaces as a service to support consistent standards and collaboration	In progress
	Fully integrated IT service desk is in place	In progress
	AV/VC installed and working across the NICE estate	In progress
	Digital committee recruitment tool rolled out if pilot successful	In progress
	Target culture defined	In progress
	3-5 year roadmap for target culture and organisation-wide transformation approach produced	In progress

Core advice and guidance

1 April 2022 to 31 October
2022

Core advice and guidance (Slide 1 of 3)



YTD planned	YTD actual	YTD %	Year-end forecast RAG status
12	14	117%	G

On track – no issues to report.

YTD planned	YTD actual	YTD %	Year-end forecast RAG status
58	58	100%	G

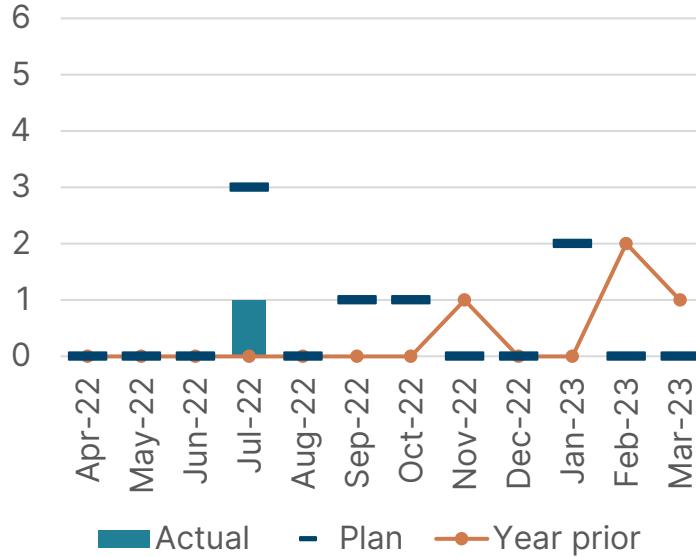
The programme is forecast to publish 98 pieces of guidance across 22/23. Termination levels remain consistent with historical rates and this is not expected to adversely impact income recovery in the current year but is being closely monitored.

YTD planned	YTD actual	YTD %	Year-end forecast RAG status
20	21	105%	G

On track – no issues to report.

Core advice and guidance (Slide 2 of 3)

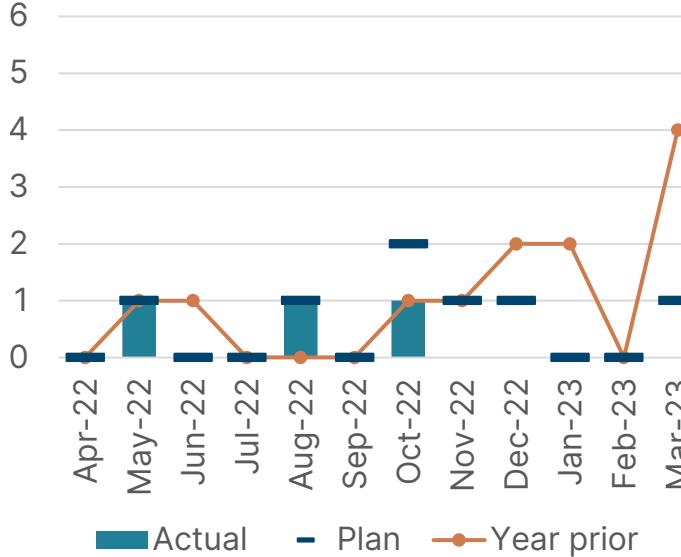
7 diagnostics guidance



YTD planned	YTD actual	YTD %	Year-end forecast RAG status
5	1	20%	G

The programme is forecast to produce 7 pieces of guidance in line with the business plan. One topic due to publish in October was delayed to allow for further work by the assessment subgroup and is due to publish in December. 3 other topics have been delayed due to a resolution request, correspondence from a stakeholder, and awaiting regulatory approval respectively; publication date for each is TBC.

8 medical technologies guidance



YTD planned	YTD actual	YTD %	Year-end forecast RAG status
4	3	75%	A

The programme has 7 pieces of guidance planned to publish this financial year. It is unable to meet the target of 8 due to a decrease in appropriate topics in the topic pipeline, although the programme is also running several Early Value Assessment (EVA) pilots.

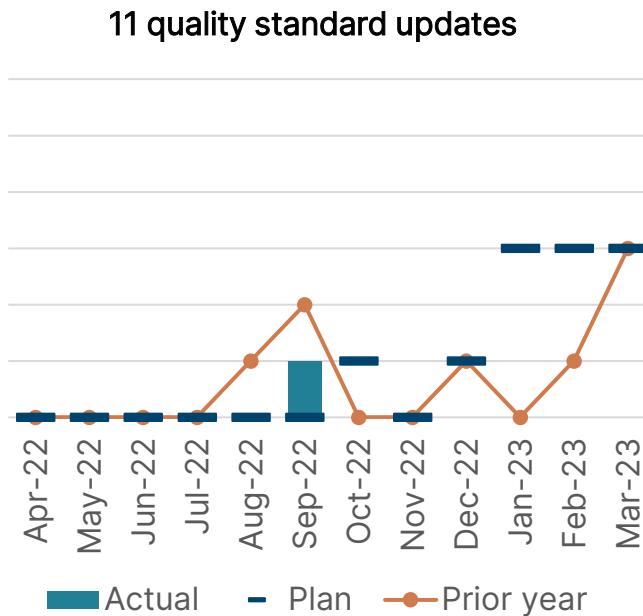
Up to 46 medtech innovation briefings



YTD planned	YTD actual	YTD %	Year-end forecast RAG status
21	17	81%	A

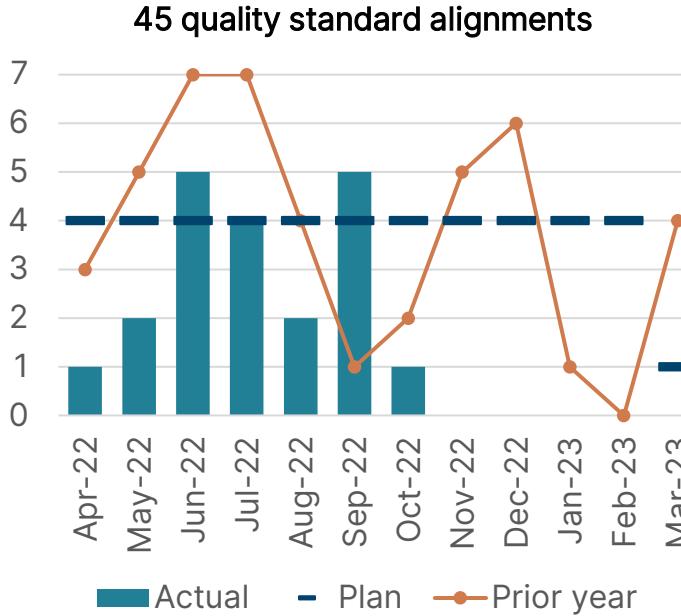
The programme is currently forecast to publish at least 36 MIBs against the stretch target of 46. The programme is slightly behind schedule in the second quarter due to the increase in team focus on Early Value Assessment (EVA) and a decrease in topics coming through horizon scanning. However 9 further MIBs planned to publish before the end of January 2023 which will bring this back on/above target.

