NICE

National Institute
for Health and
Care Excellence

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Annual Report and Accounts 2025 to 2026

HC 454

National Institute for Health and Care Excellence (non-departmental public body)

Annual report and accounts 2025 to 2026

For the period 1 April 2025 to 31 March 2026

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Section A

Performance report

Overview

This section describes the role of NICE, explains what we do, and lists our achievements in 2025 to 2026.

Chairman's foreword

Sharmila Nebhrajani OBE
Chairman

This has been a year of considerable significance for NICE. Against a backdrop of major policy reform, senior leadership transition and rapid technological change, the organisation has continued to advance its core purpose: to help health and care practitioners and commissioners to get the best care to people fast, while ensuring value for the taxpayer.

During this year, I was delighted to announce Professor Jonathan Benger as NICE's new chief executive, succeeding Dr Sam Roberts. Jonathan will be well known to many of our partners, having joined NICE in January 2023 as chief medical officer and since holding roles of interim director of the Centre for Guidelines and deputy chief executive. He is widely respected, and his extensive front-line clinical and national policy experience make him well placed to lead our organisation through the next phase of its development. I am confident that under his outstanding leadership, NICE will continue to deliver on its commitments under the 10 Year Health Plan, the Life Sciences Sector Plan - and, most critically of all, the needs of clinicians, commissioners and patients.

Ending the postcode lottery for healthtech

NICE was originally established in 1999, in part, to address a perceived postcode lottery for medicines access in health and care. Many of the same challenges have long faced healthtech: inconsistent access across the country and unclear signals about which technologies offer the best value to the health system. The government has recognised the critical importance of healthtech to patient outcomes. It is therefore especially pleasing that, as part of the 10 Year Health Plan, NICE's mandate has been broadened to encompass high-impact healthtech – after many years of discussion and debate.

Through close collaboration with the Department of Health and Social Care, NHS England, the Medicines and Healthcare products Regulatory Agency and the Office for Life Sciences, NICE has developed the National Healthtech Access Programme - a structured framework designed to bring clarity, consistency and rigour to the evaluation and adoption of selected high-impact healthtech. Crucially, the programme has a funding mandate that assures financial support for the commissioning of the technology, akin to that for medicines, removing one of the biggest barriers to adoption. In February 2026, we announced the first 2 topics to be assessed through the programme:

1. capsule sponge tests for the detection of Barrett's oesophagus and oesophageal cancer
2. AI-assisted tools for identifying prostate and breast cancer.

Both technologies hold significant potential to transform early diagnosis for thousands of patients each year, while driving workforce efficiency and releasing capacity across the NHS.

The pace of change in the healthtech sector is considerable, and these 2 product areas represent just the beginning. Healthtech offers remarkable possibilities for earlier diagnosis and preventative care. NICE wholeheartedly embraces the task of distinguishing the most clinically and cost-effective technologies, providing clear guidance to commissioners and practitioners that will help to simplify decision-making at the point of care.

The Life Sciences Sector Plan underscores the importance of accelerating innovation for the UK economy and strengthening its position as a life sciences superpower. Our work on high-impact healthtech directly supports this ambition, situating the NHS as a powerful and credible customer for one of the UK's fastest-growing industries. From digital therapies to advanced diagnostic tools, NICE will work in partnership with industry and our system partners to bring life-changing innovations to patients across the country.

Changes to NICE's evaluation thresholds

In December 2025, the government announced that it would increase the thresholds NICE uses in its evaluations of new medicines for use in the NHS.

In a health service funded by general taxation, it is right that government determines the level of health spend in the UK. The thresholds are the manifestation of that choice.

NICE's global reputation for robust, rigorous, transparent guidance will be unaltered as our independent committees apply the new value for money thresholds in their deliberations from April 2026. We have been working to introduce these changes fairly and swiftly to provide clarity for patients and industry.

We currently recommend 91% of the medicines we evaluate, around 70 a year. Our analysis suggests that increasing the standard threshold to £25,000 to £35,000 will allow us to recommend an additional 3 to 5 new medicines or indications per year. Our assessments use quality-adjusted life years (QALYs) to estimate the health benefits of new medicines. Alongside adjustments to the cost-effectiveness thresholds, we are introducing a new value set for assessing health-related quality of life.

The new EQ-5D-5L value set is based on a questionnaire that captures how someone's health affects their daily life - an update from the previous dataset, which dated back to the 1990s and looked at 3 response options rather than 5. Adopting the new value set means NICE will be able to make more accurate assessments of how treatments improve health-related quality of life. This change may additionally impact the cost-effectiveness of medicines.

Our commitment to patients and the public

NICE is committed to playing a central role in ensuring the UK remains at the forefront of life sciences innovation, while delivering a sustainable, equitable and effective health service for all. That commitment is made possible by the dedication and expertise of our staff and our committee colleagues. On behalf of the whole board, I wish to extend sincere thanks to our senior leadership team, to our staff, and most of all to those who serve on our committees - clinicians, patient representatives, academics and industry colleagues who each bring their wisdom, compassion and rigorous intellect to our decisions, often giving of their time free of charge. We could not do it without you.

Thank you.

Chief executive's foreword

Professor Jonathan Benger
Chief executive

I am delighted to present NICE's annual report and accounts, which summarise our key achievements and financial activity from April 2025 to March 2026.

This is my first report since taking up the role of chief executive in December 2025. NICE plays a vital role in helping practitioners and commissioners get the best care to people, fast, while ensuring value for the taxpayer. It is an institution I have in-depth experience of, through my previous roles in academia, medicine and as a clinical leader, including as NICE's chief medical officer for the past 3 years. In many ways, this appointment feels like a culmination of my career, and it is a role that I am deeply honoured to take on.

Building on strong foundations

I would like to pay tribute to my predecessor, Dr Sam Roberts, for the work she did leading the organisation. Sam initiated the transformation plan that we are continuing to deliver, ensuring NICE is equipped to meet the evolving needs of patients, clinicians and commissioners. Since the plan was launched in 2022, we have focused on delivering outcomes across the system, with particular emphasis on improving our timeliness. As a result, we now publish guidance 30% faster for medicines and 9% faster for healthtech – a testament to the shared commitment of our partners and stakeholders and the dedication of our staff.

A landmark expansion of NICE's role

NICE was one of several key partners who contributed to the development of the 10 Year Health Plan, which was published by the government in July 2025.

The plan marks a pivotal moment for the health and care sector. After years of unprecedented pressure on the health service, the plan charts a clear path from reactive care to prevention, from hospital to community, and from analogue to digital.

The plan expands NICE's remit in 3 key areas, enabling us to:

- provide faster, fairer rollout of high-impact healthtech
- keep guidance up to date to drive smarter spending
- make parallel decisions for faster medicines access.

Since the plan was announced, we have been working to translate these commitments into operational reality.

Faster, fairer rollout of high-impact healthtech

The launch of the National Healthtech Access Programme in February 2026 represents a significant step, and I look forward to reporting further progress as the programme develops.

Keeping guidance current to drive smarter spending

Our whole lifecycle approach helps the NHS to stay up to date with best practice. We maintain guidance that reflects changes in evidence, costs, and clinical practice. Through this approach, we will continually review what works best, establish where care can be improved, and highlight where treatments should evolve over time. It will also enable us to expand access to cost-effective innovations, including biosimilars.

Working in partnership to accelerate access

We are working closely with the MHRA to streamline regulation and market access. This collaborative work will enable us to bring medicines to patients 3 to 6 months sooner. Rather than NICE determining the clinical and cost effectiveness of a medicine after the MHRA determines safety, we will, where possible, publish both decisions at the same time by working more closely with the MHRA, while supporting and fostering a strong life sciences industry.

