

# TRANSFORMATION PROGRESS AND KEY MESSAGES – QUARTER 1

	Overall status and trend	Are milestone activities on track?	Key messages
<b>Priority 1</b> 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	 12 - yes (green) 0 - no (red) 0 - early warning (amber)	A mechanism has been developed for keeping system intelligence 'live' on the breast cancer topic, with a first advisory group session established with NHS England. Mekon, a digital content consultancy are now working with the team, with initiation workshops completed and design concepts being developed. Business process analysis has started to support the methods and processes workstream working alongside the finance team to understand current and to-be processes and costs. There has been good and positive staff engagement at the recently held CfG operating model workshop, where design principles were developed.
<b>Priority 2</b> Expanding our capacity for technology appraisal guidance for medicines by 20% through developing a more proportionate approach	 Amber and stable	 8 - yes (green) 0 - no (red) 0 - early warning (amber)	The Health Technology Appraisals (HTA) Lab is progressing through a series of internal and external engagements: two external engagement events taking place in July – the first with key system partners and industry, and the second with committees, patient groups, and academia. The team will continue to develop principles on how HTA's could be integrated with the NHSE&I Highly Innovative Commercial Solutions initiative. The Project Board approved 4 key strands of work to take forward into pilots with one overarching strand, which are: streamlined approach, pair appraisals, pathway appraisal and pre-specified assumptions, and low risk (overarching). The overall priority remains as amber which reflects the extent of work needed to take these forward into plans in terms of complexity and capacity, but these are making good progress and plans are in place to bring this back on track whilst recognising there are risks to delivery.
<b>Priority 3</b> 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	 Amber and downward trend	 3 - achieved (blue) 6 - yes (green) 1 - no (red) 1 - early warning (amber)	The priority has been marked as amber due to a small number of issues - all of which are currently being taken forward through external engagement. These include Digital Technology Assessment Criteria (DTAC) approvals (which could impact on publication timescales), system partner needs and risks around industry participation – reflecting evidence generation requirements and re-imburement. 3 of the 4 quarter 1 business plan milestones delivered: long list of topics, establishment of clinical & stakeholder networks, launch of first value assessment pilots (cardiovascular and children's mental health). The exception is the "interim methods and process statement" which has slipped from end June to end of July 2022. First four topics have been selected - childhood mental health, cardiovascular and early cancer detection. There is an anticipated slippage to the "publication of the first output" from September – this is due to the DTAC issue highlighted above. High profile engagements have taken place at the Digital Health and Telemedicine summit, and the NHSConfedExpo.
<b>Priority 4</b> Transformation of the way we work, including our technology, processes and behaviours	 Amber and stable	 11 - yes (green) 1 - no (red) 0 - early warning (amber)	Home working consultation for staff on home-based contracts is underway. We have paused activity to reassess requirements following feedback. There are project management capacity issues with the helpdesk and AV workstream and a business case is being prepared for additional support. Consultation comments pilot for the use of R-script has been successful in CfG. Next steps is to approve full roll-out. This supports guideline co-ordinators to reduce the time taken to process consultation comments. Committee recruitment workstream has concluded a successful pilot of TRAC. Training has been delivered to relevant teams. Next steps is to approve full roll-out. The digital workplace programme is making good progress, with the project spaces (MS Teams) service being introduced to all 4 priorities by end of July 2022.

# TRANSFORMATION KEY PERFORMANCE INDICATORS – JUNE 2022 (SLIDE 1 OF 2)

		Key performance indicator for 22/23	Status
Digital living guideline recommendations	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
Proportionate approach to technology appraisals (TA)	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
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 – JUNE 2022 (SLIDE 2 OF 2)