Core advice and guidance (Slide 3 of 3)



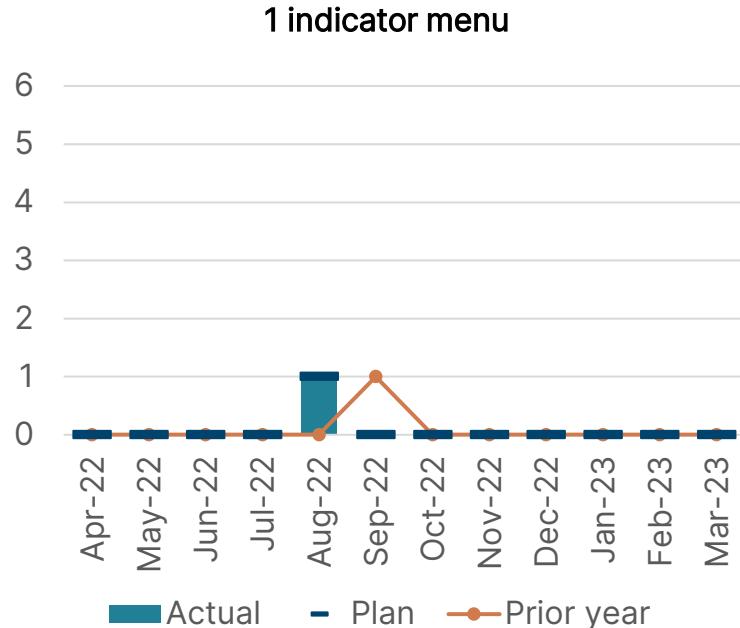
YTD planned	YTD actual	YTD %	Year-end forecast RAG status
1	1	100%	A 

The QS programme has scheduled most of its 22/23 publications for the final quarter of the financial year due to the pause in the programme during 21/22. One QS topic has been delayed, publication of this QS will fall into 23/24.



YTD planned	YTD actual	YTD %	Year-end forecast RAG status
28	20	71%	A 

The target is based on last year's activity. The programme is behind plan due to a few of the underpinning guidelines publishing later than expected. Expected to catch-up later in the year.



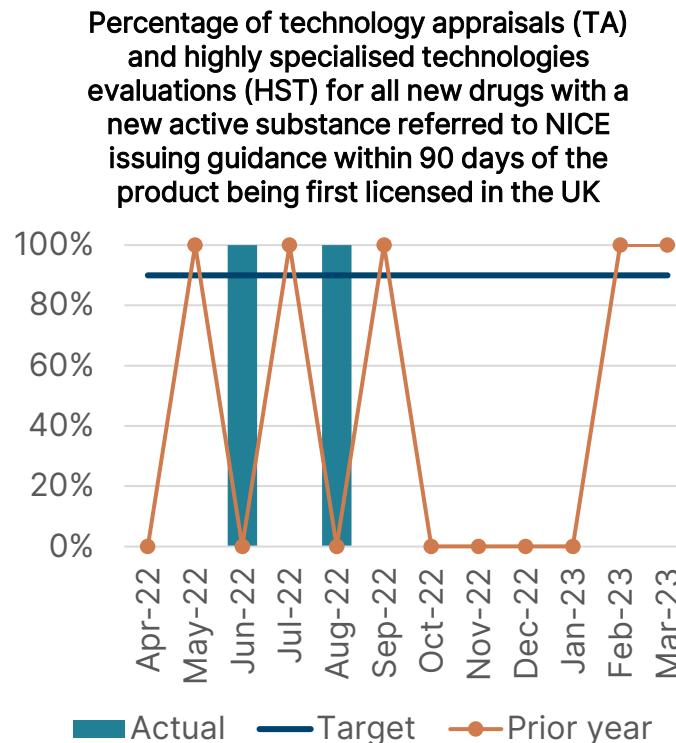
YTD planned	YTD actual	YTD %	Year-end forecast RAG status
1	1	100%	G 

Menu published in August 2022 in line with plan.

Enabling timely access to new technologies through our technology appraisal and highly specialised technologies programmes

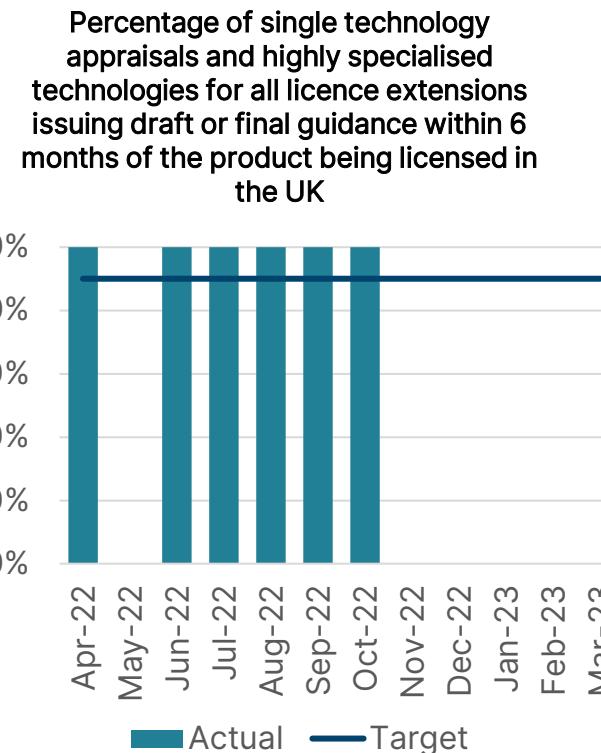
1 April 2022 to 31 October 2022

Enabling timely access to new technologies through our technology appraisal and highly specialised technologies programmes (Slide 1 of 2)



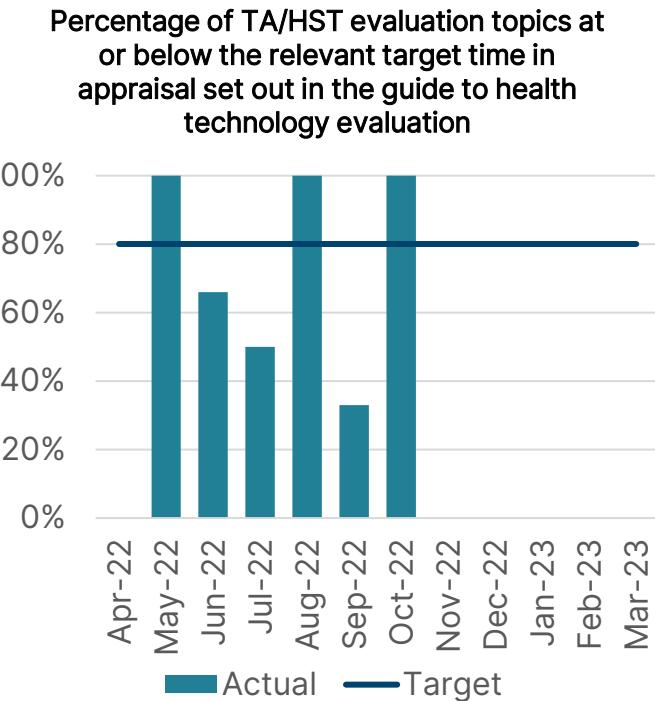
YTD %	Year-end forecast RAG status
100%	G

8 new active substance topics which published August - October were excluded from the indicator as the caveats which remove topics affected by factors outside of NICE's control from the reporting applied.