The growing importance of our work

As we face growing healthcare demand and the rapid development of new medical technologies, our work has never been more important. I have seen firsthand, both as a doctor in emergency medicine and in my work across the wider NHS, how the right guidance at the right time can transform patient care.

We have significantly expanded our portfolio of guidance on health technologies, including diagnostics, medical devices and digital health tools. Our portfolio of digital technology guidance is now more than 30 times bigger than it was in 2022.

However, unprecedented demand on the health service requires us to enhance our effectiveness and efficiency. We must be willing to review and redesign our processes and implement supporting digital technologies to achieve more with our current resource. A key part of this will be to combine and unify our guidance output. If our guidance is to remain relevant, useful and usable to our health and care practitioners it must be presented in a way that is readily accessible to them.

A unified approach to prioritisation

With more than 27,000 recommendations in our guidance portfolio currently, we simply cannot keep every topic up to date while meeting the continuing demand for new guidance. Therefore, we must prioritise to ensure we are focusing on the areas that matter most and find innovative ways of producing and maintaining the full range of guidance that our users expect. One significant development during my previous role as NICE's chief medical officer, was to develop a unified approach to prioritisation across the organisation.

We unified our processes by developing a new prioritisation framework and establishing a single NICE-wide prioritisation board. This means we can produce guidance in a way that is more coordinated, transparent and efficient. It also makes it easier for stakeholders to understand NICE's priorities, and plan ahead.

The prioritisation board, made up of senior NICE staff, ensures the topics we select reflect national priorities for health and care, for example the new modern service frameworks that are being developed by the National Quality Board.

As part of this new approach to prioritisation, we publish a forward view annually, describing the areas we will prioritise in the coming year. In April 2026, we launched a comprehensive update to the forward view, outlining how our guidance aligns to key sector priorities, such as the 10 Year Health Plan and the Life Sciences Sector Plan.

Looking ahead with gratitude and ambition

To conclude, I would like to express my sincere thanks to our partners, collaborators, commissioners and practitioners who have welcomed me into my new role and supported NICE in achieving our strategic priorities. I had the pleasure of connecting with many of you at our annual conference and it was invaluable to hear your perspectives on the work of NICE and the wider health and social care sector. I look forward to continuing these conversations during my tenure as chief executive.

I am grateful, as always, to the board and chairman for their support, and for the strong leadership and strategic insight they bring to ensure the organisation continues to deliver on its mission. I would also like to express my thanks to our committee members and the staff of NICE, who have shown such commitment and diligence in their work. I have every confidence that we will remain true to our values and core purpose as we continue our shared journey of development and transformation.

My priority is to build on NICE's reputation for independence, transparency and rigour. We will continue to support the delivery of excellence in healthcare. I look forward to the progress we will make together in delivering our mission in the years ahead.

Who we are and what we do

NICE helps health and care practitioners and commissioners get the best care to people, fast, while ensuring value for the taxpayer.

We do this by:

- producing useful and usable guidance for health and care practitioners
- providing rigorous, independent assessment of complex evidence for new health technologies
- developing recommendations that focus on what matters most and drive innovation into the hands of health and care practitioners
- encouraging the uptake of best practice to improve outcomes for everyone.

Key facts and figures

Our transformation plan

Relevance

200 topics
reviewed by our prioritisation board so far, making sure we focus on the topics that matter most

Usability

More than
four-fifths
of our users report that NICE guidance is **usable**

Timeliness

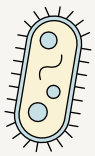
Since April 2024, our guidance production is
30% faster for medicines
9% faster for healthtech

Impact

73.6%
of NICE-recommended medicines were **prescribed more** between January to December 2025*

Guidance highlights

New **sepsis guidelines** could transform care for up to
245,000 patients
a year



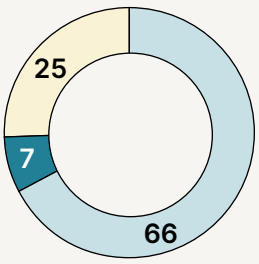
Bringing hope to over
80,000 people
with **vitiligo** through the first recommended licensed treatment for the condition

Up to
500,000
to benefit from new non-hormonal treatment for hot flushes caused by menopause, when HRT is unsuitable

178
pieces of new and updated guidance and standards published

More than **27,000**
guidance recommendations since 1999

98 new medicine evaluations**



- New treatments recommended
- New treatments not recommended
- Appraisal terminated due to lack of evidence submitted, or evidence not meeting specifications

* NHS Business Services Authority Innovation Scorecard

** The 98 evaluations includes treatments that were optimised, or recommended through the Cancer Drugs Fund or Innovative Medicines Fund

The 10 Year Health Plan for England

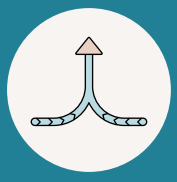
Empowering NICE to help deliver better care to people, faster

In July 2025, NICE welcomed the publication of the government's 10 Year Health Plan for England.

The plan endorsed NICE's role in delivering faster, fairer access to innovations. Strengthening our role in the system and guided by our core purpose, it will enable us to become more relevant, timely, usable and impactful, through the delivery of 3 key priorities:

Faster, fairer roll out of high-impact healthtech

Updating guidance to drive smarter spending



Parallel decisions for faster access

We are already delivering on our commitments. Over the past few years, we have been laying the foundations for these approaches through our transformation plan. It means we are already using our expanded remit to carry out smarter innovations across the system.

Faster, fairer roll out of high-impact healthtech

People across England and Wales are set to receive faster, fairer access to innovative healthtech with our new national programme.

Launched in February 2026, the new National Healthtech Access Programme is a collaborative approach between NICE, the Department of Health and Social Care, NHS England, MHRA and the Office for Life Sciences. The approach will include expanding NICE's technology appraisals in health technologies. This means that, like medicines, high-impact technologies will be reimbursed and made available across the entire health service.

NICE has announced that the first 2 topics to go through the new programme are capsule sponge tests for detecting Barrett's oesophagus and oesophageal cancer and AI tools for identifying prostate and breast cancer – technologies that could transform early diagnosis for thousands of patients each year, and drive workforce efficiency in the NHS through releasing capacity.

The new programme aims to create a far better experience for patients and NHS professionals, unlocking the extraordinary potential of healthtech advances and the UK's healthtech sector.

Updating guidance to drive smarter spending: a whole lifecycle approach to guidance production

NICE is evolving towards taking a whole life-cycle approach to guidance production. This means that NICE will maintain up-to-date guidance reflecting changes in evidence, costs, and clinical practice.

This means NICE will not just assess a new medicine or treatment once and move on. In priority clinical areas, NICE will review its guidance as the evidence grows – so that NHS care remains focused on what benefits patients most.

In addition, this new approach will enable NICE to expand access to cost-effective innovations, including off-patent medicines. This will provide clearer decision pathways for clinicians, and help create financial headroom for tomorrow's clinical breakthroughs.

It is important that our users can find everything that NICE has recommended on a condition in one place. But the seamless incorporation of recommendations for medicines or healthtech into guidelines is not always possible. This is due to the differences in approach and evidence used in each of NICE's guidance producing programmes. Under the whole lifecycle approach, we are working on ways of bringing our guidance together.

We're ending the postcode lottery for healthtech through a new, collaborative programme to boost access.

Our whole lifecycle approach to heart failure could prevent 3,000 deaths and 5,500 hospital admissions each year.