Internal  
Transformation  
programme

11  
INDICATORS

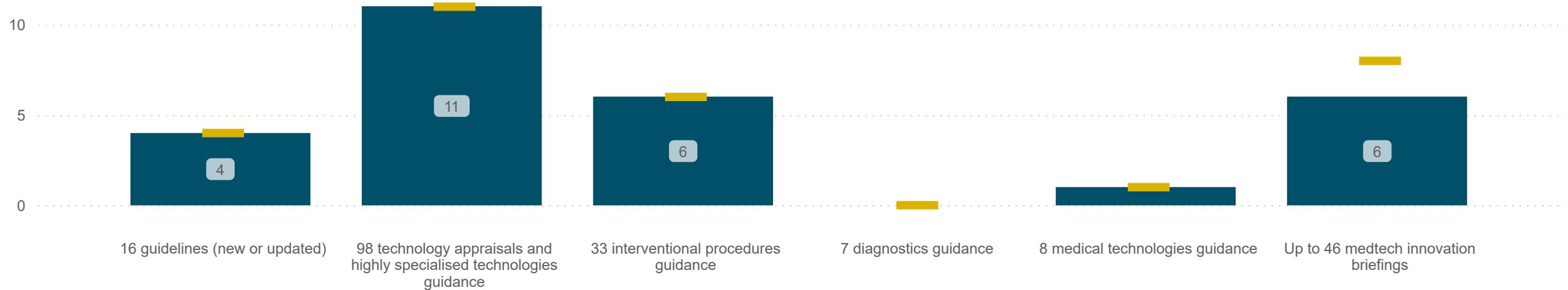
Key performance indicator for 22/23	Status
Formal hybrid working introduced	In progress
Leadership/management development training rolled out	In progress
Process improvement for consultation comments rolled out if pilot successful	In progress
OneDrive rolled out as part of My Space service	In progress
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

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

# Guidance and supporting activity

## Core advice and guidance - Summary 1st April 2022 - 31st May 2022

● YTD Actual — YTD Planned



### Comments

98 technology appraisals and highly specialised technologies guidance

The programme is forecast to publish 98 pieces of guidance across 22/23. There is likely to be a higher proportion of terminated appraisals than was signalled in the business plan (10 for the whole of 2022/23). This is being closely monitored to consider the impact on income but is not currently expected to impact on the forecast.

7 diagnostics guidance

The programme is forecast to produce 7 pieces of guidance. In addition to the 7 pieces of diagnostics guidance, the diagnostics team are continuing to work on the multiple technology assessment of Hybrid closed loop systems for managing blood glucose levels in type 1 diabetes which pilots the principles of early value assessment (previously known as the contingent approval pilot).

8 medical technologies guidance

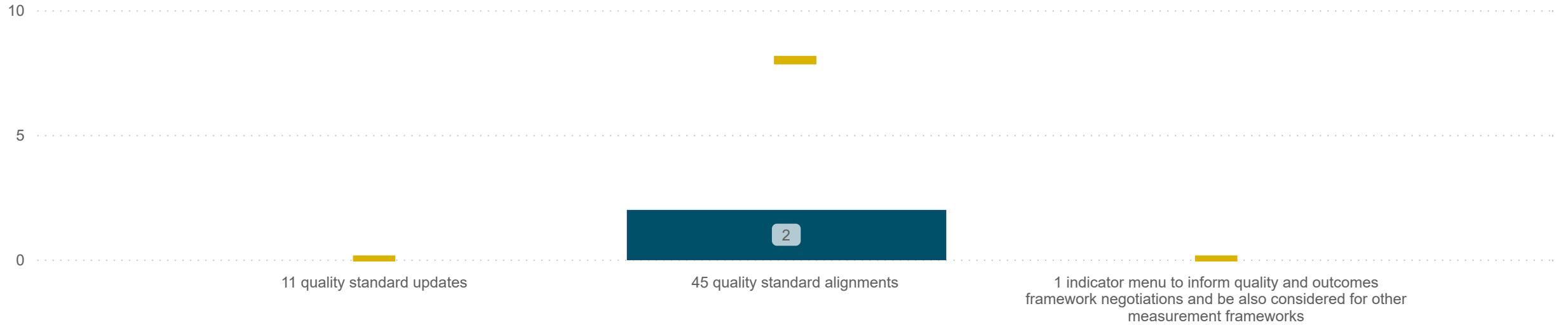
The programme has 7 pieces of guidance planned to publish this financial year. We will be unable to meet the target of 8 due to a decrease in appropriate topics in the topic pipeline. We will also be publishing up to 5 Early Value Assessments (EVA).

Up to 46 medtech innovation briefings

The programme is on target to publish 46 MIBs this year and slightly behind schedule in the first 2 months, but the topic pipeline is strong and the MIB publication will catch up in the next quarter.

