Integrated performance report

September 2022

NICE National Institute for Health and Care Excellence
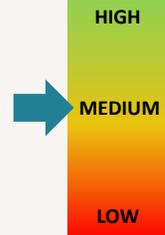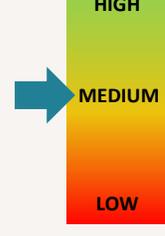
Summary

Area	Current RAG	Comments
Business plan priorities		Business plan priorities on digital living guidelines, proportionate approach to technology appraisal (PATT) and early value assessment of medtech (EVA) are rated green overall, with the organisational transformation priority amber. This represents positive progress since the July board when proportionate approach to technology appraisal and early value assessment were rated amber.
Core advice and guidance		The majority of guidance programmes expect to deliver the volume of outputs in the 2022/23 business plan. Due to the pipeline of topics routed from topic selection, and prioritisation of early value assessment, the medical technologies programme expect to publish 7 pieces of guidance compared to 8 in the business plan. Quality standard alignments also rated amber for delivering year-end business plan outputs.
Timely access to new technologies		4 of the 6 targets for enabling timely access to new technologies through our TA and HST programmes were met. The indicator "% of TA/HST evaluation topics at or below the relevant target time in appraisal set out in the guide to health technology evaluation" was not met as 2 topics exceeded target time in appraisal by 1 and 2 weeks respectively. 3 of the 4 TA/HST evaluation topics where post committee commercial activities took place, had draft guidance published within 63 days of committee recommendation, meaning the indicator was narrowly missed.
Supporting implementation and adoption of our guidance		Both indicators on track – no issues to report.
Communications and engagement		3 indicators currently not met. Recovery plans are in place which mean enquiries indicator should be met at year-end, and the indicator regarding key messages in NICE generated news coverage is also forecast to be met at year-end. The Freedom of Information indicator will not be met as it is 100% and 1 request was answered late in each of April, June and July due to delays in identifying and processing the necessary information.
People		Staff turnover, vacancy rate and sickness absence have increased since the start of the year and are all above target. Given the Department of Health & Social Care's guidance to halt all but essential recruitment, we do not anticipate the vacancy rate will decline this year. There has been a small increase in the proportion of Black, Asian and minority ethnic staff in senior roles.
Finance		We are on track to deliver our statutory financial duties and TA/HST income is forecast to increase £2.1m from 2021/22. Given the Department of Health & Social Care's guidance to control all but essential expenditure we are likely to deliver an underspend of more than £1m (the current forecast underspend is £1.1m) while work is ongoing to identify efficiencies for 2023/24.

Business plan priorities

1 April 2022 to 31 August 2022

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Transformation Progress and Key Messages – August 2022

	Progress (activity) status and trend	Are milestone activities on track?	Confidence level in achieving objective	Key messages
Priority 1 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	**Green** and stable trend	**2** (achieved blue), **10** (yes green) — **2 – achieved (blue)**, **10 - yes (green)**	MEDIUM	Prototype content will be ready in October. The capabilities and approach to development and implementation is informing methods and processes and future operating model. **Key risks/challenges:** need to continue to harmonise the inter-dependencies between each workstream, and between programmes.
Priority 2 Expanding our capacity for technology appraisal guidance for medicines by 20% through developing a more proportionate approach	**Green** and stable trend	**7** (yes green), **1** (no red) — **7 - yes (green)**, **1 – no (red)**	MEDIUM	Priority remains on track, with multiple methods and processes work strands developing. Feasibility in achieving capacity benefits being closely monitored. Topics for the Rapid Entry to Managed Access (REMA) work strand being identified, with pilot process and timescale to be confirmed. Pilot for the pre-specified work strand is complete and data now being analysed and results due in September. A case to change for the KPI framework presented to DHSC, with discussions to continue in September and so far well received. **Key risks/challenges:** impact of change to other teams as a result of more appraisals, challenges with current consultation procedure delaying implementation, and capacity of project team to support priority due to committee capacity challenges
Priority 3 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 trend	**2** (amber), **3** (blue), **8** (green) — **3 – achieved (blue)**, **8 - yes (green)**, **2 - early warning (amber)**	HIGH	Priority on track, reflecting important progress being made for a number of topics, and growing pipeline of topics being prepared for early value assessment (EVA). First topic "Kardia-6-lead", which measures cardiac risk in people having anti-psychotic medication launched into consultation and expected to publish in October 2022. **Key risks/challenges:** scheduling of guidance and clarification of reimbursement framework for technologies.
Priority 4 Transformation of the way we work, including our technology, processes and behaviours	**Amber** and stable trend	**12** (green) — **12 - yes (green)**	MEDIUM	Good progress is underway against many objectives, notably the management development training with positive feedback, roll out of improvements to the consultation process, digital committee recruitment and multiple components of the digital workplace programme. The amber rating relates to delays to some plans: global supply chain shortages affecting the final installation of AV/VC equipment, insufficient IT project management capacity slowed the integrated service desk work and the consultation for staff on home-based contracts took longer than anticipated but hybrid is now on track. These issues are now largely resolving. **Key risks/challenges:** amber rating reflects increasing concern about teams' capacity for change

Transformation Key Performance Indicators – August 2022 (Slide 1 of 2)

		Key performance indicator for 22/23	Status
Priority 1 Digital Living Guidelines	**3** INDICATORS	Interactive, digital living guideline recommendations on the breast cancer topic published on NICE website via a proof-of-concept platform	In progress
		Deliver a bespoke implementation approach in partnership with national organisations, including a measurement framework	In progress
		Organisational design to support the target operating model signed off for phased implementation	In progress
Priority 2 Proportionate Approach to TA Evaluations (PATT) and HTA Lab	**3** INDICATORS	HTA Lab approach trialled on at least 2 innovative, complex topics	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
Priority 3 MedTech Early Value Assessment	**4** INDICATORS	10 medtech products (at least 6 of which will be digital) assessed	0 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

Status key: **Green** – on track to achieve **Amber** – challenges to achieve with confidence in mitigation **Red** – Significant risk to achieve and limited confidence in mitigation

Transformation Key Performance Indicators – August 2022 (Slide 2 of 2)

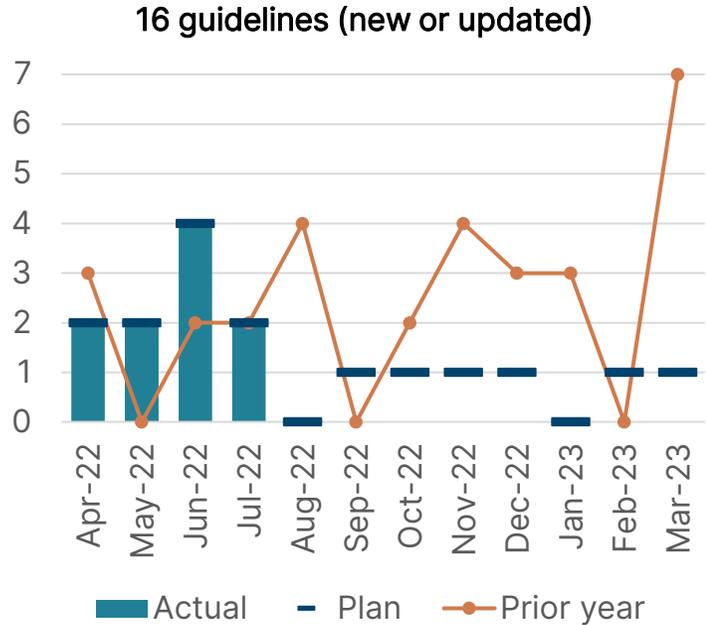| Key performance indicator for 22/23	Status
Priority 4 — Internal transformation programme — **11** INDICATORS	
Formal hybrid working introduced	In progress
Leadership/management development training rolled out	In progress
Process improvement for consultation comments rolled out if pilot successful	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