YTD %	Year-end forecast RAG status
100%	G

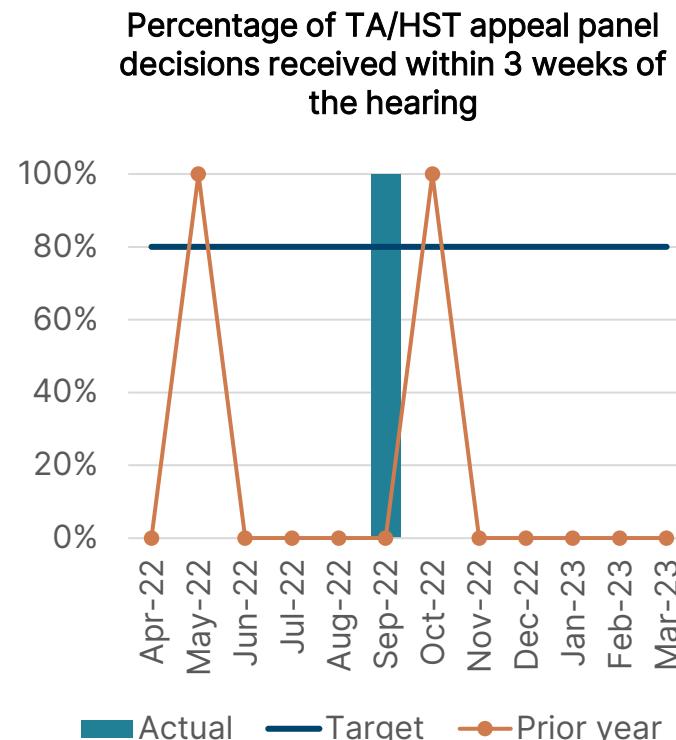
6 topics which published August - October were excluded from the indicator as the caveats which remove topics affected by factors outside of NICE's control from the reporting applied. (new indicator for 22/23: prior year data not available).



YTD %	Year-end forecast RAG status
64%	A

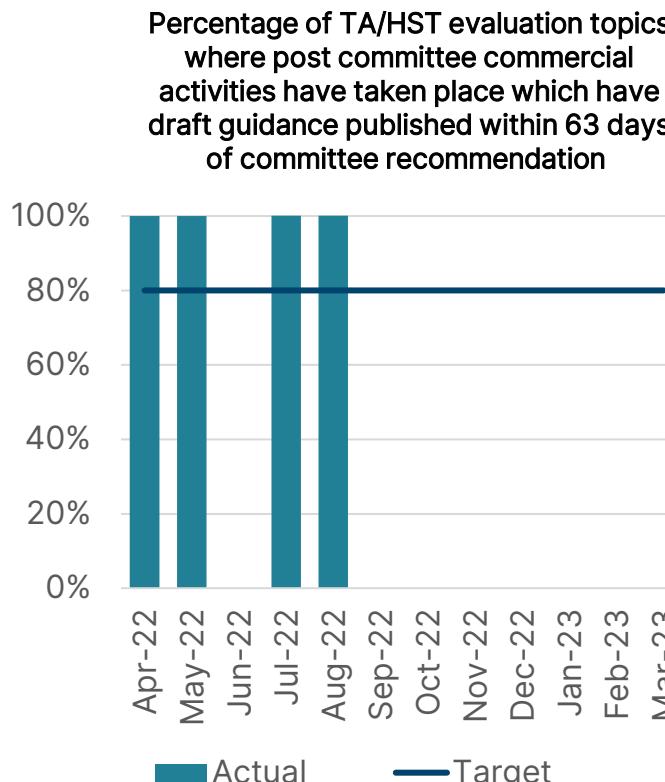
2 topics exceeded target time in appraisal during September by 1 week and 3 weeks respectively due to planned adjustment to the timeline at the outset. 12 topics in August - October excluded as the caveats which remove topics affected by factors outside of NICE's control from the reporting applied. 3 terminations, 1 MTA and 2 Rapid reviews also removed. (new indicator for 22/23: prior year data not available).

Enabling timely access to new technologies through our technology appraisal and highly specialised technologies programmes (Slide 2 of 2)



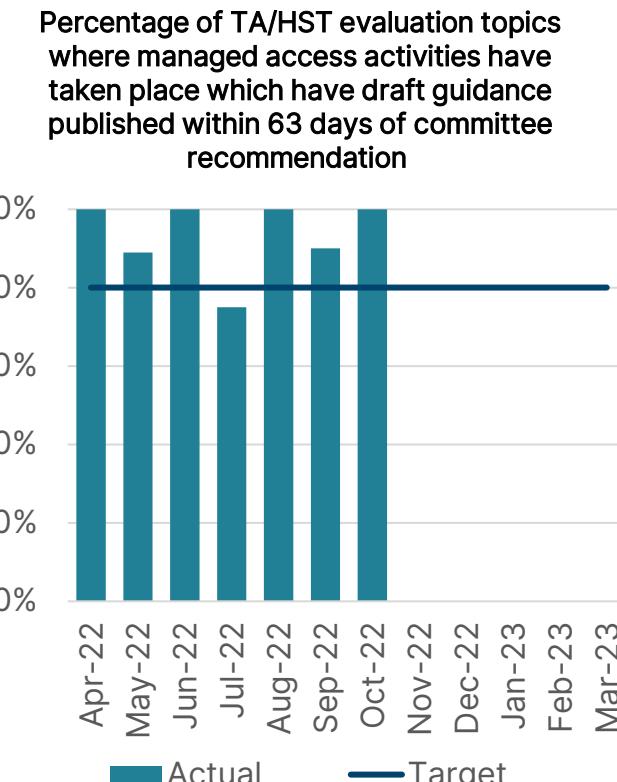
YTD %	Year-end forecast RAG status
100%	G

On track - no issues to report.



YTD %	Year-end forecast RAG status
80%	G

No topics in September and October. It is anticipated that the volume of topics with commercial activity post-ACM will increase as topics under STA2022 reach draft final guidance stage. (new indicator for 22/23 so prior year data not available).



YTD %	Year-end forecast RAG status
94%	G

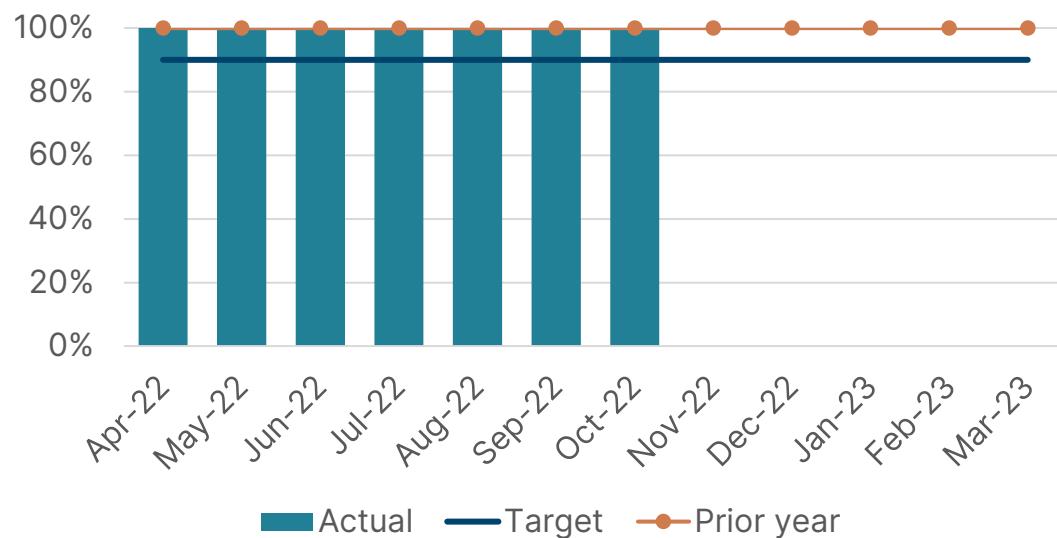
1 topic delayed in September due to commercial discussions with the company. (new indicator for 22/23 so prior year data not available).