Parallel decisions for faster access

NICE is helping to deliver the government's ambition to streamline regulation and market access. Working in collaboration with the MHRA, we have introduced a new aligned pathway that will enable us to bring medicines to patients 3 to 6 months faster.

We have ensured that our processes remain rigorous, independent and transparent. But, instead of NICE determining the clinical and cost effectiveness of treatments after MHRA rule on their safety, where possible both decisions will be published at the same time. The pathway aligns licensing and value decisions to reduce unnecessary delays and get treatments to patients sooner.

To help companies stick to the timelines of the new aligned pathway, NICE and MHRA are also launching a new improved Integrated Scientific Advice service. Announced at our annual conference in March, the service offers a more streamlined experience to help companies follow the aligned pathway timelines and reduce unforeseen delays.

We're delivering medicines access 3 to 6 months earlier with parallel decision making.

Relevance

Focusing on what matters most

Prioritising our guidance topics

Since 2024, NICE has adopted a centralised approach to prioritising its guidance topics. This ensures the guidance we produce is relevant, timely, accessible and impactful.

We do this through a prioritisation board, whose role is to:

- review and discuss topics, which will enable effective and consistent decision-making for guidance prioritisation
- maintain a forward view of topics and a rolling plan that responds to system need and demand
- publish decisions to provide visibility and transparency to enable effective sharing of information with our stakeholders.

Since its creation in 2024, NICE's prioritisation board has made over 200 decisions, ensuring we focus our efforts where they matter most.

Our prioritisation decisions

Forward view – highlighting NICE's priority topics

As part of our approach to prioritisation, each year we produce a forward view.

The forward view highlights the areas NICE will prioritise in the coming year. Topics are refreshed annually and in response to major developments in the life sciences and health and care sectors.

On 1 April 2026, NICE fully updated its forward view to ensure our guidance is aligned with national strategic priorities including:

- the 10 Year Health Plan
- modern service frameworks
- biosimilars and generics.

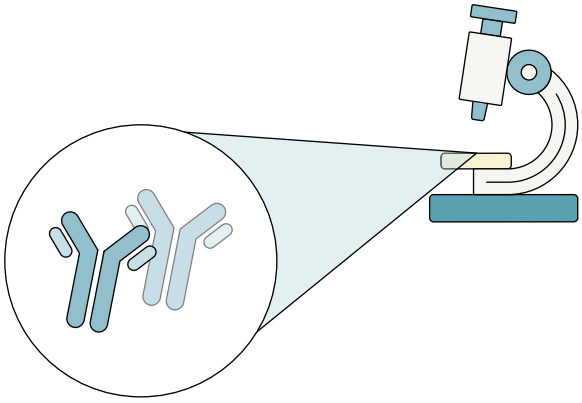
Embedding changes to NICE's Highly Specialised Technologies (HST) routing criteria

Following board approval in March 2025, NICE has implemented changes to the routing criteria for Highly Specialised Technologies (HST) to ensure more consistent, predictable and transparent decision-making.

Our HST programme supports research and innovation in areas with small patient populations – specifically conditions that affect fewer than 1 in 50,000 people.

We have introduced a revised routing assessment checklist. Since then, 10 topics have been considered by the prioritisation board using the refined criteria – 1 routed to HST and 9 to standard technology appraisal.

Using biosimilars and generics to strengthen NHS sustainability



The NHS in England spends nearly £21 billion on medicines each year, making it essential that this investment delivers value for both patients and the NHS. One way to do this is by supporting the use of biosimilars and generics where clinically appropriate – a key part of the government's strategy for providing value for the health and care system.

In 2025, NICE played an instrumental role in establishing a new collaborative Biosimilar Taskforce, bringing together the MHRA, NICE, NHSE and DHSC to coordinate activity across the system.

Under NICE's commitments in the 10 Year Health Plan, we are developing a whole lifecycle approach to guidance development. Biosimilars and generics form part of this approach, supporting the NHS to stay up to date with best practice.

By aligning NICE guidance updates, NHSE commissioning activity and MHRA regulatory decisions, the taskforce is accelerating access to cost-effective medicines, improving population health and delivering better value for taxpayers.

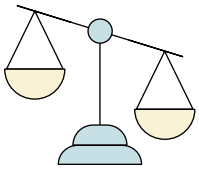
Case study:

How NICE's whole lifecycle approach is helping to transform diabetes care

Millions of people are set to benefit from earlier access to newer type 2 diabetes treatments – the biggest shakeup in care for a decade – as part of our commitment to re-evaluate priority clinical pathways set out in the 10 Year Health Plan.

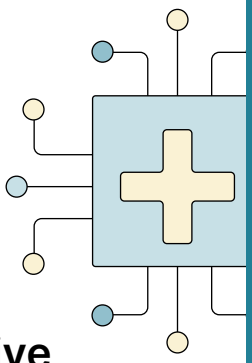
Around 4.6 million people are diagnosed with diabetes in the UK according to Diabetes UK, with about 90% of those having type 2. Additionally, it is estimated that almost 1.3 million people in the UK are likely to have undiagnosed type 2 diabetes.

Our updated guidance moves away from automatically starting everyone on the same medicine. Instead, it supports personalised treatment plans aimed at preventing heart failure, heart attacks and other serious conditions. This shows how updating guidance can drive smarter NHS spending, while ensuring more people receive the right medicines to reduce their future risk of ill health.



Supporting action on health inequalities: a new digital resource for practitioners

In March 2026, we updated our health inequalities web pages. The new pages outline how you can use our recommendations, tools and resources to improve population health as a whole, while offering particular benefit to the most disadvantaged. This update focuses on measures to address health inequalities in cardiovascular disease, and maternity and neonatal health, with future topics planned to include respiratory disease, cancer and mental health.



Leading the way on safe and effective AI in healthcare

The use of AI in healthcare is advancing rapidly. At NICE, we want to be at the forefront of this revolution. Our ambition is to lead the way in identifying and harnessing the potentially transformative benefits of these fast-paced technologies.

Last year, we developed our first guidance to companies on the use of AI in evidence generation and cost-effectiveness modelling. We are committed to supporting productivity across the UK's medicines and healthtech sectors through further work in this area.

We began testing and implementing the use of AI in the methods and processes we use to develop guidelines, with the aim of providing more responsive guidance to the health and care sectors.

Case study:

Promising AI innovations for earlier bowel cancer detection

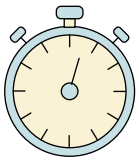
In November 2025, NICE conditionally recommended 6 AI technologies for use in the NHS, to help doctors detect bowel cancer earlier during colonoscopy examinations.

The tools monitor the live camera feed used during clinical investigations and alert doctors to areas where polyps, small growths that can develop into cancer if left untreated, may be present. The doctor remains in complete control of all clinical decisions, and the technology typically adds only a minute or 2 to the appointment.

Bowel cancer is the UK's fourth most common cancer, affecting over 42,000 people each year. Diagnostic tools such as these have the potential to save lives through early detection.

We're allowing these technologies to be used now because they show real promise, while we gather the detailed evidence we need to understand their long-term impact.

Dr Anastasia Chalkidou
Healthtech programme director at NICE



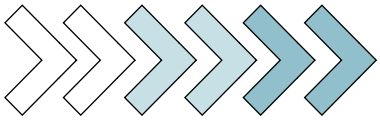
Timeliness

Helping to get the best care to people, fast.