Status key: **Green** – on track to achieve **Amber** – challenges to achieve with confidence in mitigation **Red** – Significant risk to achieve and limited confidence in mitigation
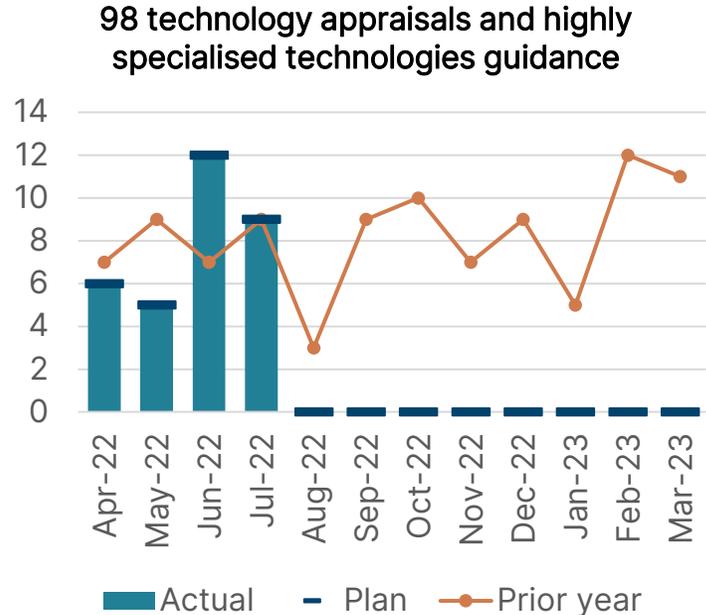
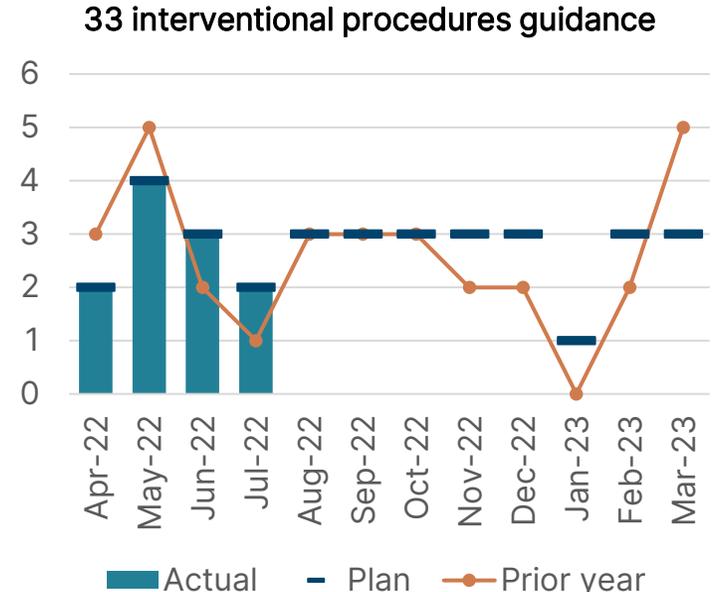# Core advice and guidance

1 April 2022 to 31 July 2022

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Core advice and guidance (Slide 1 of 3)

16 guidelines (new or updated)

YTD planned	YTD actual	YTD %	Year-end forecast RAG status	
10	10	100%	G	🟢

On track – no issues to report.

98 technology appraisals and highly specialised technologies guidance

YTD planned	YTD actual	YTD %	Year-end forecast RAG status	
32	32	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.

33 interventional procedures guidance

YTD planned	YTD actual	YTD %	Year-end forecast RAG status	
11	11	100%	G	🟢

On track – no issues to report.

Core advice and guidance (Slide 2 of 3)

7 diagnostics guidance
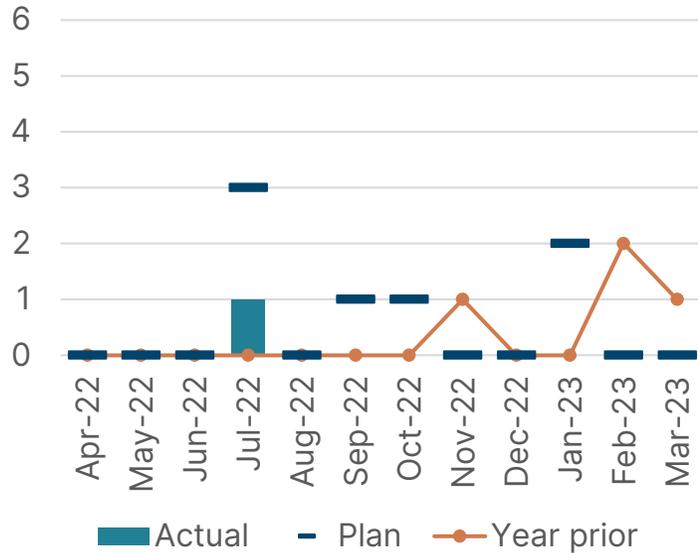
YTD planned	YTD actual	YTD %	Year-end forecast RAG status	
3	1	33%	G	🟢

The programme is forecast to produce 7 pieces of guidance. In addition, the team continue to work on the multiple technology assessment of Hybrid closed loop systems for managing blood glucose levels in type 1 diabetes, an MTG for Fibroscan and running several early value assessment (EVA) pilots. The 2 outstanding topics are subject to publications delay due to unforeseen circumstances. The publication dates for both are to be confirmed.

8 medical technologies guidance

YTD planned	YTD actual	YTD %	Year-end forecast RAG status	
1	1	100%	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. The programme is also running several Early Value Assessment (EVA) pilots.
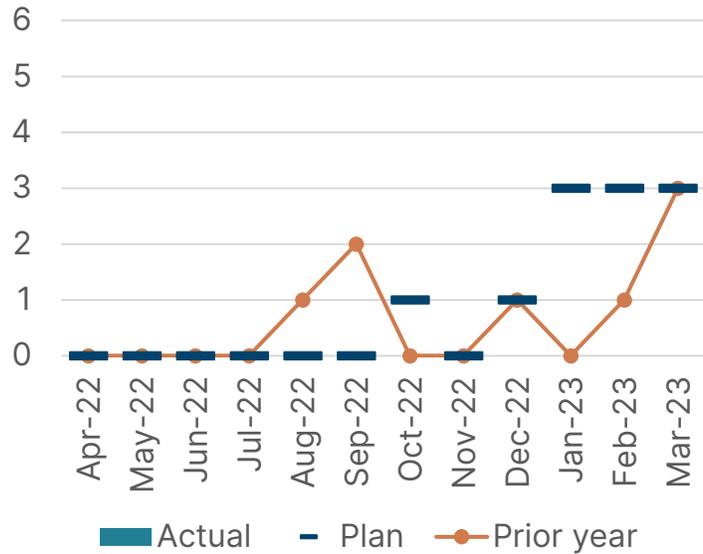
Up to 46 medtech innovation briefings
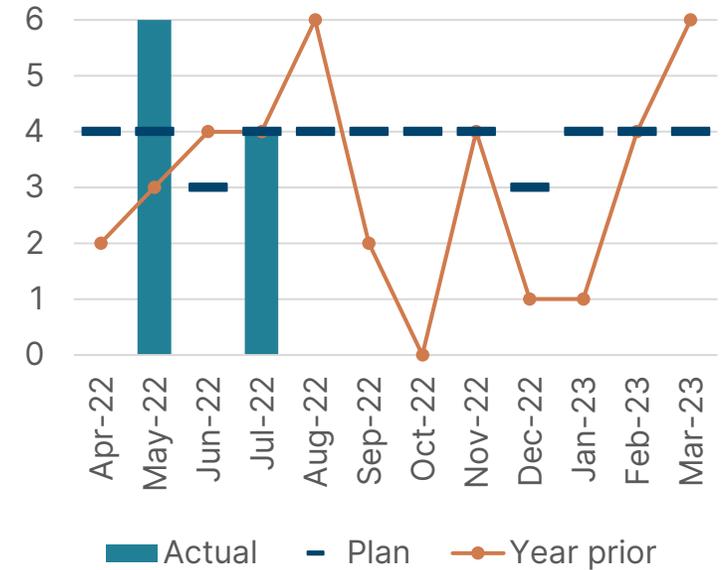
YTD planned	YTD actual	YTD %	Year-end forecast RAG status	
15	10	67%	A	🟡