Supporting implementation and adoption of our guidance

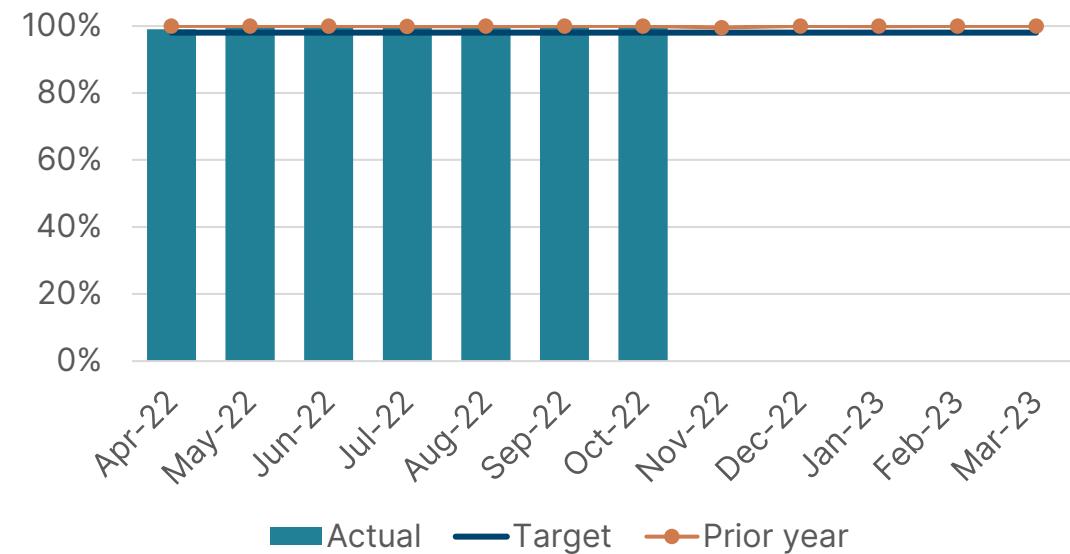
1 April 2022 to 31 October 2022

Supporting implementation and adoption of our guidance (Slide 1 of 1)

Resource impact products published to support all NICE guidelines (excluding COVID-19 rapid guidelines), positively recommended technology appraisals, medical technologies and diagnostics guidance at the point of guidance publication



Percentage of planned availability of the NICE website, not including scheduled out of hours maintenance



YTD %	Year-end forecast RAG status
100%	G

On track – no issues to report.

YTD %	Year-end forecast RAG status
99%	G

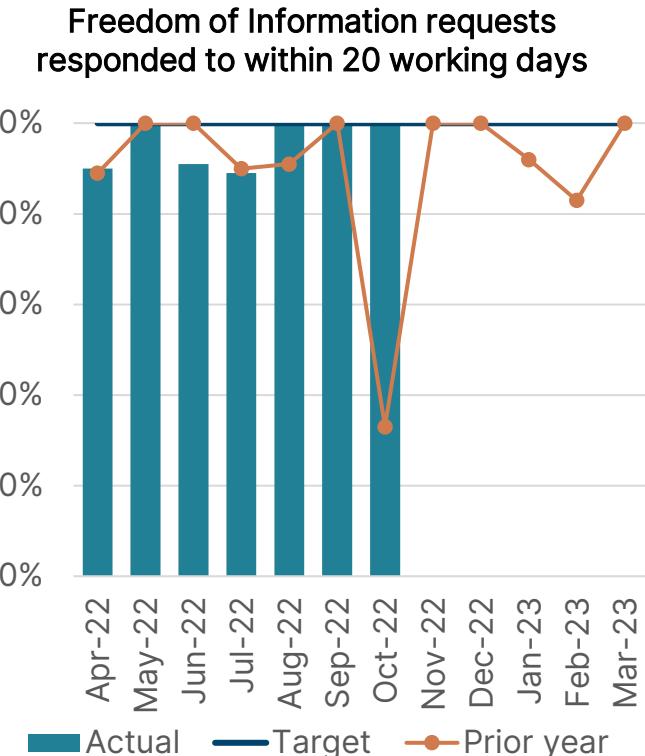
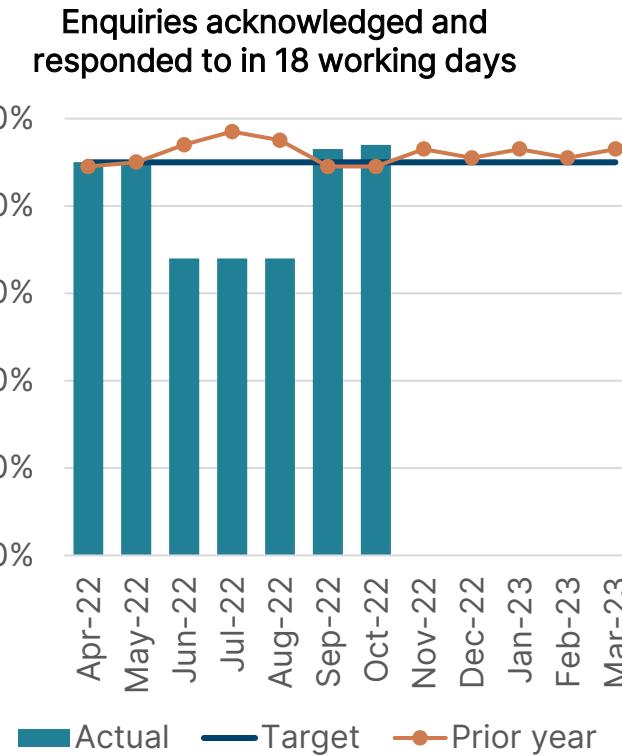
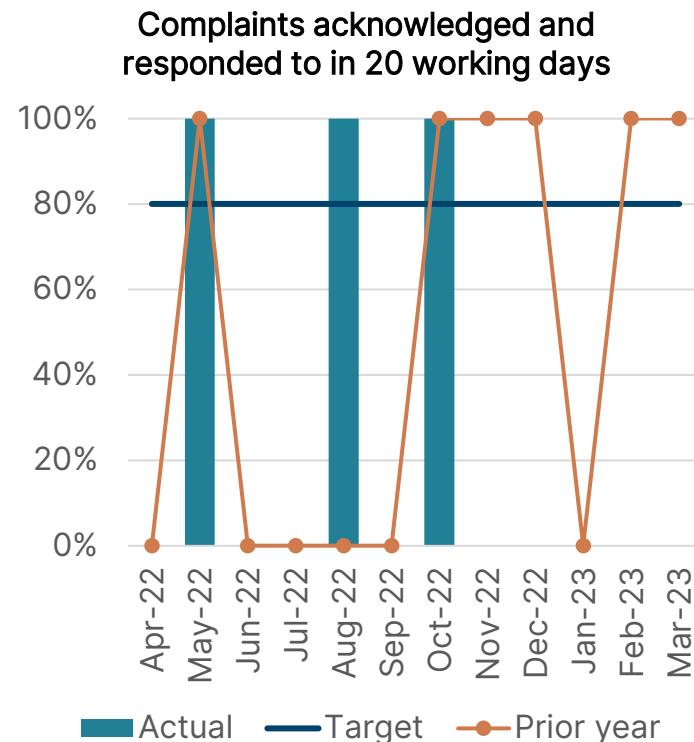
On track – no issues to report.

Consideration is currently being given to the best way of providing better insight into the adoption of NICE guidance, with a view to reporting in 2023/24.

Communications

1 April 2022 to 31 October 2022

Communications (Slide 1 of 2)



YTD %	Year-end forecast RAG status
100%	G

On track – no issues to report. No responses sent April, June, July, September.