## Core advice and guidance - Summary 1st April 2022 - 31st May 2022

● YTD Actual — YTD Planned



### Comments

11 quality standard updates

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

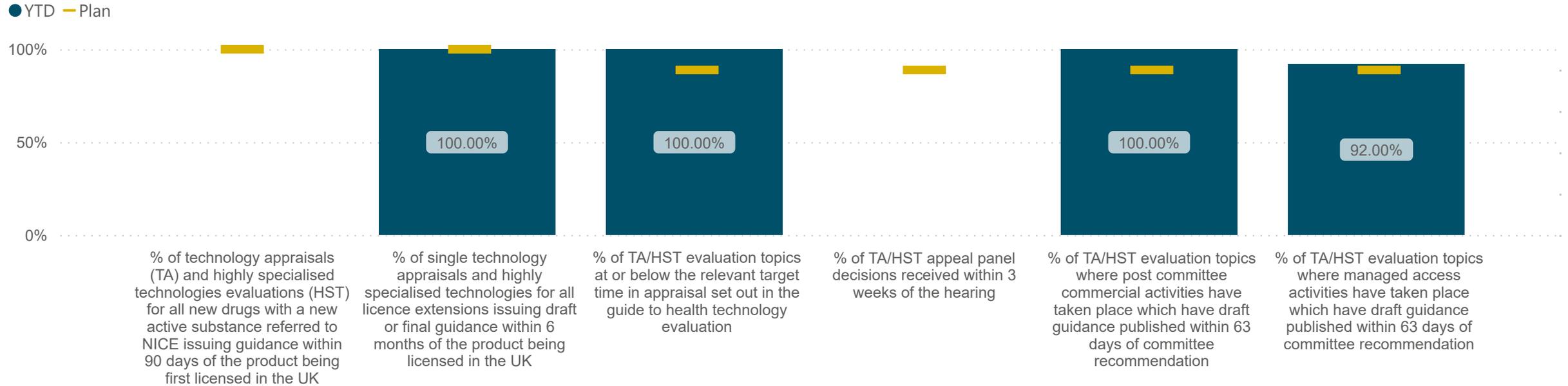
The target is based on last year's activity. The programme is behind plan due to a few of the underpinning guidelines publishing later than expected. Expected to catch-up later in the year.

1 indicator menu to inform quality and outcomes framework negotiations and be also considered for other measurement frameworks

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

## Additional Measures Summary 1st April 2022 - 31st May 2022

### Enabling timely access to new technologies



### Comments

% 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

The 4 new active substance topics which published in April and May were excluded from the indicator as the caveats which remove topics affected by factors outside of NICE's control from the reporting applied.

% of TA/HST appeal panel decisions received within 3 weeks of the hearing

No appeal hearings have been held.

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

No topics with draft guidance published in May-22 required post-ACM commercial activity. The volume of topics with commercial activity post-ACM will increase as topics under STA2022 reach draft final guidance stage.

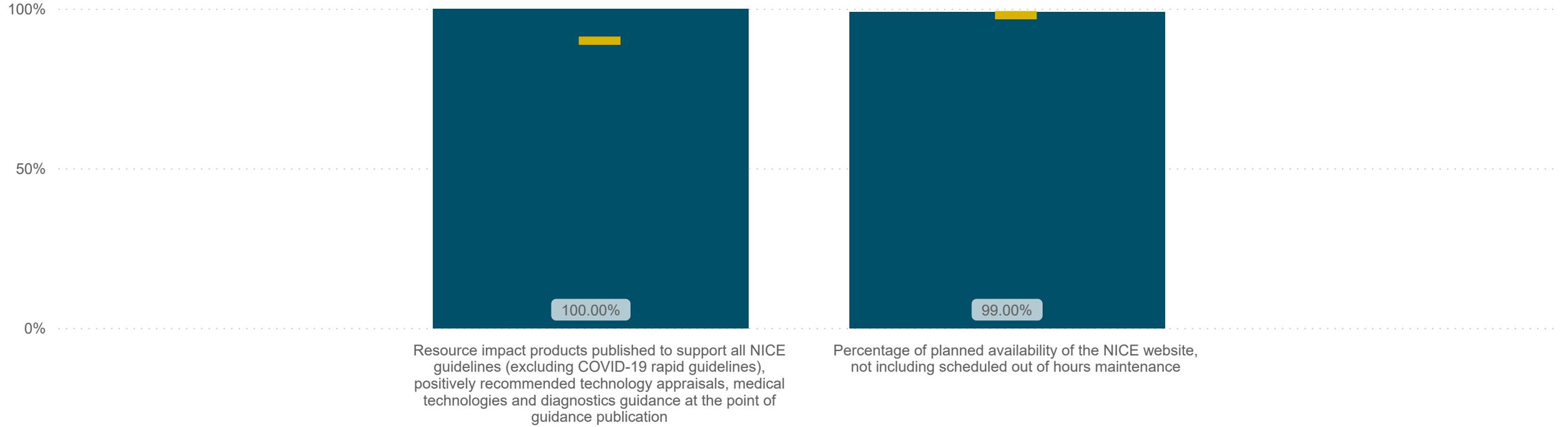
% of TA/HST evaluation topics where managed access activities have taken place which have draft guidance published within 63 days of committee recommendation