The programme is forecast to publish at least 36 MIBs against the stretch target of 46. It is anticipated that we will deliver the contractual 36 MIBs.
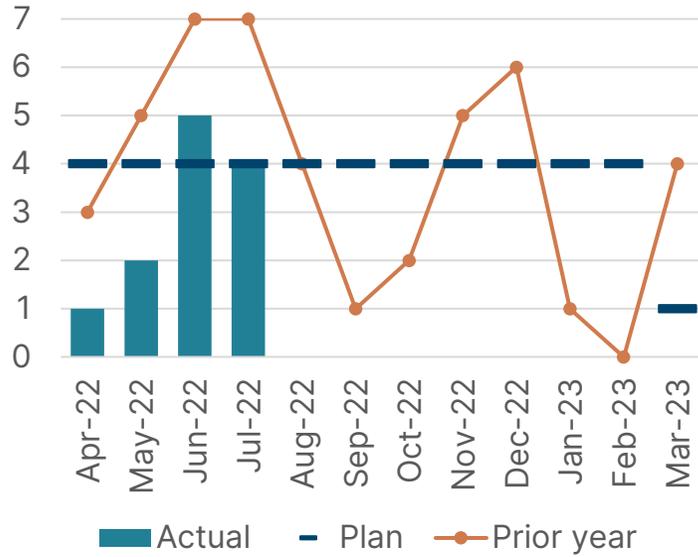
Core advice and guidance (Slide 3 of 3)

11 quality standard updates

YTD planned	YTD actual	YTD %	Year-end forecast RAG status	
0	0	0%	G	🟢

The QS programme has scheduled most of its 22/23 publications for the second half of the financial year. This scheduling reflects a pause in the programme during 21/22.
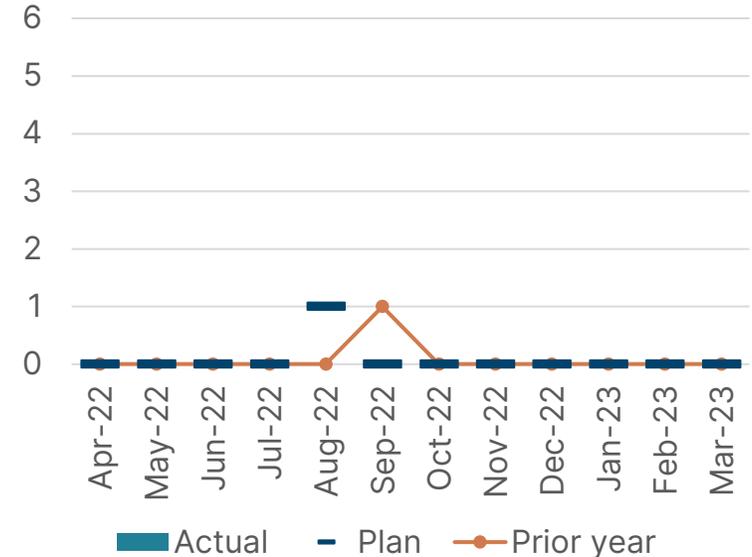
45 quality standard alignments

YTD planned	YTD actual	YTD %	Year-end forecast RAG status	
16	12	75%	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.

1 indicator menu

YTD planned	YTD actual	YTD %	Year-end forecast RAG status	
0	0	0%	G	🟢

The indicator programme follows an annual publication cycle, no publications expected until August 2022.

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

1 April 2022 to 31 July 2022

NICE National Institute for Health and Care Excellence

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


Percentage of technology appraisals (TA) and highly specialised technologies evaluations (HST) for all new drugs with a new active substance referred to NICE issuing guidance within 90 days of the product being first licensed in the UK

Legend: Actual — Target — Prior year

YTD %	Year-end forecast RAG status	
100%	G	🟢

7 new active substance topics which published in June and July were excluded from the indicator as the caveats which remove topics affected by factors outside of NICE's control from the reporting applied.

Percentage of single technology appraisals and highly specialised technologies for all licence extensions issuing draft or final guidance within 6 months of the product being licensed in the UK

Legend: Actual — Target
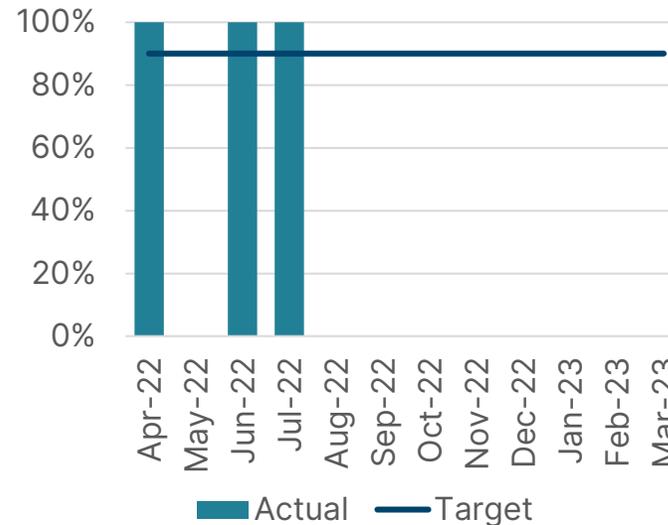
YTD %	Year-end forecast RAG status	
100%	G	🟢

8 topics which published in June and July were excluded from the indicator as the caveats which remove topics affected by factors outside of NICE's control from the reporting applied. 2 terminations also removed. (new indicator for 22/23: prior year data not available)

Percentage of TA/HST evaluation topics at or below the relevant target time in appraisal set out in the guide to health technology evaluation

Legend: Actual — Target
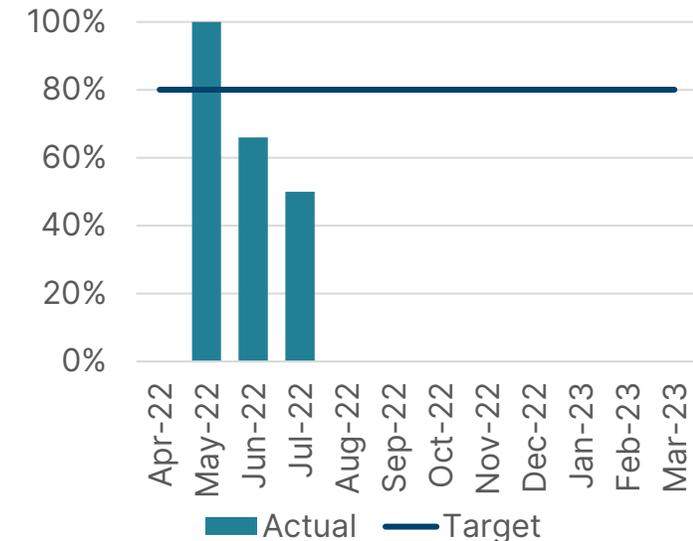
YTD %	Year-end forecast RAG status	
71%	G	🟢