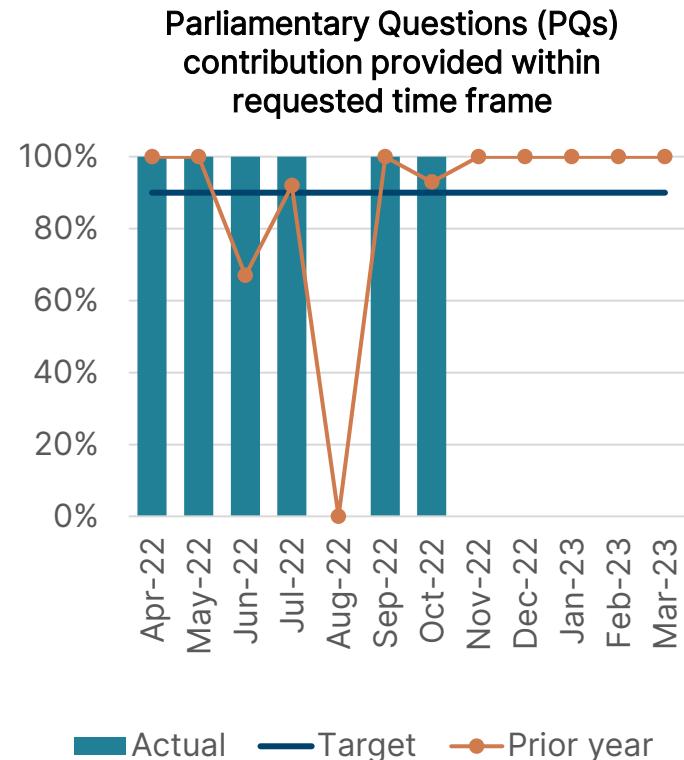
YTD %	Year-end forecast RAG status
82%	A

During the summer, the team worked through a small backlog of cases caused by a combination of factors, including capacity issues. Recovery plans were put in place and performance for September and October is back on target and expected to continue. In August, the response to multiple emails on the same piece of guidance was sent outside of the target timeframe so that it could provide information on the next steps with the guidance.

YTD %	Year-end forecast RAG status
96%	A

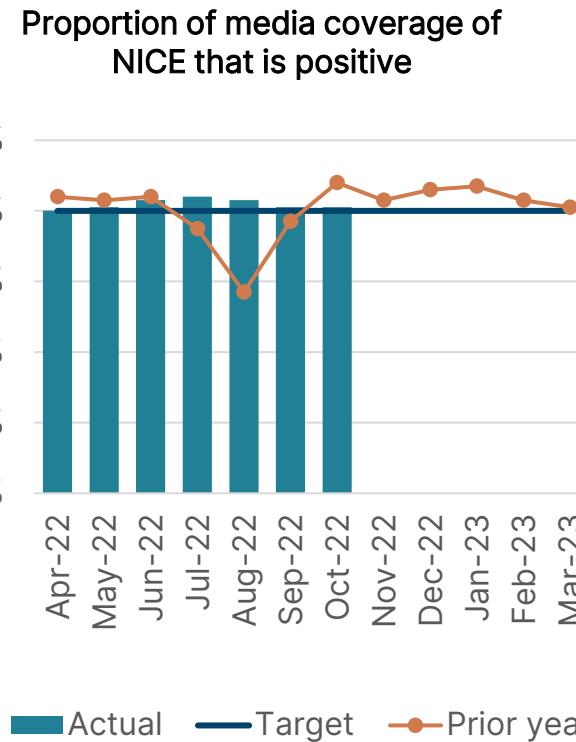
1 FOI answered late in each of the months April, June, and July due to delays in identifying and processing the necessary information.

Communications (Slide 2 of 2)



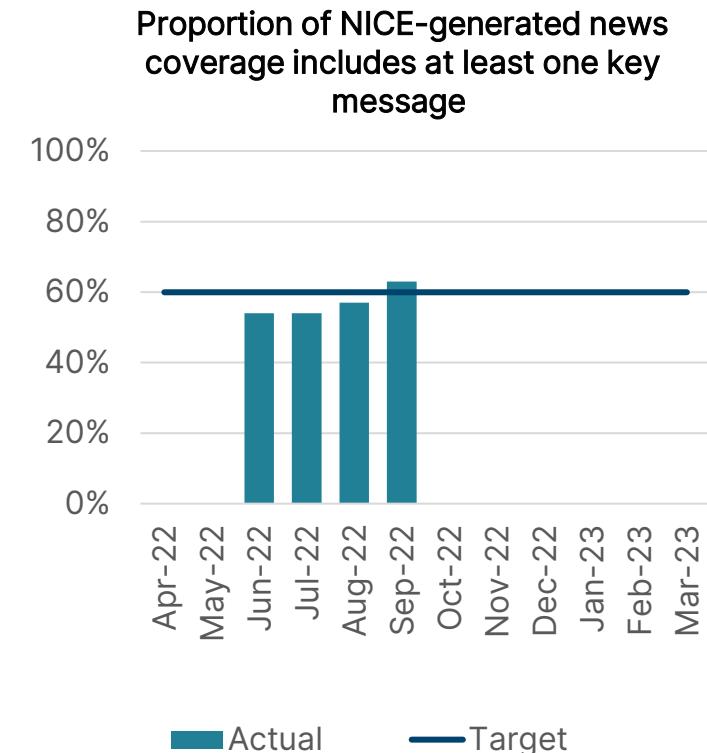
YTD %	Year-end forecast RAG status
100%	G

On track – no issues to report. No PQs due for response in August due to recess.



YTD %	Year-end forecast RAG status
82%	G

The overall positive coverage for NICE remains consistently high and above target. The Press Office is continuing to look at innovative ways to maintain and improve established levels.



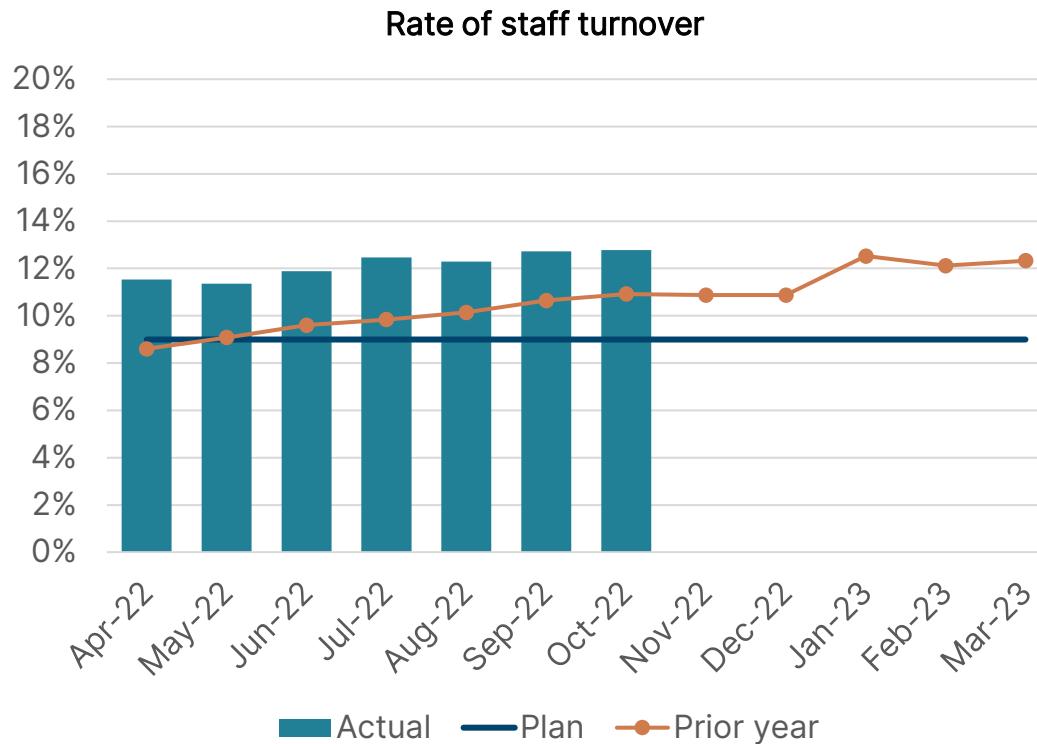
YTD %	Year-end forecast RAG status
57%	G

Data collection for this new indicator began on 1 June 2022. The new KPI is at an early stage but we are already seeing good levels of coverage and will work to ensure this number increases over the coming months. The Press Office are including key messages in all proactive releases.