The process for reviewing all topics for potential further evidence generation via managed access started with new topics at invitation to participate (ITP) in February 2022. The volume of topics with either a decision problem triage, feasibility assessment or managed access agreement will increase as topics under STA2022 reach draft final guidance stage.

## Additional Measures Summary 1st April 2022 - 31st May 2022

Supporting implementation and adoption

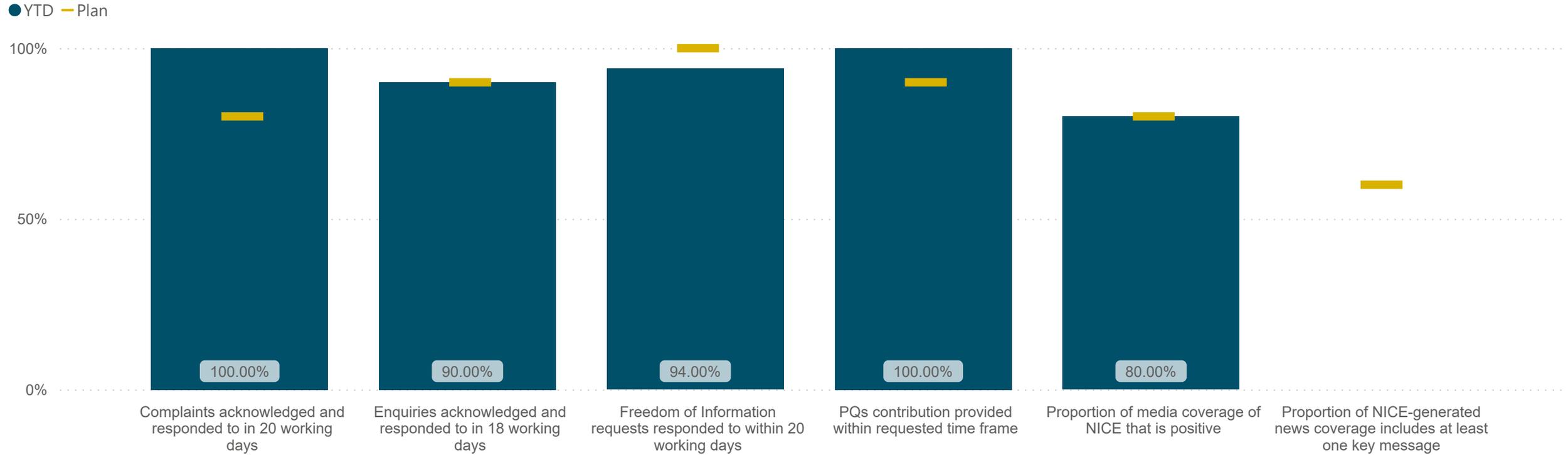
● YTD — Plan



Comments

# Additional Measures Summary 1st April 2022 - 31st May 2022

## Communications and engagement



### Comments

Freedom of Information requests responded to within 20 working days

1 FOI answered late in April due to delay in identifying the necessary information.

Proportion of NICE-generated news coverage includes at least one key message

Data collection beginning 1 June 2022

# People

## People 1st April 2022 - 31st May 2022

Output	Plan	Value	Variance	On Target	Year- end forecast - RAG	Trend - plan in yellow April 2022 - May 2022	Comments
Budget Vacancy Rate	5.00%	8.13%	3.13%	↓	●		Vacancy rate increased to 8.1% which can be attributed to the creation of new posts following 2022/23 business planning cycle, a temporary hold on vacancies not essential to NICE's priorities or considered business critical followed by additional scrutiny on vacancy approvals. The 71 wte vacancies have been reviewed to determine which have active recruitment activity. Of this number 65% (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.
The rate of staff turnover	9.00%	11.36%	2.36%	↓	●		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.