2 topics exceeded target time in appraisal by 1 and 2 weeks respectively. 7 topics in June and July excluded as the caveats which remove topics affected by factors outside of NICE's control from the reporting applied. 4 terminations and 4 CDF 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)
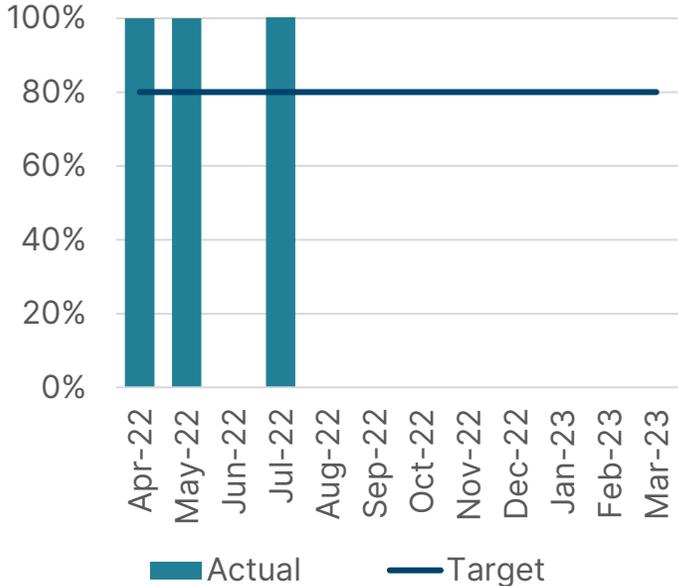
Percentage of TA/HST appeal panel decisions received within 3 weeks of the hearing
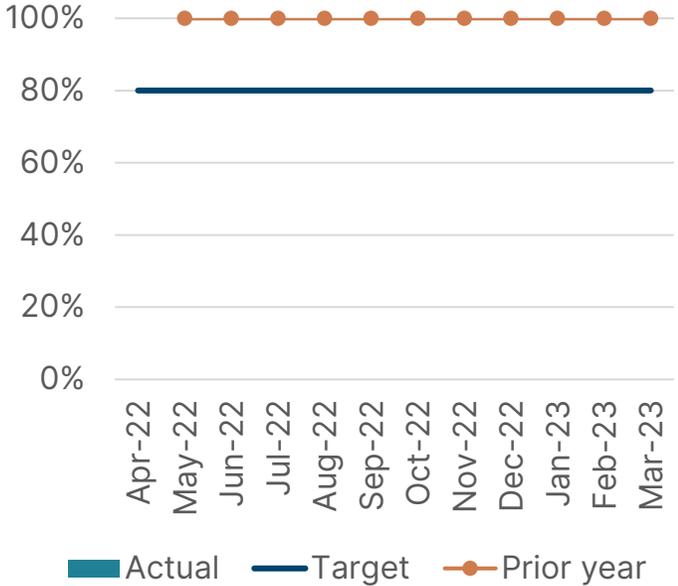
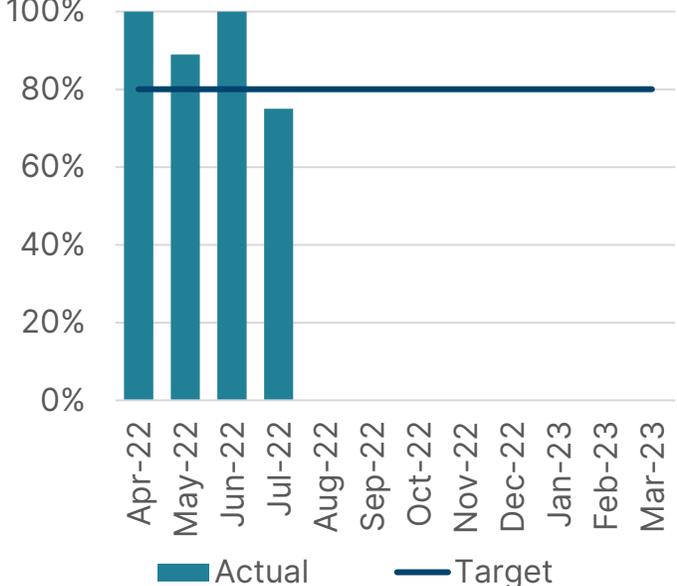| YTD %	Year-end forecast RAG status	
N/A	G	🟢

No appeal decision documents were expected.

Percentage of TA/HST evaluation topics where post committee commercial activities have taken place which have draft guidance published within 63 days of committee recommendation

YTD %	Year-end forecast RAG status	
75%	G	🟢

Of the 4 topics YTD, 1 topic (in June) did not meet the target. 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)

Percentage of TA/HST evaluation topics where managed access activities have taken place which have draft guidance published within 63 days of committee recommendation

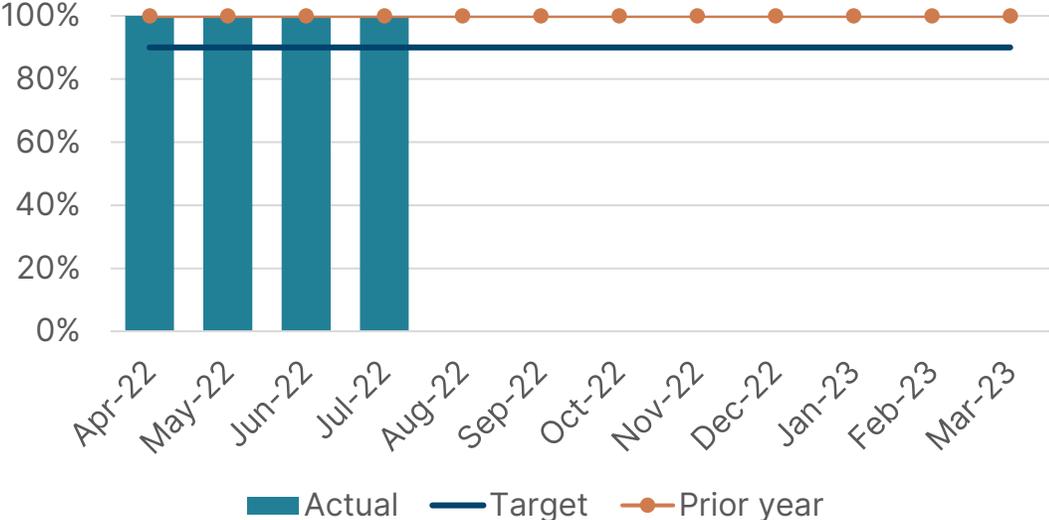| YTD %	Year-end forecast RAG status	
94%	G	🟢

1 of the 4 topics in July did not meet the target due to the timescale for the NHS England commercial negotiations. (new indicator for 22/23 so prior year data not available)

Supporting implementation and adoption of our guidance

1 April 2022 to 31 July 2022

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# 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

Actual — Target — Prior year

YTD %		Year-end forecast RAG status	
100%		G	●

On track – no issues to report.

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

Actual — Target — Prior year
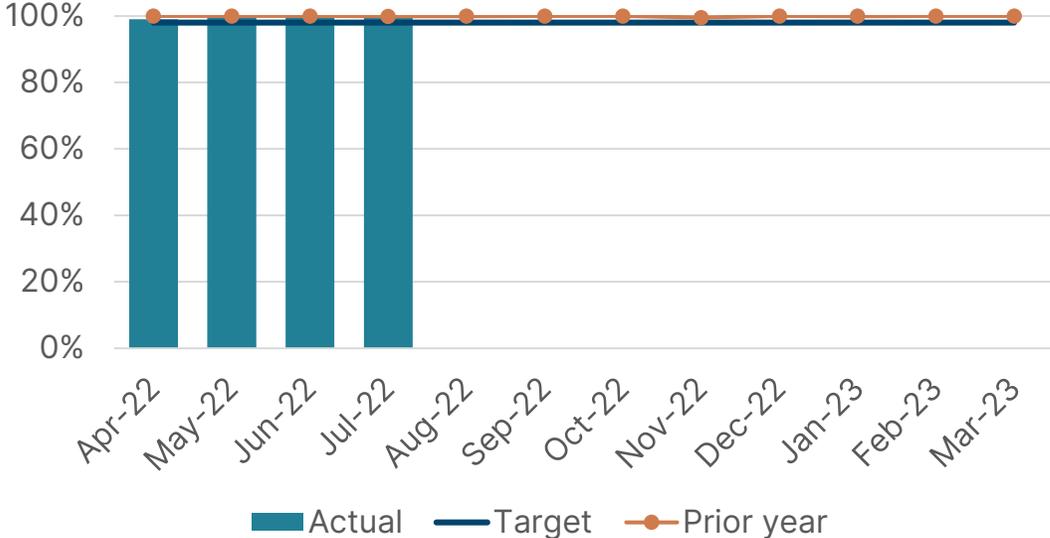
YTD %		Year-end forecast RAG status	
99%		G	●

On track – no issues to report.