People

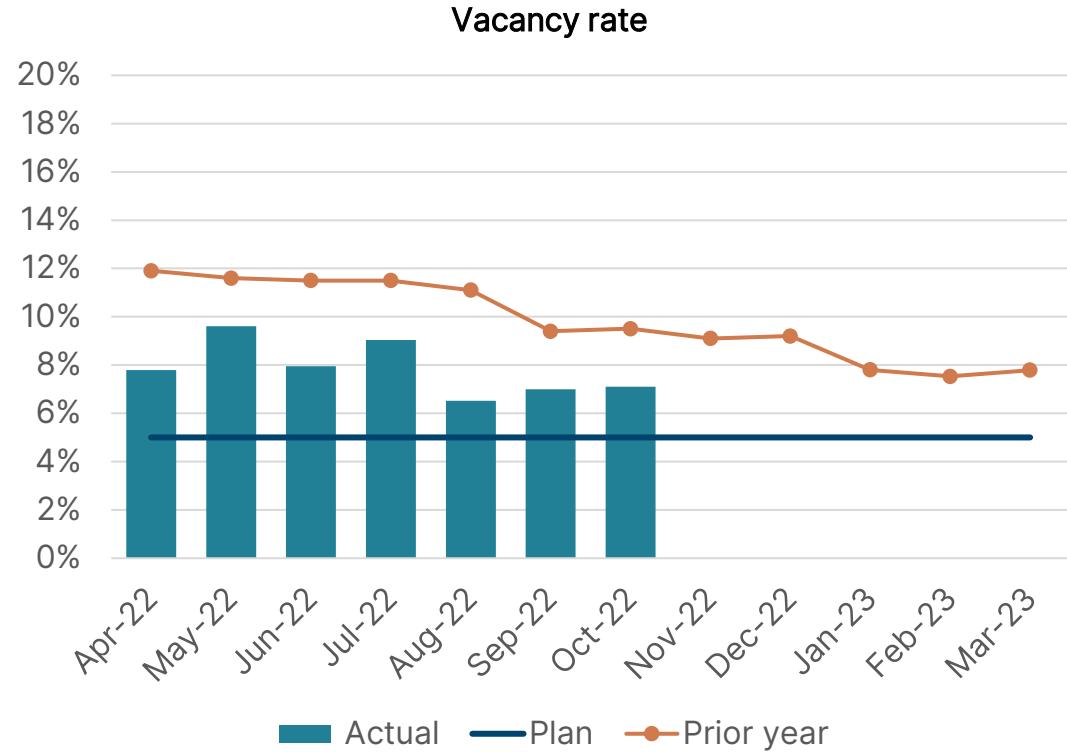
1 April 2022 to 31 October 2022

People (Slide 1 of 2)



October 2022	Year-end forecast RAG status
12.77%	R

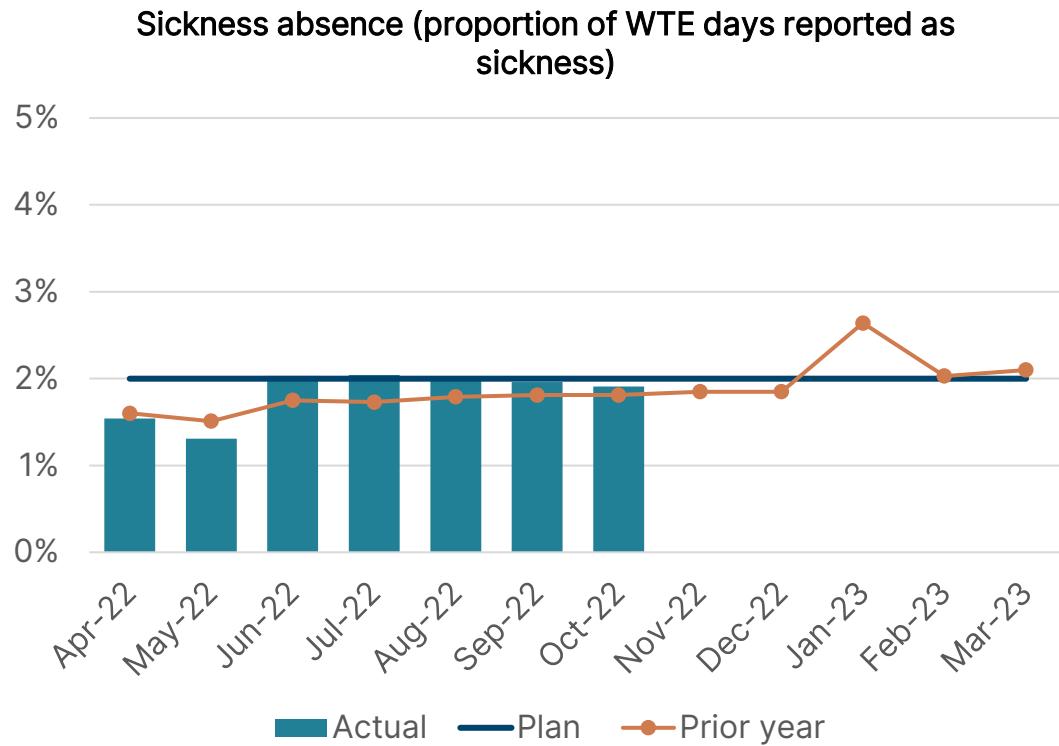
We are closely monitoring turnover for any trends and reviewing exit data. We are also working towards making NICE an employer of choice with various interventions from recruitment through to learning and development and organisational design