## People 1st April 2022 - 31st May 2022

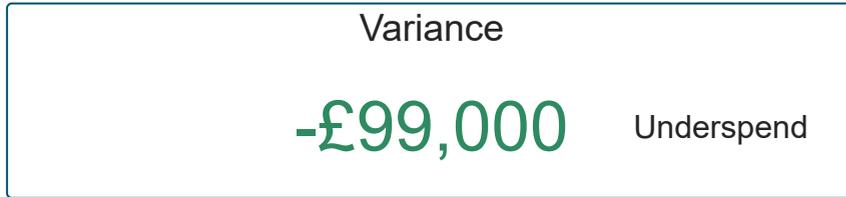
Output	Plan	Value	Variance	On Target ▼	Year- end forecast - RAG	Trend - plan in yellow April 2022 - May 2022	Comments
Increase in the proportion of Black, Asian and minority ethnic staff in senior roles		13.00%	13.00%	—	●	■ ■	We are developing an action plan for year 2 of our organisational workforce 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.
The proportion of WTE days reported as sickness (reported quarterly and annually).	2.30%	1.31%	-0.99%	↑	●	■ — ■	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.

# Finance

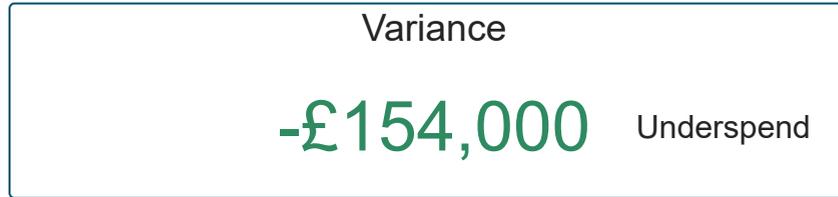
The financial position after 2 months is an underspend of £348k.