Communications and engagement

1 April 2022 to 31 July 2022

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Communications and engagement (Slide 1 of 2)

Complaints acknowledged and responded to in 20 working days
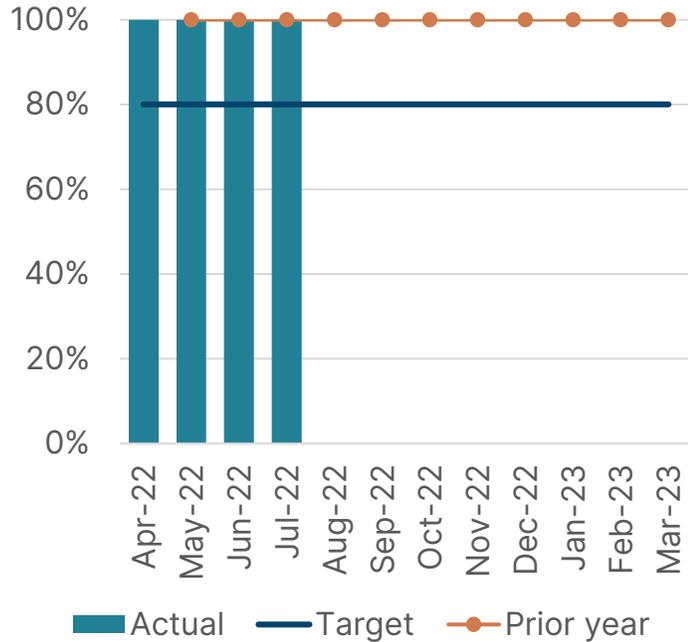
YTD %	Year-end forecast RAG status	
100%	G	🟢

On track – no issues to report.

Enquiries acknowledged and responded to in 18 working days
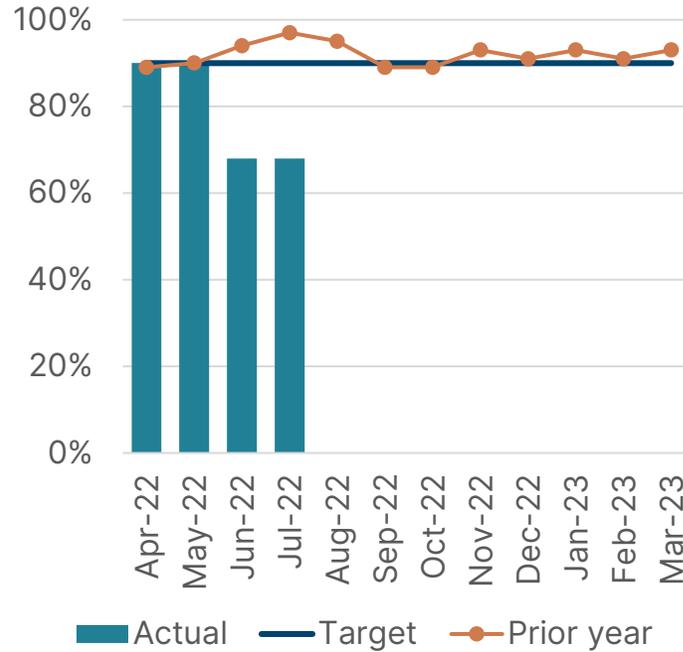
YTD %	Year-end forecast RAG status	
80%	A	🟡

The team is currently working through a small backlog of cases caused by a combination of factors, including capacity issues (long-term sickness, vacant position). Recovery plans are in place and we expect to meet the 90% target as we move through the year.

## Freedom of Information requests responded to within 20 working days
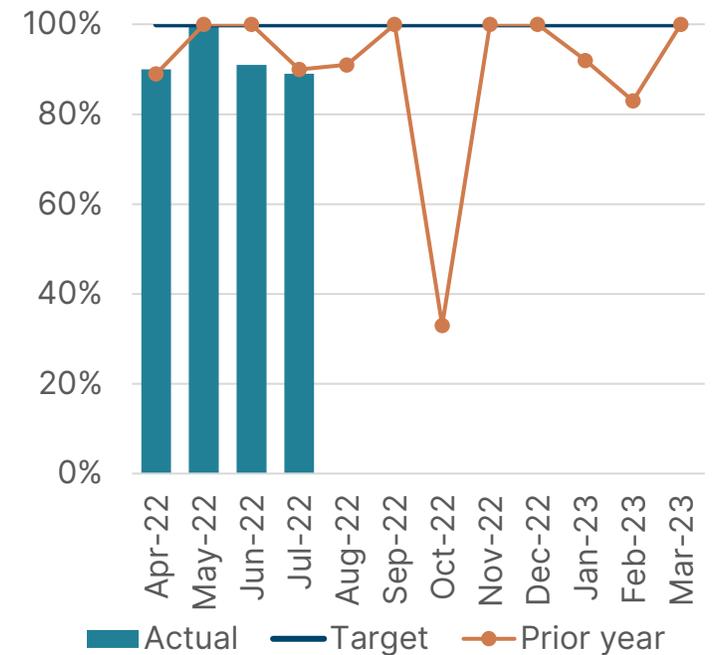
YTD %	Year-end forecast RAG status	
92%	A	🟡

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

Communications and engagement (Slide 2 of 2)

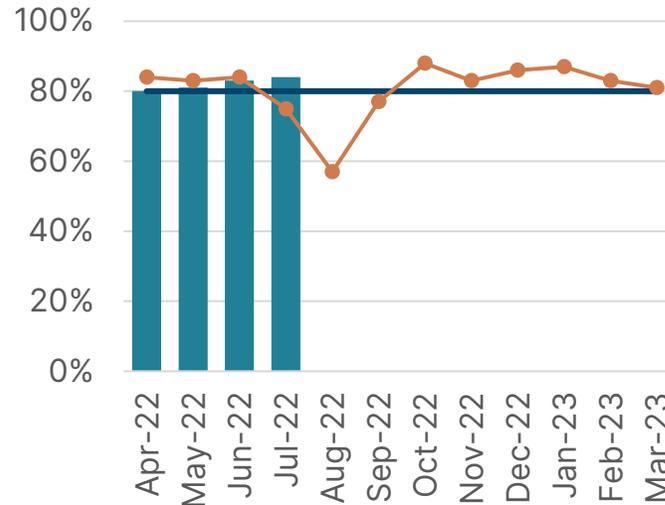### Parliamentary Questions (PQs) contribution provided within requested time frame
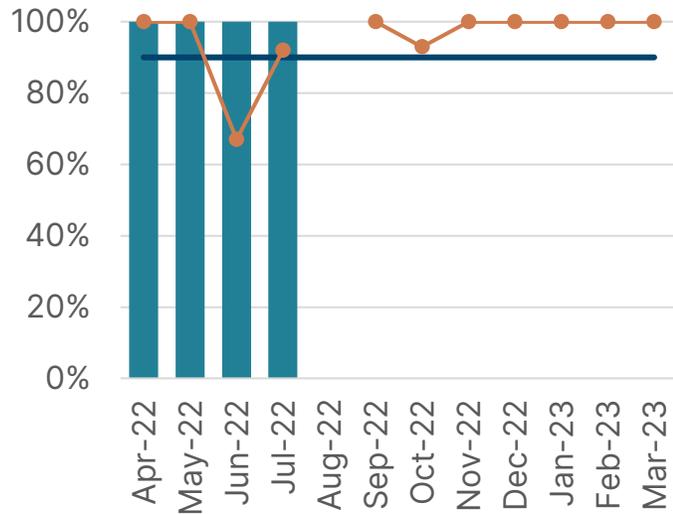
YTD %	Year-end forecast RAG status	
100%	G	🟢

On track – no issues to report.