Accelerating our medicines evaluations by 30%

Over the last 2 years, our improving timeliness programme has driven meaningful change in how we plan, manage and deliver guidance. This ambitious programme spans the whole organisation, aiming to ensure that people receive promising treatments at the earliest possible opportunity.

We have made real progress this year, accelerating our medicines evaluations by 30%. We are on course to achieve our ambition of making England the third fastest country in Europe for access to medicines by 2030.



Speeding up our internal processes

In 2025, NICE embedded new tools, data and processes to transform topic, committee and stakeholder management.

Through the programme, we have delivered:

- A single, centralised management system, replacing fragmented team-level stakeholder data and migrating nearly 50,000 records.
- A new committee hub that centralises document sharing, collaboration and resources. All committees now use the system, reducing administration time by 25%.

Shared systems, improved data visibility and aligned processes will support more consistent planning, reduce manual effort and strengthen collaboration. This will help ensure more predictable and timely delivery of guidance.

Case study:

Faster access to life-extending prostate cancer treatment

Following a NICE recommendation in October 2025, up to 6,000 people in England with metastatic hormone-sensitive prostate cancer can now access darolutamide (Nubeqa). This new treatment combination offers healthcare professionals and patients greater flexibility in managing this advanced condition.

By applying a cost-comparison appraisal approach and assessing darolutamide against an already recommended equivalent treatment, NICE published its final guidance 5 weeks faster than under the standard process. As a result, people were able to access a clinically effective, life-extending treatment significantly sooner.

> **We are determined to ensure that effective treatments such as darolutamide are made available fast to the people who need them.**
>
> Helen Knight
> Director of medicines evaluation at NICE

Bringing medicines to patients sooner through a new aligned pathway between NICE and the MHRA

Working with the MHRA, we have developed a new aligned pathway. The new MHRA-NICE aligned pathway launched on 1 April 2026 and marks a significant step forward in reducing the time people wait for access to new medicines.

Following commitments in the government's 10 Year Health Plan and Life Sciences Sector Plan, the aligned pathway will help to bring NICE's decision-making process forward to run alongside the MHRA's. This means that decisions on licensing and value will be made in parallel for the first time.

Alongside the pathway, NICE and the MHRA are also launching an improved Integrated Scientific Advice service, offering a single-entry point, one advice meeting, one report and one payment. This service has been designed to help companies follow the aligned pathway timelines by clarifying regulations and the evidence needed early in the development process. This will support companies to improve their clinical development plans and reduce unforeseen delays.

By working more closely with our partners at the MHRA, we can get medicines into the NHS faster, helping to improve people's health and ease pressure on NHS services.

Professor Jonathan Benger
Chief executive of NICE

Our continued collaboration makes the UK an even more attractive launch market for the global life sciences industry, so will boost R&D investment and economic growth in this country.

Lawrence Tallon
Chief executive of the MHRA

NICE Conference 2026

The launch of the aligned pathway was announced at the NICE Conference in Manchester on Tuesday 17 March by NICE and MHRA chief executives, Jonathan Benger and Lawrence Tallon.

The conference brought together over 500 senior managers, policy makers, commissioners, people with lived experience, frontline health and care staff and industry leaders for a day of insight and collaboration.

Presentations, panels and debates explored topics ranging from focusing on prevention to driving NHS reform through innovation.

Usability

Making sure our guidance is useful and usable.

Redesigned sepsis guideline makes vital information easier to find

Sepsis affects at least 245,000 people in the UK each year and can be fatal if not treated promptly. In November 2025, NICE restructured its sepsis guidance to help health and care professionals find the information that is relevant to the person they are treating, more quickly. The update followed feedback from practitioners about how the guidance is used in practice.

To support swift implementation of the updated guidance, NICE worked closely with The UK Sepsis Trust to ensure its free clinical tools reflect our latest recommendations. The tools are designed to make applying the guidance as straightforward as possible in practice and are downloaded nearly 3,000 times a month from the UK Sepsis Trust's website.

The guidance is now organised into 3 guidelines, covering:

1. adults
2. children and young people
3. those who are pregnant or were recently pregnant.

Hywel Dda University Health Board commented that separating the guidelines makes them easier to benchmark against, as coordination and stakeholder management improved when handled by different teams.

Hearing from our users: a strong vote of confidence

We are working to meet the future challenges and opportunities of an evolving health and care system. To make sure that we are progressing as intended with supporting the system in delivering better health outcomes for our communities, we conduct an annual reputation research project. The survey provides us with a robust understanding of what our stakeholders think, and what they need from us.

In the latest survey, conducted in September and October 2025, 82% of nearly 800 respondents agreed that NICE produces guidance which is usable. This is an increase of 4 percentage points since our previous survey in 2024.

Building a better digital experience for health and care professionals

NICE's content transformation work is focused on improving the usability of guidance for the health and care system, making it easier to navigate and presented in a way that supports better decision-making. In July 2025, the NICE board approved the business case for a new user-focused knowledge platform to create, store, manage and publish guidance content. The platform will break our guidance down into components, which will allow us to rebuild products based on our users' needs. Over the past year, we have been preparing the ground to begin delivery of this transformational work.

Building on this foundation, NICE successfully migrated its website to a modern system, bringing together expertise across content, design and technology to deliver a more accessible, intuitive digital service. The transformation has streamlined publishing, improved navigation and created a flexible foundation for future digital work, with early analytics and feedback confirming a better user experience.

Consistent, actionable recommendations for our users

Ensuring that our users can access and understand our guidance recommendations is a vital part of our work. We are committed to improving the clarity and consistency of how we write our recommendations across all our guidelines. Building on last year's work to simplify our medicines and healthtech recommendations, all recommendations will include, as a minimum:

- an action
- a population
- an indication.

We are also exploring ways of presenting the rationale behind our committees' recommendations more transparently, and how to provide contextual information to support users in putting guidance into practice.

Case study:

Making NICE guidance work for everyone

Somerset NHS Foundation Trust demonstrates how NICE guidance can be applied effectively in a specialist clinical setting. In 2025, the trust adapted its weight management pathway to incorporate injectable anti-obesity medications. The service translated national guidance into practical, person-centred care for patients with complex needs, including neurodiversity, learning disabilities and mental health conditions.

The guidance provided a clear framework that clinical teams could build upon, allowing them to design tailored support structures such as enhanced monitoring and proactive staff training.

The trust's experience illustrates that NICE guidance is sufficiently flexible to be implemented meaningfully across diverse patient populations and in real-world service contexts.

Impact

Working with our partners to increase the uptake of our guidance.

Our recommendations help practitioners and commissioners get the best care to people, fast. This year, we have continued to work with partners across the health and care system to increase the impact of our guidance.

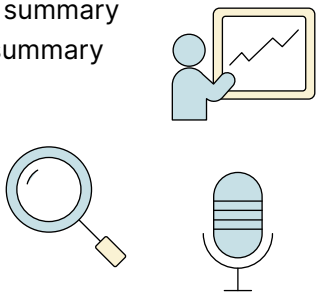
- Working in collaboration with CVDPREVENT, a national primary care audit, we ensured alignment between NICE guidance and the care measured by the audit and supported the dissemination of key insights.
- Latest figures show that 76.6% of NICE-approved medicines were prescribed more frequently in the 12 months to June 2025 compared with the previous year. Data from the NHS Business Services Authority Innovation Scorecard says 16 medicine groupings saw increased uptake across local NHS services in England.
- We held engagement events with more than 35 integrated care boards (ICBs) in the 7 NHS England regions to discuss our priorities and understand how we can support their focus on strategic commissioning. We also launched an ICB reference panel to guide our work and gain system feedback.