Financial position as at 31 May 2022

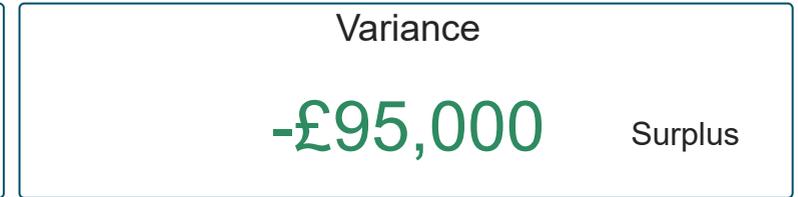
YTD PAY



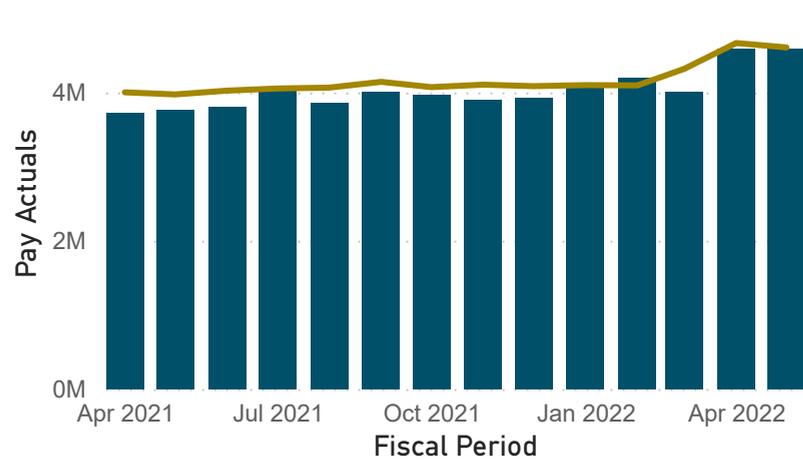
YTD NON - PAY



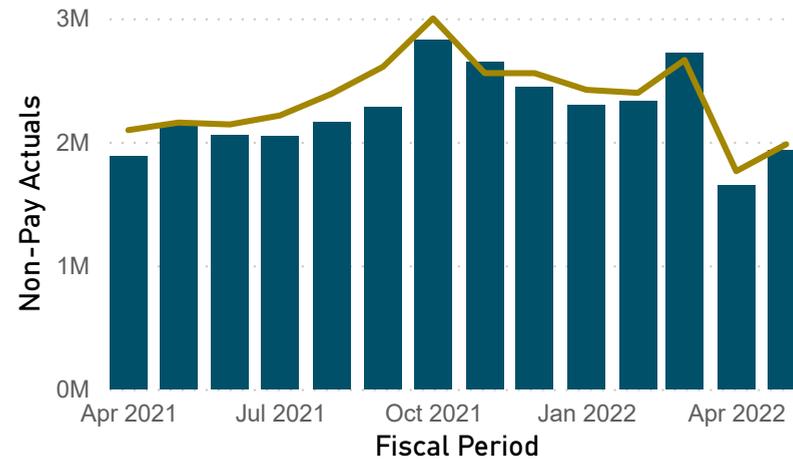
YTD INCOME



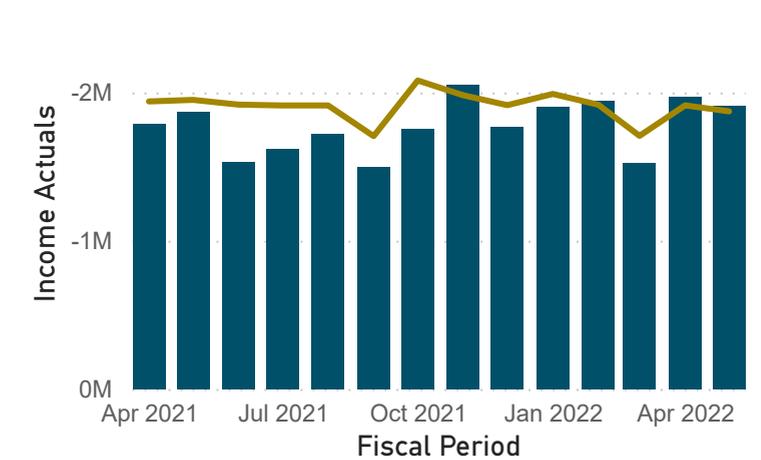
● Pay Actuals ● Pay Budget



● 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	9,273	9,174	-99	-1%
NON-PAY	3,743	3,589	-154	-4%
INCOME	-3,785	-3,880	-95	3%
<b>Grand Total</b>	<b>9,231</b>	<b>8,883</b>	<b>-348</b>	<b>-4%</b>

**Expenditure:** Due to uncertainty over our funding for 2022/23, we were cautious about committing to expenditure on non-pay contracts and some recruitment was held until the funding was confirmed. This caution is driving the pay underspend and some of the non-pay underspend in Q1.

**Income:** Although TA/HST income was below plan in the first 2 months (£166k), this has been offset by a strong performance by the NICE Scientific Advice programme (£90k surplus), plus funding for research in the SP&R programme and copyright income both being ahead of plan (£82k and £25k respectively).

**Forecast:** Now that funding has been confirmed, we can commit expenditure and investment into areas that will help deliver our core business plan objectives. We will hold back some budget in reserve to offset any potential cost pressures (such as the financial impact of the 22-23 pay award and preparing for the Covid-19 inquiry).

## NICE Scientific Advice Income

Category	Year-to-date Actuals £'000
Expenditure	446
Income	536
Variance	-90

The NICE Scientific Advice (NSA) service generated a surplus of £90,000 in the first 2 months of 2022-23, continuing the strong performance seen at the end of the last financial year.