Proportion of media coverage of NICE that is positive

YTD %	Year-end forecast RAG status	
83%	G	🟢

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

Proportion of NICE-generated news coverage includes at least one key message
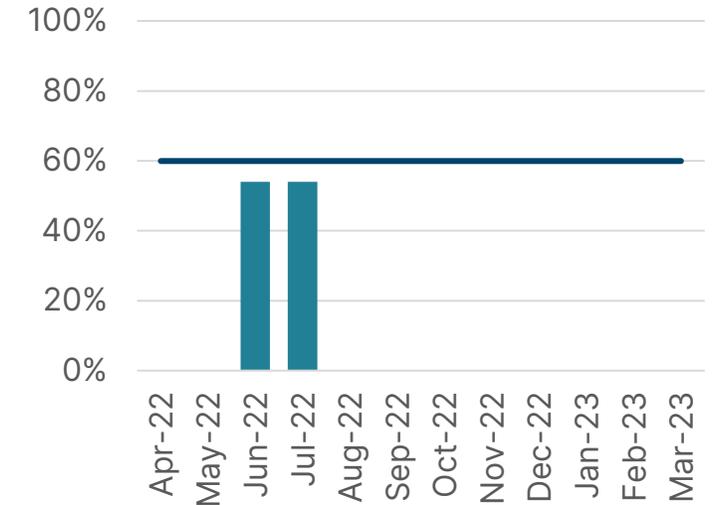
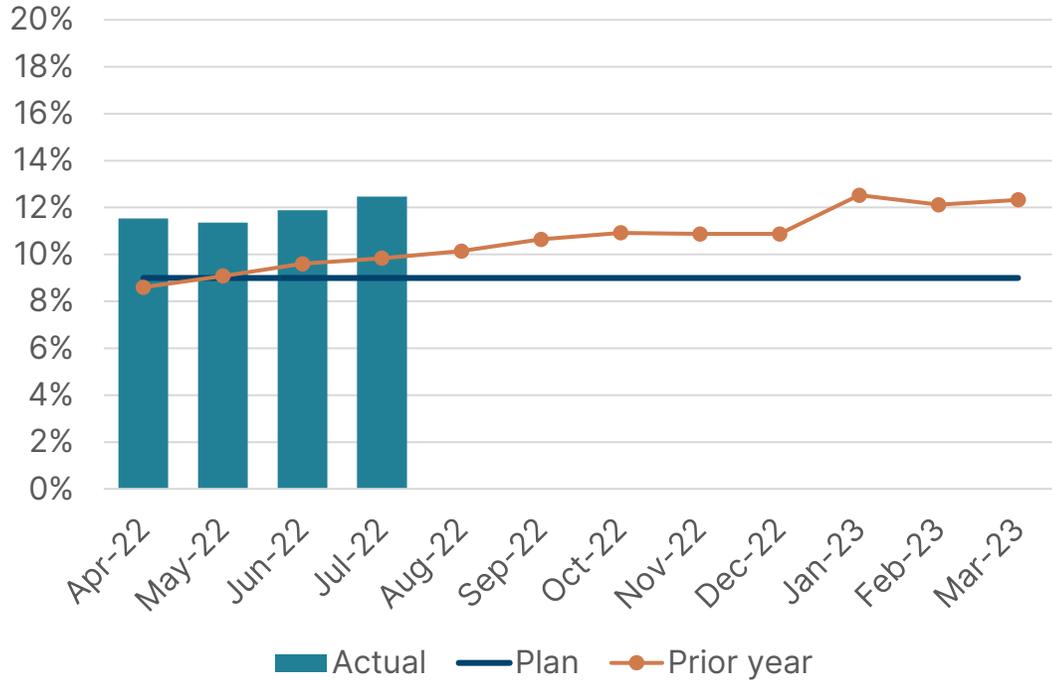| YTD %	Year-end forecast RAG status	
54%	G	🟢

Data collection began on 1 June 2022 so 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. (new indicator for 22/23 so prior year data not available)
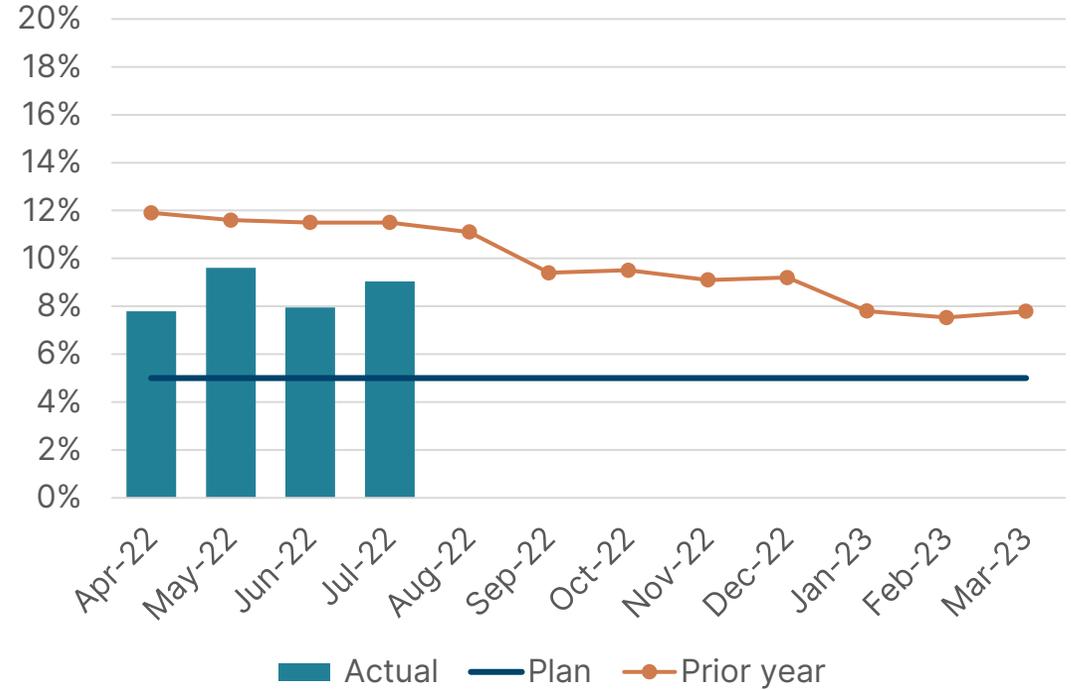
People

1 April 2022 to 31 July 2022

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People (Slide 1 of 2)

Rate of staff turnover

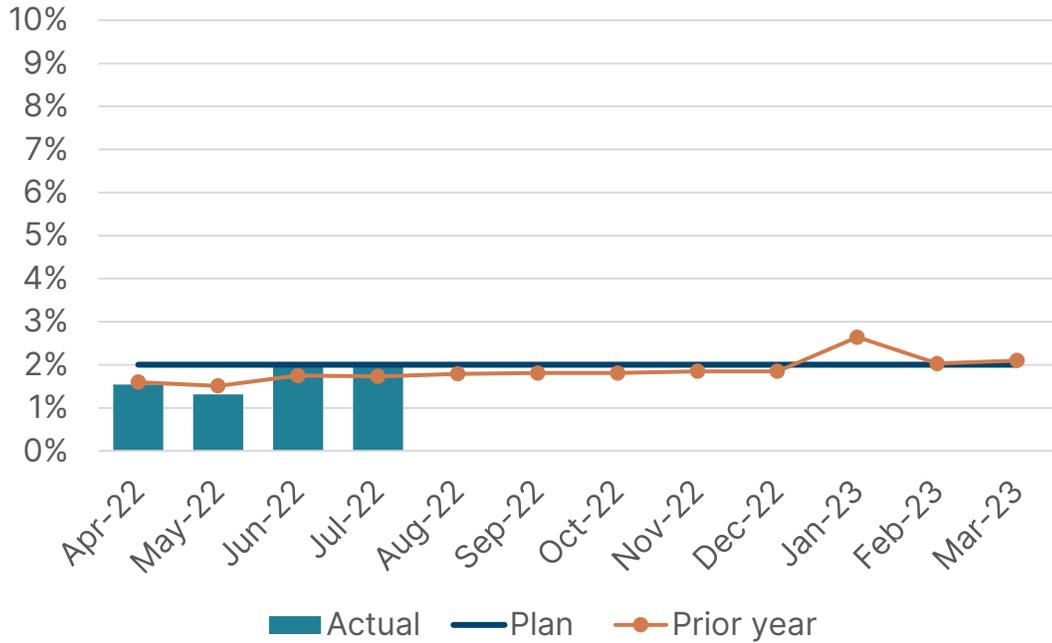| July 2022	Year-end forecast RAG status
12.47%	R ●

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

Vacancy rate

July 2022	Year-end forecast RAG status
9.04%	R ●

Vacancy rate increased to 9% which can be attributed to higher than wanted turnover. Vacancies have been reviewed to determine which have active recruitment activity. Of this number 61% (46wte) are being actively recruited to, with current campaigns or offers made and candidates either going through pre-employment checks or have future start dates booked.
However, given the Department of Health & Social Care's guidance to halt all but essential recruitment, we do not anticipate the vacancy rate will reach our 5% target this year.

People (Slide 2 of 2)

Sickness absence (proportion of WTE days reported as sickness)

Legend: Actual | Plan | Prior year

July 2022	Year-end forecast RAG status	
2.04%	G	🟢

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.