Delivering tools that aid implementation

We work collaboratively with ICBs to support implementation by offering practical tools such as costing templates, implementation support resources, and evidence reviews.

Since we published our asthma guideline, in partnership with the British Thoracic Society (BTS) and the Scottish Intercollegiate Guidelines Network (SIGN), we have developed a suite of resources to help healthcare professionals and commissioners implement the guidance. These resources, available on our website, include:

- resource impact summary
- commissioning summary
- decision aids
- 6 case studies
- a podcast.



Case study:

1 year of the joint BTS, SIGN and NICE guideline on asthma

In Dudley, a pharmacist-led one-stop respiratory clinic is demonstrating the real-world impact of the asthma guideline, 1 year after its publication. Led by specialist respiratory pharmacist Nazir Hussain, the clinic uses prescribing data to identify potentially missed diagnoses, conducts diagnostic testing and integrates with local hospital services.

The results have been significant: referral to treatment times fell from up to 52 weeks to under 6 weeks, 69% of patients had inhaler technique errors corrected, confidence in managing exacerbations increased from 66% to 99%, and 100% rated their consultations as either 'excellent' or 'very good'.

The Dudley model illustrates the value of translating national guidance into local practice and supports the NHS's broader shift towards prevention and community-based care.

Case study:

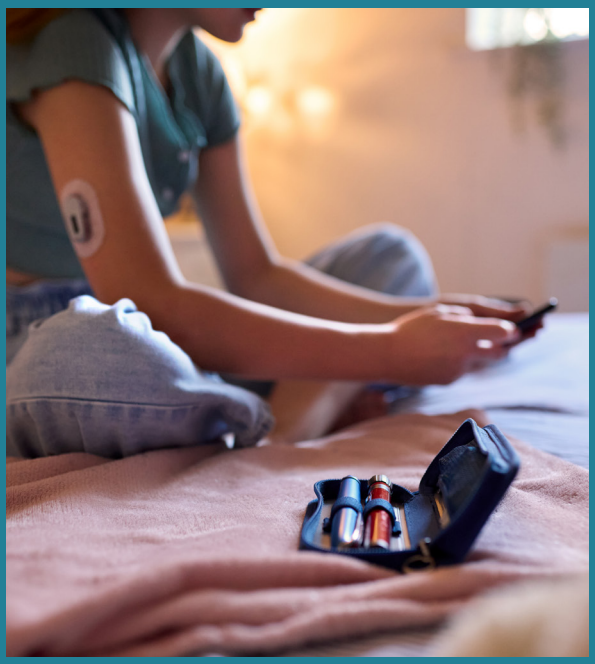
First treatment for vitiligo recommended by NICE, bringing hope to over 80,000 people

In February 2026, we recommended ruxolitinib cream (Opzelura) as the first licensed vitiligo treatment available on the NHS in England.

Vitiligo occurs when the immune system attacks the cells responsible for skin pigmentation, causing pale pink or white patches that can significantly affect emotional and social wellbeing. Ruxolitinib works by calming the immune response, allowing natural skin colour to return.

Clinical trials found that the proportion of people seeing a substantial facial repigmentation (at least 75%) was 4 times higher when using ruxolitinib compared with placebo, and 6 times more likely to report their vitiligo becoming less noticeable or no longer visible.

> **It is clear NICE listened to the evidence presented by patients on the impact of vitiligo on their lives.**
>
> **Emma Rush**
> **CEO of Vitiligo Support UK**



Case study:

Hybrid closed loop systems transforming type 1 diabetes care for children and young people

Since NICE-recommended hybrid closed loop systems for type 1 diabetes there has been a jump in uptake of the device from just over one-third to nearly three-quarters in 2 years.

Provisional data from the National Paediatric Diabetes Audit in December 2025 shows that 73% were using hybrid closed loop systems, up from 36% in 2023.

Hybrid closed loop systems, often referred to as 'artificial pancreas' devices, help to reduce the daily burden of type 1 diabetes for families managing this complex condition. The system combines an insulin pump, continuous glucose monitor, and an algorithm that work together to automate insulin delivery.

The benefits extend beyond clinical measures, including improved sleep, reduced anxiety and greater independence for children. Claire Wragg, whose son uses the system, described it as "life changing."

Case study:

Our international work

NICE helps set the global standard for health technology assessment

The Health Economics Methods Advisory (HEMA) collaboration was founded by NICE, the US-based Institute for Clinical and Economic Review, and Canada's Drug Agency. It was established as an independent, authoritative voice to develop and share best practice in health technology assessment.

In March 2026, HEMA published its first report, setting out a framework and 3 guiding principles to help organisations decide which benefits should be included in economic evaluations. These include productivity impacts, people's attitudes to risk, and the equity implications of new interventions. NICE will consider the recommendations and apply as appropriate to future methods updates.

Advancing global health through evidence-based decisions and strong relationships

NICE International recognises that strong partnerships are essential to strengthening global health systems and ensuring equitable access to high quality healthcare services. In 2025 to 2026, NICE International engaged with more than 20 countries, from Peru to the Philippines.

To help address the market access barriers faced by UK companies entering overseas markets, 13 countries received tailored support from NICE through the Ricardo Fund, a Department for Business and Trade programme. NICE International provided advisory services and knowledge-exchange activities, to help local teams strengthen health technology evaluation in countries including Brazil, Egypt and Ukraine.

NICE International began a new project with Ghana as part of the NHS Consortium for Global Health. The team supported the National Health Insurance Agency with health economic analyses to underpin the implementation of free universal primary healthcare. This collaboration informed wider discussions on health technology assessment in Ghana and created opportunities to engage with a wider network of countries in Sub–Saharan Africa.

In the same period, NICE International began a consultancy project with the Ministry of Health in Oman focused on guideline development and quality improvement. An in-country engagement in Muscat was followed by further discussions at the ISPOR-UAE conference, helping to build relationships across the Middle East.

Performance analysis

This section considers in more depth NICE's performance against delivery of the key priorities in the 2025 to 2026 business plan.

Our performance

In 2025 to 2026 NICE produced the guidance and advice shown in the following tables:

Timely and high quality

2025/26 outturn	Actual	2025/26 target	2024/25 outturn
Proportion of final guidance published within 240 working days of Invitation to Participate	100%	60% for new topics starting from April 2025	44%
Proportion of final guidance published within 12 months of Marketing Authorisation	69%	50%	57%
Confidentiality Breaches (Medicines)	12	Tolerance of 12	16
Mean time between marketing authorisation and NICE recommendation (days)	367	335	335
Mean time between marketing authorisation and NICE recommendation (optimal) (days)	63	48	48
Mean time between marketing authorisation and NICE recommendation (divergent) (days)	397	409	409
Median time between marketing authorisation and NICE recommendation (days)	232	332	332
Median time between marketing authorisation and NICE recommendation (optimal) (days)	59	44	44
Median time between marketing authorisation and NICE recommendation (divergent) (days)	261	411	411
Number of publications	55	-	54
Number of publications (optimal)	5	-	11
Number of publications (divergent)	50	-	43
Number of pieces of HealthTech guidance produced	34	24	40
Proportion of health technology evaluations moving from referral to Prioritisation Board decision within 66 working days	30%	50%	0%
Proportion of health technology evaluations moving from Prioritisation Board decision to the start of guidance development within 66 working days	0%	40%	0% (5 months average)
Proportion of health technology evaluations moving from starting to finishing guidance within 9 months	18%	35%	0% (10 months average)
Confidentiality Breaches (HealthTech)	7	Tolerance of 6	6
Proportion of small guideline updates published within 7 months of development starting for new topics from April 2025	100%	50%	0
Proportion of medium guideline topics published within 13 months of development starting from April 2025	n/a	50%	0
Average (mean) time for development of new guidelines or large guideline updates for topics starting in 25/26) (months)	n/a	18 months	34
Number of guidelines, quality standards or indicators with errors/ learning opportunities (at a product level) published in 2025/26	3	0	-
Proportion of Quality Standards (new, updates and alignments) published at the same time as the associated guideline	92%	80%	60%