October 2022	Year-end forecast RAG status
7.10%	R

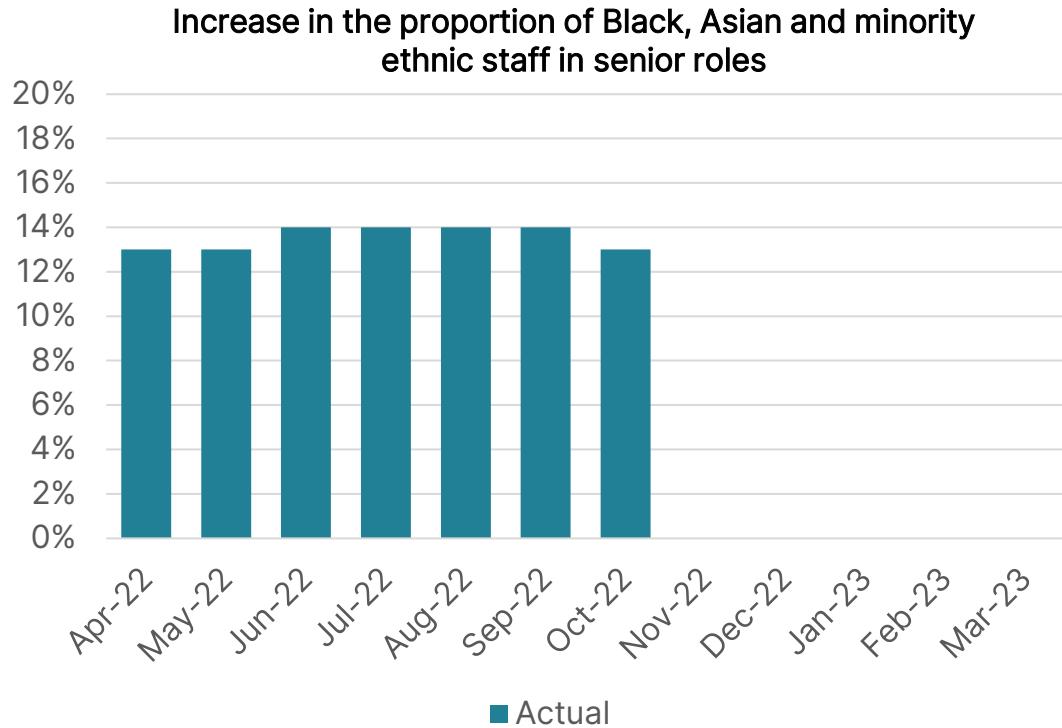
The vacancy rate has remained at 7% for the last 2 months and given our careful approach to recruitment we do not anticipate the rate will decline this year.

People (Slide 2 of 2)



October 2022	Year-end forecast RAG status
1.91%	G

Sickness absence has reduced month on month from August but remains higher than the start of the financial year. Anxiety/Stress/Depression/Other Psychiatric Illnesses continues to be the highest absence reason in terms of FTE % lost, Cold, Cough, Flu has the highest number of occurrences.



October 2022	Year-end forecast RAG status
13%	A

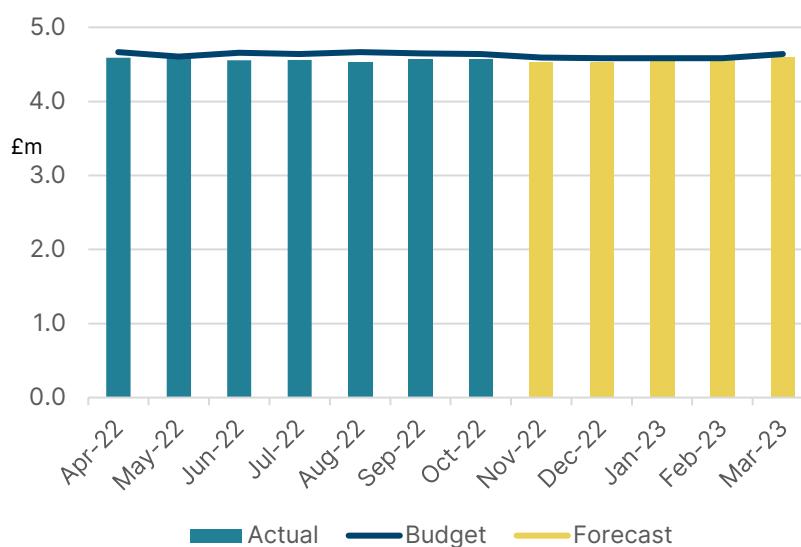
We are developing an action plan for year 2 of our organisational workforce objectives, which also includes areas of improvement identified in the WRES data. The areas of focus include: recruitment, developing an EDI training and development offer and the design and delivery of development offers for black, Asian and other minority ethnic staff who wish to progress. (new indicator for 22/23 so prior year data not available).

Finance

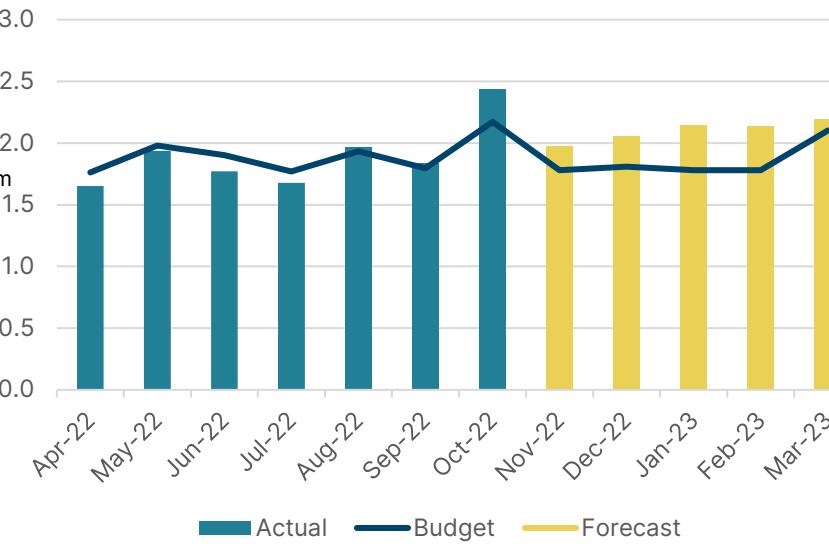
1 April 2022 to 31 October 2022

Financial position as at 31 October 2022

YTD PAY **-£562,000** underspend



YTD Non-Pay **-£48,000** underspend



YTD Income **-£1,105,000** surplus



Pay is underspent due to the vacancy rate running at 7.1% vs a plan of 5%. Staff turnover is running at 12.7%. Unbudgeted secondments in to the organisation in addition to a pay savings target in Centre for Guidelines offsets part of the resulting underspend in pay.

Non-Pay underspends continue to accrue for travel and subsistence, course fees, and computer software/licenses. The spike in October relates to higher than planned BNF print costs. The Digital Workplace Programme is on plan YTD and is expecting to fully utilise available funding by year end. The non-pay forecast includes planned non-recurrent investments in Q3 and Q4 (see next slide).

Income: Both NICE Scientific Advice (NSA) and technology appraisals (TA) are delivering a surplus year to date. The fluctuation in income illustrated above are primarily driven by the projected work plan in the TA programme.

Spend Category	Year to Date Budget £000	Year to Date Actual £000	Year to Date Variance £000
Pay	32,530	31,967	(562)
Non-pay	13,318	13,270	(48)
Income	(13,146)	(14,251)	(1,105)
Total	32,702	30,986	(1,715)

Forecast Outturn

Spend Category	Annual Budget £000	Estimated Outturn Spend £000	Estimated Outturn Variance £000
Pay	55,519	54,806	(713)
Non-pay	22,571	21,958	(613)
Investments (underspend)	-	1,819	1,819
Income	(22,936)	(24,191)	(1,254)
Total	55,154	54,392	(762)

Based on the current run-rates extrapolated to the end of the financial-year, adjusted for expected changes in expenditure, income, and the successful delivery of planned investments, the forecast underspend for 2022-23 is £0.8m against a net budget of £55.2m

Pay is set to continue to underspend, with an assumption that the vacancy rate of 7% will stay at a similar level for the remainder of the financial year. The 2022-23 pay award and recent Employer NI payment reduction have been reflected in the pay forecast.