Increase in the proportion of Black, Asian and minority ethnic staff in senior roles

Legend: Actual
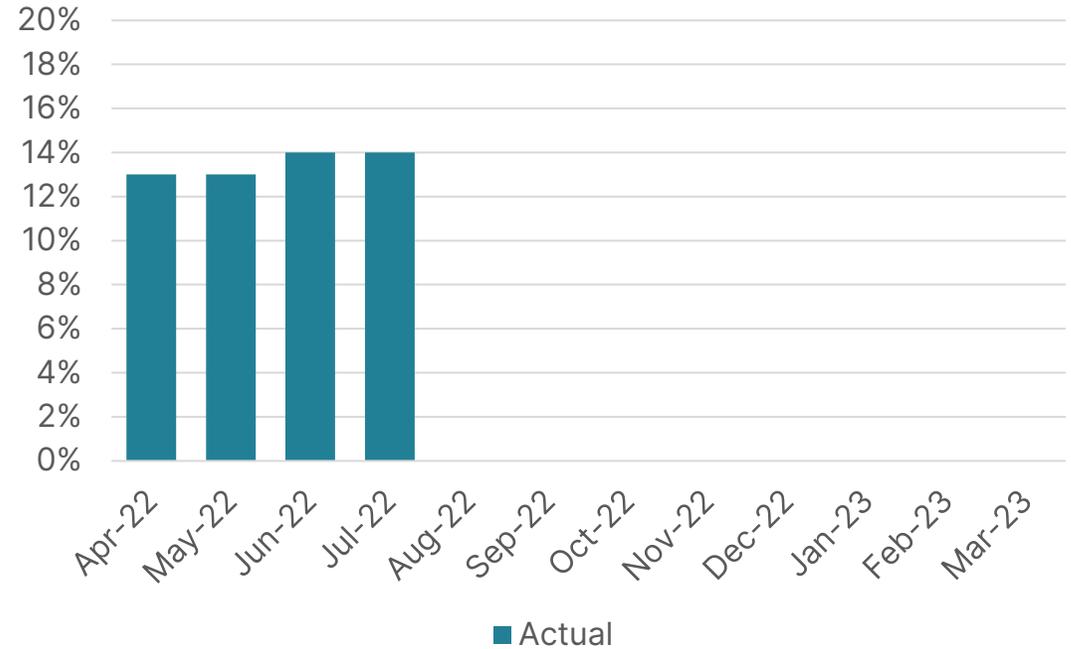
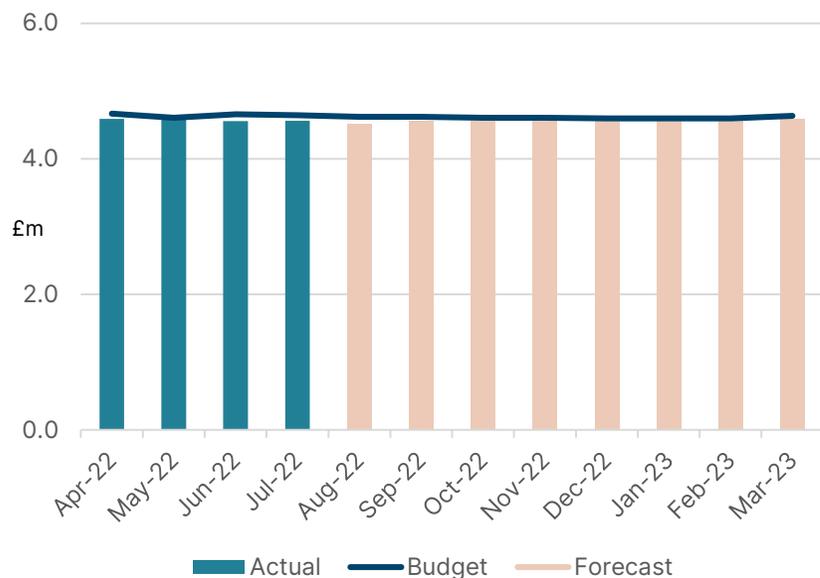| July 2022	Year-end forecast RAG status	
14%	A	🟡

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)
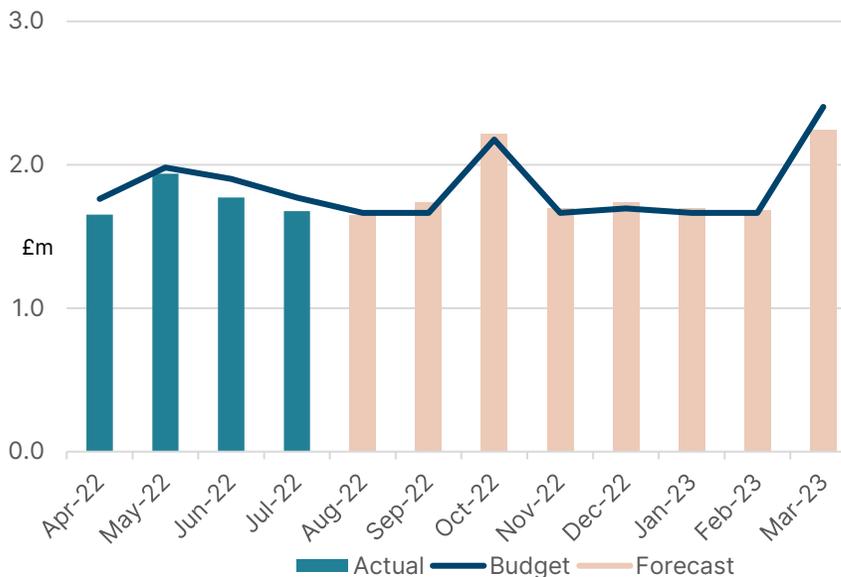
Finance
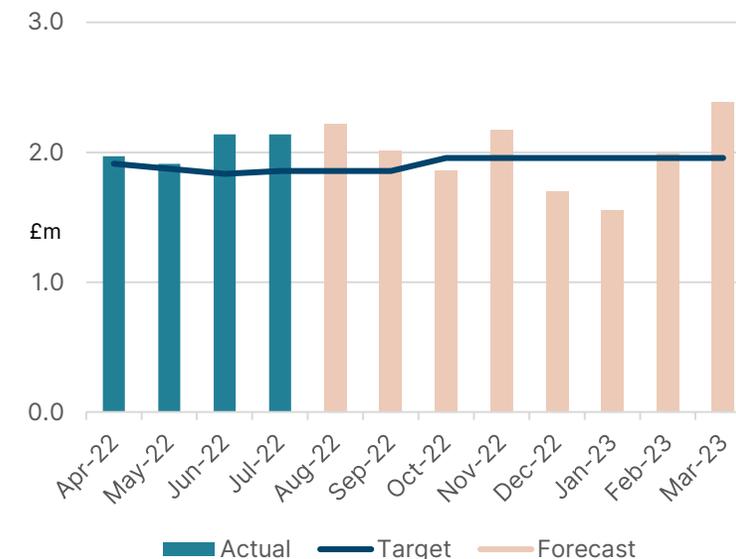
1 April 2022 to 31 July 2022

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Financial position as at 31ˢᵗ July 2022

YTD PAY: -£281,000 underspend

Legend: Actual — Budget — Forecast

YTD Non-Pay: -£377,000 underspend

Legend: Actual — Budget — Forecast

Income: -£684,000 surplus

Legend: Actual — Target — Forecast

Expenditure: Pay is underspent due to the vacancy rate running at 9% vs a plan of 5%. Unbudgeted secondments in to cover roles, plus an unidentified 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 Digital Workplace Programme is underspent year to date however it is expected to fully utilise available funding by year end.