Relevant

2025/26 outturn	Actual	2025/26 target	2024/25 outturn
Number of Technology Appraisals considered for incorporation into guidelines since start of 2024/25	413	383	183
Proportion of positive decisions made by the Prioritisation Board that align to key NHS and social care priorities, including those described in our annual Forward View	92%	90%	74%
Proportion of Prioritisation Board clarifications resolved at stage 1 (excluding Highly Specialised Technologies)	94%	80%	50%
Proportion of primary users who report that guidance is relevant	83%	80% by Dec 2025	76%
Number of Technology Appraisals launched for HealthTech	2	2 in 2025/26	n/a

Usable

2025/26 outturn	Actual	2025/26 target	2024/25 outturn
Proportion of our primary users who report that NICE guidance is usable	82%	80% by Dec 2025	78%
Maintain number of user visits to core guidance products (on NICE website, 12 month rolling average)	1.62 million	1.56 million	1.56 million
Maintain number of user visits to supporting tools and resources (on NICE website, 12 month rolling average)	9,200	10,000	10,000

Impactful

2025/26 outturn	Actual	2025/26 target	2024/25 outturn
Proportion of innovation scorecard medicines showing improved use (medicines in the innovation scorecard portfolio change bi-annually)	77%	70%	-
Proportion of agreed quality standard measures in priority areas showing improved uptake	80%	75%	-

Brilliant organisation

2025/26 outturn	Actual	2025/26 target	2024/25 outturn
Full-year financial deficit / surplus	£0.32m surplus	Surplus <£1m / no deficit	£2.35m surplus
Full year revenue forecast accuracy	1%	Full year outturn within 1% of full year forecast at month 6	3.6%
Favourability rate among our core audience	75%	80%	76%
Proportion of media coverage that is positive in sentiment*	88%	80%	81%
Proportion of media coverage generated by NICE that contains at least one key message	56%	58%	52%
Proportion of staff reporting that they feel empowered to make improvements**	67%	75%	67%

Key

Colour	Description
Green	Actual performance met target
Amber	Actual performance narrowly missed target or actual performance was within 40% range of target
Red	Actual performance is not within 40% range of target

* Data source is an external media monitoring service commissioned by the communications directorate

** Data source is the 2025 staff survey

Financial review

Accounts preparation and overview

Our accounts consist of primary statements (which provide summary information) and accompanying notes. The primary statements comprise a statement of comprehensive net expenditure, a statement of financial position, a statement of cash flows and a statement of changes in taxpayers' equity. The accounts were compiled according to the standards set out in the Government Financial Reporting Manual (FReM) issued by HM Treasury, which is adapted from International Financial Reporting Standards (IFRS), to give a true and fair view of the state of affairs.

NICE is a non-departmental public body with the majority of funding coming through grant-in-aid from the Department of Health and Social Care (70% of total 2025 to 2026 operating expenditure). The remaining funding comes from other NDPBs (NHS England) and our income generating activities (TA & HST charging, NICE Advice and research grants). This funding and how it was used is explained in more detail below.

The Department of Health and Social Care has approved NICE's business plan for 2025 to 2026 (available to view at https://www.nice.org.uk/about/who-we-are/corporate-publications) and has provided details of indicative funding levels for the next financial year. It is therefore considered appropriate to prepare the 2025 to 2026 financial statements on a going concern basis.

How is NICE funded?

NICE's total revenue funding from the Department of Health and Social Care for 2025 to 2026 was £64.5 million. This comprised:

- £50.8 million Administration grant-in-aid funding.
- £11.7 million Programme grant-in-aid funding. Baseline funding of £8.7m is primarily funding to purchase and distribute the BNF on behalf of the NHS (digital only), and to support the HealthTech Programme, in particular the cost of the external assessment groups. In addition, NICE received non-recurrent funding from the voluntary scheme for branded medicines pricing, access, and growth (VPAG) investment facility (£3.0m).
- £2.0 million ring fenced for depreciation, including for right of use assets.

In addition to the revenue resource limit, NICE's capital resource limit was £1.0 million for 2025 to 2026.

The total amount of cash available to be drawn down from the Department of Health and Social Care during 2025 to 2026 was £64.4 million (made up of Administration funding £51.7 million, Programme funding £8.7 million, capital funding £1.0 million and VPAG funding £3.0 million).

The actual amount of cash drawn down in 2025 to 2026 was £63.8 million. This was £0.6 million lower than the amount available due to above plan income generation and underspends on vacancies across the organisation.

Other income

NICE also received £28.1 million operating income from other sources, as follows:

- £13.8 million was received in fees for technology appraisals and highly specialised technologies.
- NHS England provided £6.2m funding:
    - » £4.8m to fund national core content (such as journals and databases) on the NICE Evidence Search website for use by NHS employees.
    - » £1.3m to fund activities supporting the Cancer Drugs Fund, the Innovative Medicines Fund and Managed Access.
    - » £0.1m supporting the Rapid Evidence Summaries programme.
- Trading activities from NICE Advice and other commercial income generated £4.4 million gross income and receipts.
- £1.8 million was received from the devolved administrations and other government departments to contribute to the cost of producing NICE guidance and publication of the BNF.
- £1.9 million was received from other sources, including grants for supporting academic research and recharges for staff seconded to external organisations.