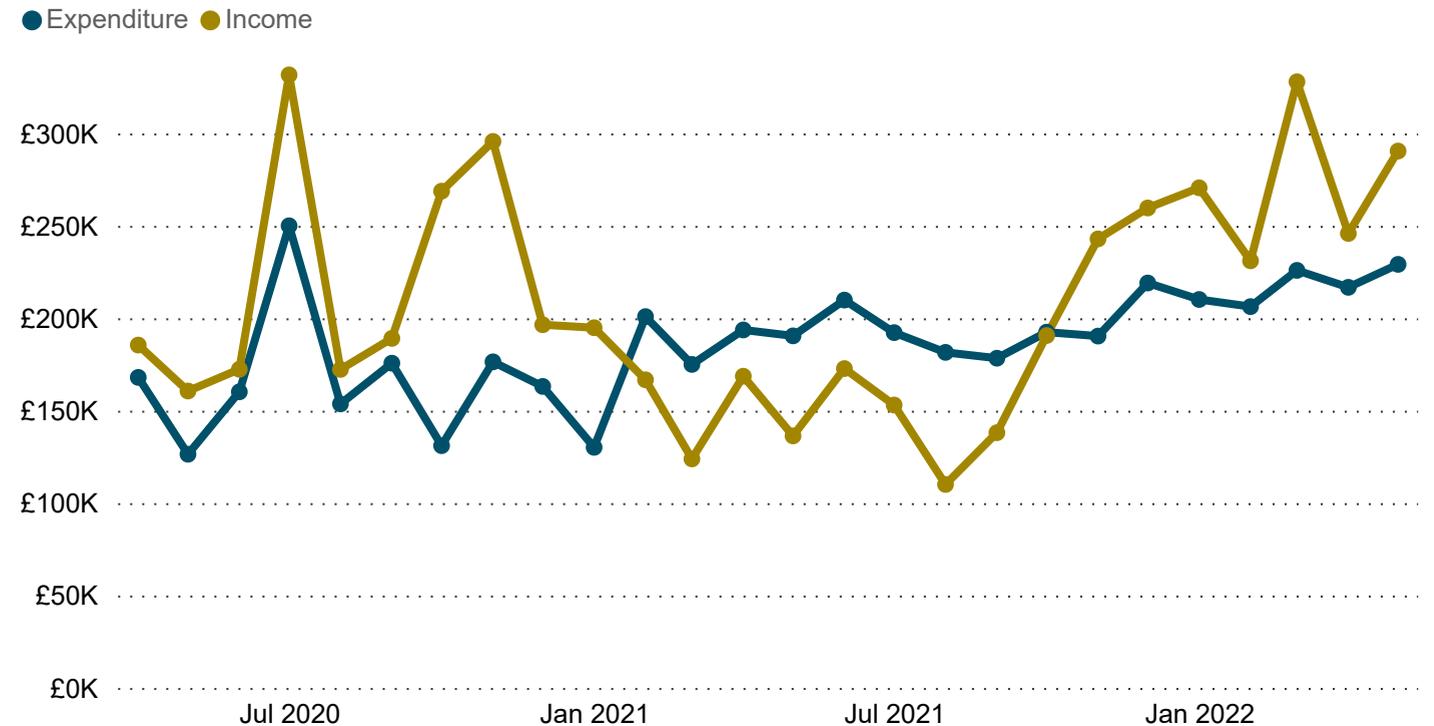
The higher revenues generated since October 2021 can be attributed to increased technical capacity within the team, allowing it to better meet the need for high levels of demand for early support services.

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 £160,000 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.

NICE Scientific Advice income and expenditure between April 2020 - May 2022



# Integrated Performance Report - Appendix

## Contents:

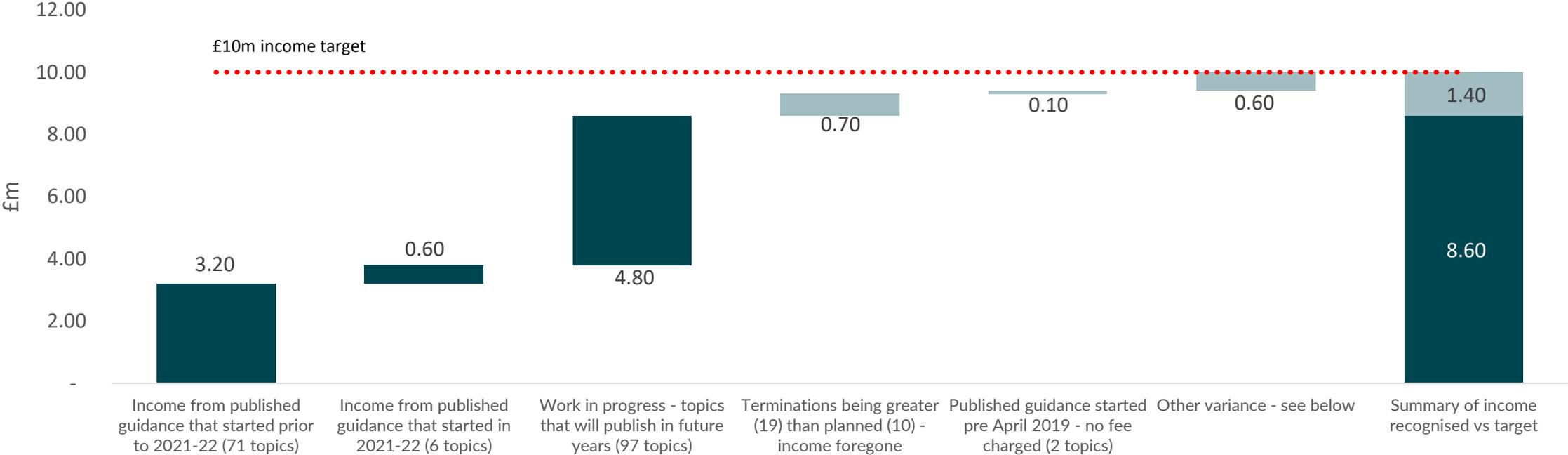
### **1. Review of TA/HST performance in 2021-22**

At the May 2022 meeting, the Board requested more information on 2021-22 TA/HST financial performance vs budget. In particular, the Board asked why the income target of £10m was not achieved despite the business plan output of 98 published topics having been met.