Income: Both NSA and TA are delivering a surplus year to date. The fluctuations in income illustrated above is 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	18,572	18,291	(281)
Non-pay	7,415	7,038	(377)
Income	(7,475)	(8,159)	(684)
Total	18,511	17,170	(1,341)

Forecast Outturn

Spend Category	Annual Budget £000	Estimated Outturn Spend £000	Estimated Outturn Variance £000
Pay	55,454	54,819	(635)
Non-pay	22,016	22,698	681
Income	(22,924)	(24,061)	(1,137)
Total	54,547	53,457	(1,090)

Based on the current run-rates extrapolated to the end of the financial-year, adjusted for expected changes in expenditure, income, and planned investments, the forecast underspend for 2022-23 is £1.1m against a net budget of £54.5m

Pay: is set to continue to underspend, with an assumption that the vacancy rate of 9% will stay above the budgeted vacancy rate for the remainder of the year. The recently announced pay award was overall, from a cost perspective, in line with our budgeted planning assumption figure of 3%.
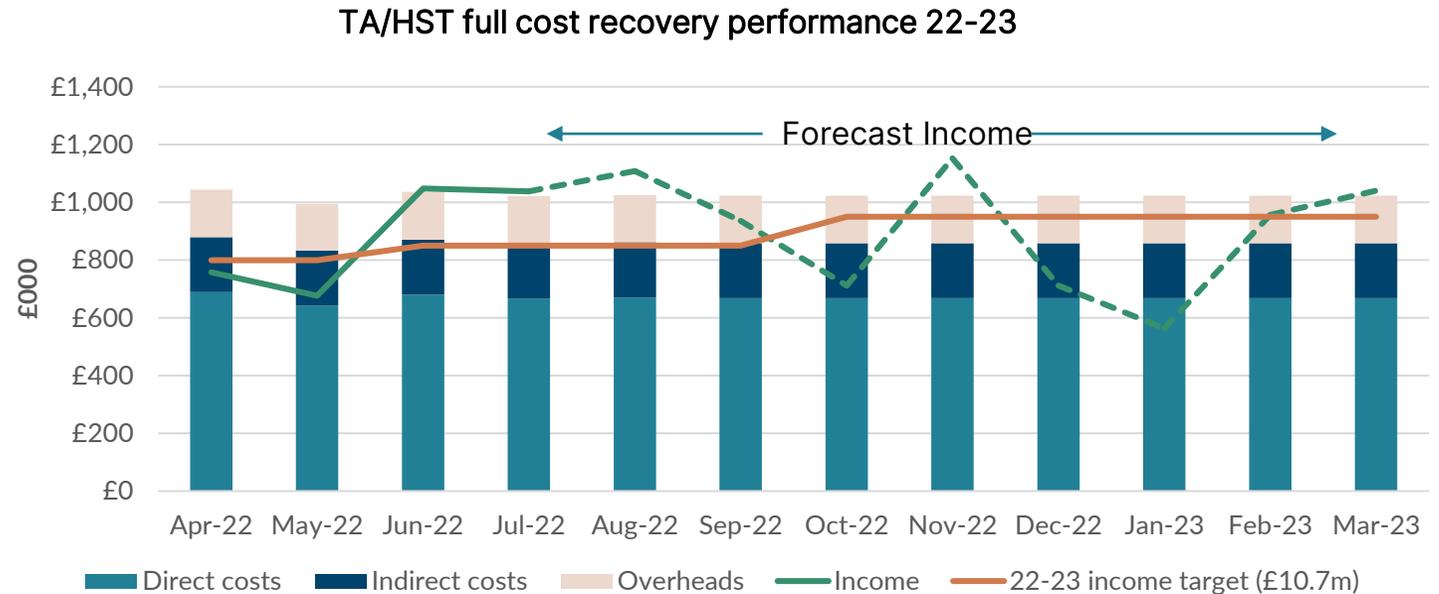
Non-pay: spend is forecast to increase in the latter part of the year, particularly in Digital (hardware purchases and audits/testing), and the variable element of the EAG contract, however, this is not yet committed to.

Income: TA/HST income is on track to hit its income target of £10.7m by year end (see next slide). NSA are forecast to deliver a surplus of £488,000 by year end. NSA's strong start to the year is forecast to continue, albeit at a lower surplus than M1-4.

Investments – included in the forecast outturn are several in year, non-recurrent investments to mitigate the forecast pay underspend and accelerate the delivery of key objectives. There is a risk that some investments may slip due to internal capacity and the lead time necessary for procurement and approvals.

Technology Appraisals

YTD Performance	£000
2.04%	G
Income Target M1-4	3,300
Actual Income M1-4	3,520
Variance (above plan)	-220

TA/HST full cost recovery performance 22-23

Forecast Income

Legend: Direct costs | Indirect costs | Overheads | Income | 22-23 income target (£10.7m)

In July 2022 we recognised £1.04m of income, the second month in a row we have recognised more than £1m and achieved full cost recovery in month. Using the TA topic planning database we are forecasting to meet the 2022-23 income target of £10.7m.

The amount of income recognised each month is based on the number of milestones completed, it is not based on the volume of published guidance. Key milestones include the evidence submission stage, the completion of the technical report and the committee stage. There can be several months between each milestone, which can lead to peaks and troughs in the amount of income recognised as shown in the year to date and forecast data. When appraisals are terminated this only results in a reduction in income if it is unplanned and alternative activity can not be undertaken.

The increase in TA fees from 1 April will begin 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	901	2,742
Income	1,184	3,230
Variance (Surplus)	-283	-489

NICE Scientific Advice income and expenditure between April 2021 - March 2023
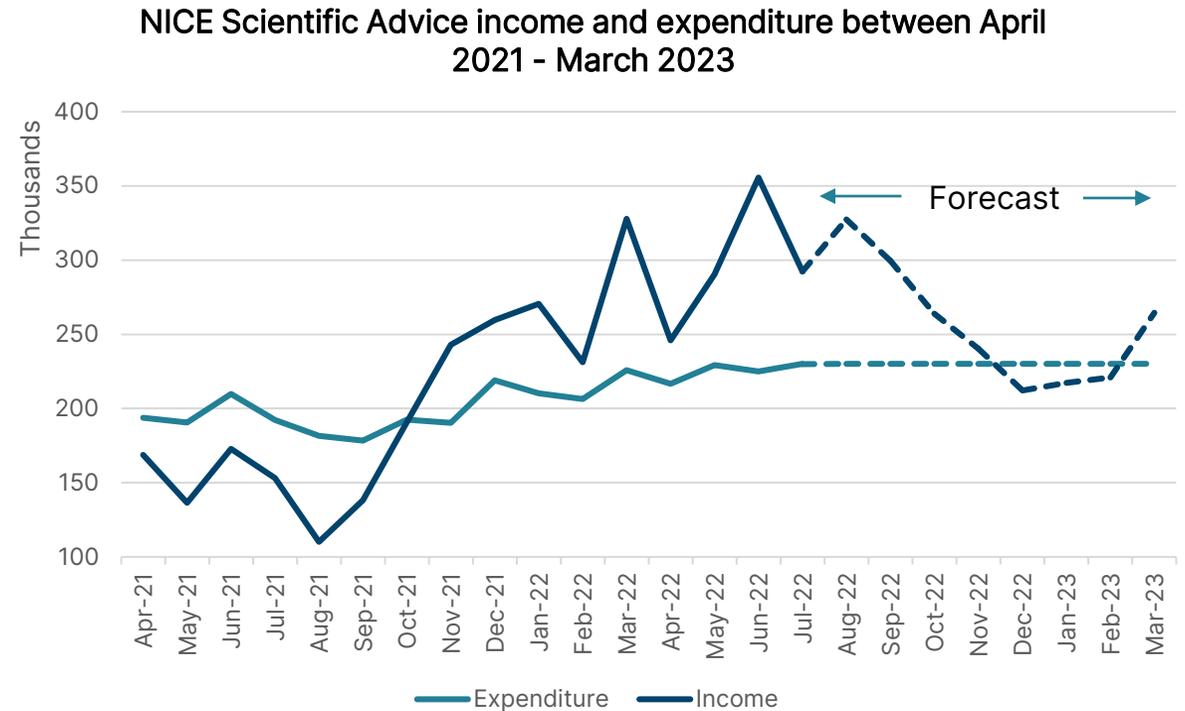
The NICE Scientific Advice (NSA) service generated a surplus of £283,000 in the first 4 months of 2022-23, continuing the strong performance seen at the end of the last financial year. The higher revenues generated since October 2021 can be attributed to increased
technical capacity within the team, allowing it to better meet the need for high levels of demand for early support services.

The forecast outturn for NSA is positive, with similar levels of income expected at least for the next 6 months. The income includes revenue generated by NICE International, which is expected to generate approximately £221,000 income this year, with new income leads still being identified. The surplus is expected to grow further in the coming months. However, the NSA team are developing a new service looking at the qualification of novel clinical endpoints and may utilise some of this surplus to commission an academic group to support this work.