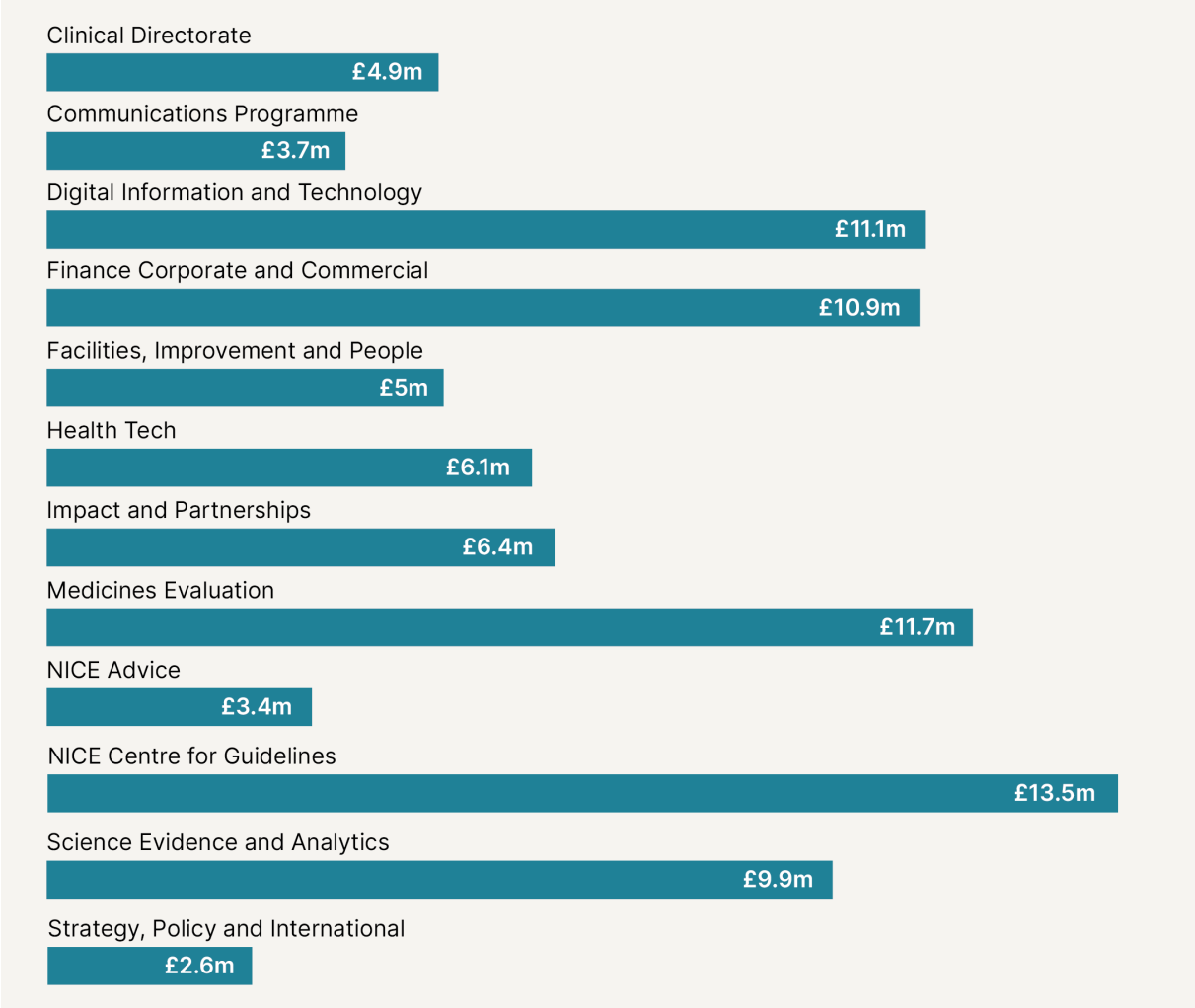
Summary of financial outturn

Total net expenditure in 2025 to 2026 was £62.4 million (£58.9 million in 2024 to 2025).

The organisation is structured into 3 guidance producing functions, 3 knowledge functions and 4 central functions.

The following chart shows expenditure across these core functions.

Gross expenditure by function: £89.2 million



Figures exclude internal recharges, VPAG related expenditure (£2.9m in 2025 to 2026) and non-cash items such as deprecation and provision adjustments.

Capital expenditure

The Capital budget during 2025 to 2026 was £1.0m (2024 to 2025: £3.535m). The actual spend for 2025 to 2026 was £807k (2024 to 2025: £3.5m).

Of the 2025 to 2026 spend, £702k was spent on purchasing new laptops, £47k digital hardware, £56k on cyber licenses and £2k was spent on leasehold improvements.

The spend in the prior year included £3.0m relating to the new Manchester office, the new lease resulting in a one-off Right of Use Asset addition.

NICE disposed of £8k (2024 to 2025: £208k) of IT Hardware assets that were no longer required due to moving to smaller offices.

Better payment practice code

As a public sector organisation, NICE is required to pay all non-NHS trade creditors in accordance with the Better Payment Practice Code. The target is to pay 95% of all valid invoices by the due date or within 30 days of receipt of the goods, whichever is the later. NICE's performance against this code is shown in the following table.

Payment statistics

Payment statistics	Number	£000
Total non-NHS bills paid 2025/26	1,655	19,916
Total non-NHS bills paid within target	1,636	19,749
Percentage of non-NHS bills paid within target	**98.9%**	**99.2%**

Payment statistics	Number	£000
Total NHS bills paid 2025/26	349	10,410
Total NHS bills paid within target	343	10,099
Percentage of NHS bills paid within target	**98.3%**	**97.0%**

The amount owed to trade creditors at 31 March 2026, in relation to the total billed the year expressed as creditor days, is 17 days (19 days in 2024 to 2025).

Future developments

NICE's core purpose is to help practitioners and commissioners get the best care to people fast, while ensuring value for the taxpayer. We do this by producing high quality guidance that is timely, relevant, usable and impactful. This remains unchanged.

In 2025 to 2026, we focused our efforts on transforming our organisation so we could respond quickly to the ambitions outlined in the government's 10 Year Health Plan, the Life Sciences Sector Plan, and the wider environment.

These priorities will continue into 2026 to 2027. We will continue to focus on ensuring that NICE continues to be relevant, effective and impactful in a health and care system that is changing rapidly.

This work will mainly be financed by grant-in-aid funding from DHSC, with the remaining funding coming from contract and other operating income. DHSC has confirmed GIA funding for NICE will continue, with funding confirmed for 2026 to 2027 and indicative funding for 2027 to 2028 and 2028 to 2029 has been reported to NICE.

The Corporate Business Plan (available on our website - www.nice.org.uk/About/Who-we-are/Corporate-publications) sets out the organisation-wide initiatives that will help us to achieve these goals and the key performance indicators that we will use to measure success.

Human rights

NICE prides itself on being a good employer, and in our last employee survey our average engagement score was 67%, which is defined as 'good' by our survey provider. We maintain and implement practices and policies to protect the human rights of our staff, including policies on bullying, harassment and victimisation, grievance, and whistleblowing. We have put in place a range of diversity initiatives which are designed to prevent discrimination, and we recognise a trade union that staff are welcome to join.

Sustainability report

Social, community and environmental issues

NICE occupies a floor of a shared building in Manchester and part of a floor in a shared building in London. The landlords in these buildings provide services and encourage behaviour that meets sustainability requirements. This includes recycling, energy efficiency and other facilities.

Both buildings are BREEAM (Building Research Establishment Environmental Assessment Method) rated. Manchester is rated very good, and London is rated outstanding. BREEAM is an international sustainability assessment which evaluates buildings' performance across various categories, including energy and water use, materials, waste, and ecology.

NICE considers environmental and sustainability issues when procuring goods and services. Staff are encouraged to travel on NICE business in the most sustainable and cost effective way. NICE supports staff to commute using public transport by offering a train season ticket scheme including the Metrolink network in Manchester. NICE is also a member of the Cycle to Work scheme, which provides tax efficient incentives for employees to cycle to work. Both offices also have enhanced cycling facilities, providing excellent storage and changing amenities.

Climate-related financial disclosures

NICE has reported on climate-related financial disclosures consistent with HM Treasury's Task Force on Climate-Related Financial Disclosures (TCFD) aligned disclosure application guidance, which interprets and adapts the framework for the UK public sector. NICE considers climate to be a principal risk, and has therefore complied with the TCFD recommendations and recommended disclosures around:

- Governance – recommended disclosures (a) and (b)
- Strategy – recommended disclosures (a) to (c)
- Risk Management – recommended disclosures (a) to (c)
- Metrics and Targets – recommended disclosures (a) to (c)

Governance

NICE's work to support the environmental sustainability of the health and care system can be viewed on the sustainability page on our website.

Delivery is overseen through the internal governance and reporting structure. This includes clear delivery leads and a dedicated Executive Team (ET) sponsor. The sustainability steering group also sights the operational management committee (OMC) where needed to support delivery across the organisation.