### **2. Update on TA/HST financial performance in Q1 2022-23**

We have included an update on the TA financial performance in the first quarter of 2022-23, replacing the update usually included in the financial section of the integrated performance report.

# 2021-22 TA income (£8.6m) vs the target (£10m) – Summary chart



- 21/22 income target: The TA/HST programme was significantly impacted by the pandemic in 2020-21, with a large number of topics paused or delayed. This made it particularly difficult to set an income target for 2021-22. Using a relatively narrow sample of income in Oct – Dec 2020, the income target for 2021-22 was set at £10m. In actual fact the three sample months Oct-Dec’20 turned out to be the highest-revenue months in-year.
- Of the £8.6m income recognised in 21/22, £3.8m relates to appraisals started in previous years and £4.8m relates to topics started in 21/22 but not yet published.
- The income foregone due to the higher number of terminations (19 vs. 10 in the plan) is estimated to be £0.7m. This is based on 17 appraisals terminated before charging or fully refunded. The remaining 2 terminations were fully charged.
- The ‘other’ variance of £0.6m reflects changes to topic scheduling and an upward income trajectory assumed in the plan that did not materialise.

# TA/HST 2022-23 Target and Q1 performance

## The income target for 2022-23 has been set at £10.7m.

In the past 12 months, the TA/HST income forecast has improved significantly and is now based on the TA topic planning database. The 22/23 target was set reflecting the following:

- the live topics in the programme at the start of the financial year (we carried forward £8.3m in deferred income) together with topics due to start during 2022-23 and the work expected to be completed on them. The income target assumes 88 of topics will proceed to the Invitation to Proceed stage in year.
- of the topics in progress or commenced, some will be terminated or delayed into the following financial year. The level of this will be closely monitored to assess any impact on income.
- the increase in TA fees from 1 April 2022 with the full impact on revenue time-delayed as new topics pass milestones in the process.
- a small company discount of £0.5m in total (similar to 21-22) has been assumed.

## Q1 income target achieved

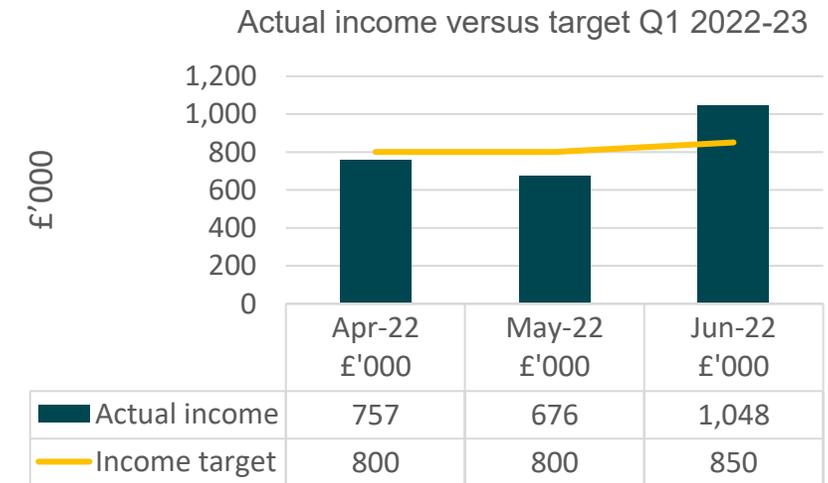
A significant number of TA topics completed a milestone in June taking Q1 TA income just above target.

The amount of income recognised each month is based on the number of milestones completed each month, 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 Q1 data.

**NICE**

YTD Performance	£'000
Income target Q1	2,450
Actual income Q1	2,481
Variance (above plan)	31

\*Annual income target for 2022-23 is £10.7m



*Note: The data presented in the main body of the IPR is based on information available for April and May. For this appendix, the financial data for TA/HST was available for June and has been provided to give the most up-to-date position.*