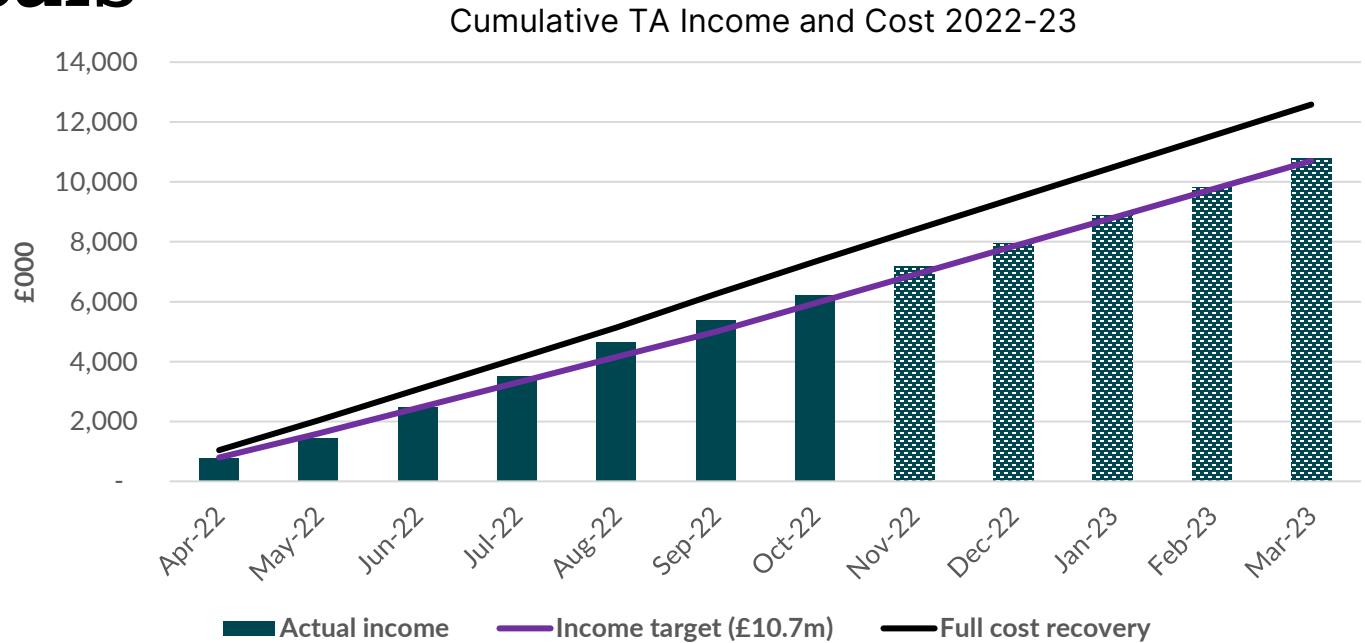
Non-pay spend is forecast to increase in the latter part of the year, particularly in Digital (hardware purchases and audits/testing), and the variable element of the EAG contract, however, this is not yet committed to and if not spent will increase the forecast underspend. An element of non-pay expenditure, both year to date and in the forecast outturn, is related to contractor spend compensating for capacity gaps as a result of current vacancies.

Planned Investments – included in the forecast Non-pay outturn are approved non-recurrent in-year investments (c£1.8m) to mitigate the forecast underspend and accelerate the delivery of key business plan objectives. There is a risk that some investments may slip due to capacity within teams, and procurement lead times, which will result in an increase in the forecast underspend.

Income is forecast to exceed plan. TA income is on track to achieve the FY target of £10.7m (see next slide). NSA have had a strong performance YTD and are forecast to deliver a full year surplus of £0.6m.

Technology Appraisals

YTD Performance	£'000
Income Target M1-7	5,950
Actual Income M1-7	6,233
Variance (above plan)	-283



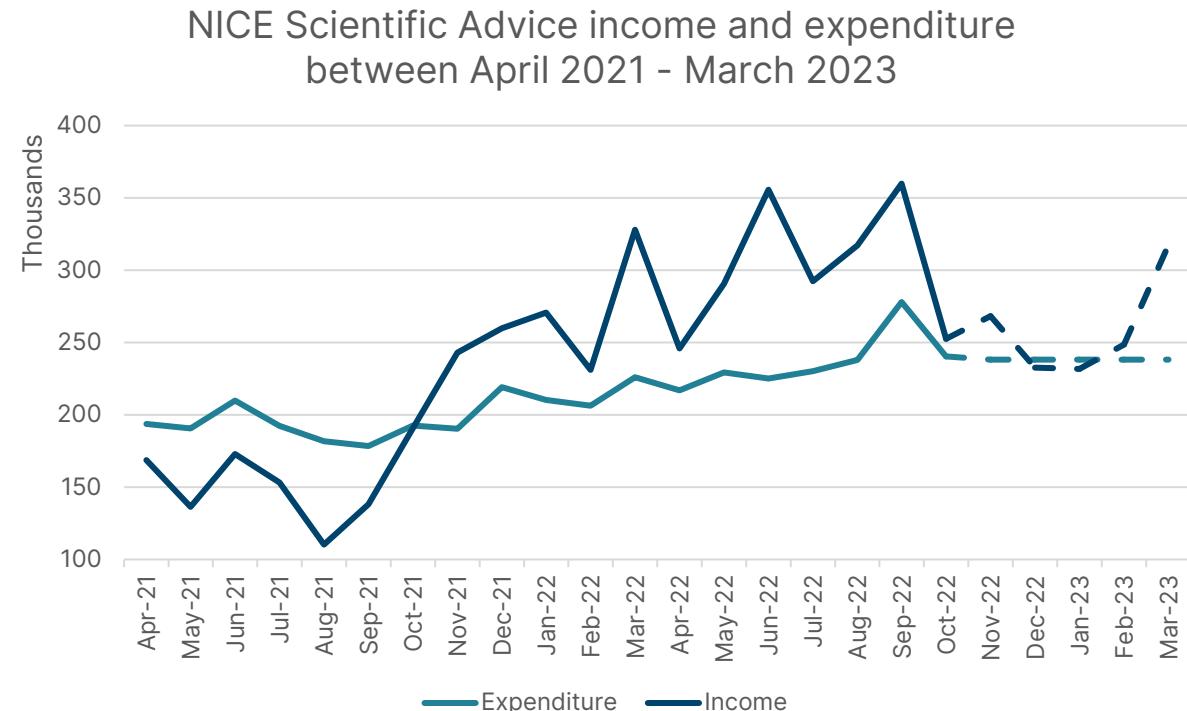
Year to date at month 7 we are reporting a £283k over recovery of income against plan. Using the TA planning database we are forecasting to meet the 2022-23 income target of £10.7m. Year to date the programme has recovered 85% of its costs and is forecast to recover 86% by year end. This compares to 75% in 2021-22.

Some topics have been removed or rescheduled in the work programme due to changes to regulatory timelines and requests for delays to starting the evaluation.

The increase in TA fees from 1 April 2022 has begun to have an impact as milestones are completed for new appraisals, as the financial year progresses.

NICE Scientific Advice

	Year to date Actuals £000	Forecast Outturn £000
Expenditure	1,657	2,848
Income	2,114	3,402
Variance (Surplus)	-457	-555



NICE Scientific Advice (NSA) generated a YTD surplus of £457k continuing the strong performance from the latter half of the last financial year. The higher revenues reflect strong demand for early support services and increased technical capacity within the team.

The forecast outturn continues to be positive for 2022/23. Looking ahead, the team are developing new services tailored to the needs of medtech developers; implementing a more balanced resourcing model to manage capacity and demand; and further expanding the technical team. Demand for services remains high and the additional capacity will increase resilience within the team. However, these operational changes are expected to reduce the likelihood of generating significant surpluses in future years.

NICE International has a target to recover 75% of its costs through income generation with the remainder covered by NSA. YTD NI has generated £100k income covering 65% of its costs but expects to break even by year-end (£282k) reflecting a strong pipeline ahead.