- In 2025 to 2026 this included: Completing an Health Technology Assessment Innovation Laboratory (HTA Lab) project in which we conducted a mock environmental data request, submission and critique, in collaboration with a pharmaceutical company, academic group and expert advisory group. A webinar about this project can be viewed on our Youtube channel.
- Continuing to consider environmental sustainability as a criterion in our process for identifying and prioritising new guidance topics and updates to existing NICE guidance.
- Starting to routinely publish links to companies' carbon reduction plans or net zero commitments in our health technology evaluation guidance.
- Continuing to engage with external stakeholders such as Greener NHS and international peer agencies to share learnings and insights on environmental sustainability issues.

Strategy

In November 2025 we approved a sustainability strategy. Our ambition is to be a sustainable organisation that meets UK Government's Greening Government Commitments (GGC) by taking proactive stepwise efforts to achieve and maintain measurable improvements in our sustainability.

NICE's approach to delivery focusses around key domains, each guided by GGC targets, with specific deliverables. These domains focus on carbon emissions and waste reduction linked to the NICE estate, staff travel, sustainable procurement, digital working, and adapting to climate change.

Our sustainability strategy is informed by an assessment of climate related risks and opportunities for NICE over the short, medium and long term. This identified potential disruption to NICE's operations due to climate-related extreme weather events. While such weather events are considered increasingly more likely over time, their impact to our operations is considered low in the short term (0 – 3 years) as the current NICE estate is limited in its exposure to these threats. Impacts could become more significant in the medium term (3 – 10 years) and long term (10 – 25 years) as weather becomes more extreme in high climate change scenarios. NICE has business continuity plans in place for such events. Because of this, NICE's strategy and operational delivery is considered to have good resilience to climate related risks. Artificial Intelligence (AI) is increasingly part of NICE's business operations and strategy and, over time, failing to adopt AI would have a significant impact on NICE's work and undermine the opportunities to work more efficiently and effectively. AI related emissions are likely to create a new risk and source of emissions for NICE to manage in the future.

Risk management

Climate related risks are identified and assessed through NICE's risk management process set out in the risk management policy. During 2025 to 2026, the following climate-related risk has been included in the strategic risk register:

- NICE fails to sufficiently support the Government's ambition to tackle climate change due to a lack of internal strategy and/or other priorities leading a missed opportunity to support the health and care system to reduce its environmental impact.

This remains as a principal risk moving into 2026 to 2027. As with all strategic risks, this risk is reviewed by the executive team monthly, the audit and risk assurance committee quarterly, and the board twice a year. Further information on the risk management process is set out in the governance statement.

Sustainability metrics

We continue to work towards the Greening Government Commitments (GGC) 2021 to 2025 targets. These outline the necessary actions for UK government departments and their agencies to minimise their environmental impact. The specific targets and NICE's performance are detailed below:

Target	Headline	Sub targets	Status	Commentary
A: Mitigating climate change: working towards net zero by 2050	Reduce the overall greenhouse gas emissions from a 2017 to 2018 baseline and also reduce direct greenhouse gas emissions from estate and operations from a 2017 to 2018 baseline.	Reduce the emissions from domestic business flights by at least 30% from a 2017 to 2018 baseline, and report the distance travelled by international business flights, with a view to better understanding and reducing related emissions where possible.	Met	Staff members take domestic flights only in exceptional circumstances. We have reduced the emissions from our domestic business flights from the 2017/ 2018 baseline which was 20.37 carbon tonnes to 3.72 in 2025/26 - a 82% reduction.
		Update organisational travel policies so that they require lower carbon options to be considered first as an alternative to each planned flight.	Met	The travel policy has been updated to require lower carbon options to be considered first as an alternative to each planned flight.
B: Minimising waste and promoting resource efficiency	Reduce the overall amount of waste generated by 15% from the 2017 to 2018 baseline.	Reduce the amount of waste going to landfill to less than 5% of overall waste.	Met	No waste goes to landfill.
		Increase the proportion of waste which is recycled to at least 70% of overall waste.	Met (M) / Not Met(L)	In 2025/26, 71% of waste in the Manchester office and 47% of waste in the London office was recycled. We are working with our building landlords to further increase these rates.
		Remove consumer single use plastic (CSUP) from the central government office estate.	Not met	Extensive work was undertaken to successfully remove CSUP from both offices. Plastic bin bags are now defined as CSUP so we are looking at sourcing non-plastic alternatives that are fit for purpose.
		Measure and report on food waste by 2022.	Met	We measure and report on food waste in both the London and Manchester office, adhering to the new government initiative Simpler Recycling obligations. Due to the shared buildings we do not have NICE-level data.
		Report on the introduction and implementation of reuse schemes.	Met	No furniture was disposed of during the year. We manage furniture as a reusable asset and prioritise reuse and sharing across the public estate to maximise value for money and minimise waste, including the transfer of several items to a DHSC site, this year.
		Reduce paper use by at least 50% from a 2017 to 2018 baseline.	Met	We have reduced our office copier paper by over 98% from our 2017/18 baseline from 3,134 reams to 46 reams in 2025/26.

Target	Headline	Sub targets	Status	Commentary
C: Reducing our water use	Reduce water consumption by at least 8% from the 2017 to 2018 baseline.	Ensure all water consumption is measured.	Met	We measure potable water in both offices.
		Provide a qualitative assessment to show what is being done to encourage the efficient use of water.	Met	We identified and implemented various water-saving initiatives as part of our commitment to environmental responsibility. We assessed water use across the estate and identified practical opportunities for reduction. Water-saving measures were implemented where appropriate, supporting more efficient use of resources and our wider environmental objectives.
D: Procuring sustainable products and services	Continue to buy more sustainable and efficient products and services with the aim of achieving the best long-term, overall value for money.	Report on the systems in place and the action taken to buy sustainably, including to: • embed compliance with the Government Buying Standards in facilities procurement contracts • understand and reduce supply chain impacts and risks	Met	We have completed the Commercial Continuous Improvement Assessment Framework (CCIAF). The CCIAF ensures compliance with the Government Buying Standards (GBS) and assesses NICE performance along with a route for improvement.
E: Nature recovery – making space for thriving plants and wildlife	Consider what we can do to support the government's commitment to improve nature.	n/a	Met	Neither office has rented outdoor space, but we strive to create a pleasant environment with indoor horticulture.
F: Adapting to climate change	Develop an organisational Climate Change Adaptation Strategy across estates and operations: • conduct a Climate Change Risk Assessment across their estates and operations to better understand risk and to target areas that need greater resilience • develop a Climate Change Adaptation Action Plan, including existing or planned actions in response to the risks identified.	Accountability - establish clear lines of accountability for climate adaptation in estates and operations and engage in wider governance and risk structures when appropriate.	Met	We take climate change seriously, and it is included in our strategic risk register.
		Transparent reporting - in the annual report and accounts, provide a summary of how we are developing and implementing a climate change Adaptation Strategy.	Met	The annual report and accounts outlines our progress in reducing our environmental footprint in line with our sustainability strategy.

Target	Headline	Sub targets	Status	Commentary
G: Reducing environmental impacts from Information Communication Technology (ICT) and digital	• Report on the adoption of the Greening Government: ICT and Digital Services Strategy and associated targets and provide membership to the Sustainable Technology Advice and Reporting (STAR) team, who manage and deliver the Greening Government Commitments ICT reporting. • Deliver annual ICT and digital footprint, waste and best practice data.	n/a	Met	Our digital team deliver this as part of their STAR commitments. In early 2026, we optimised our server estate and moved out of the London data centre. New laptops were procured, where sustainability was a core procurement requirement. End user device replacements continued. This ICT waste was disposed of by a waste electrical and electronic (WEEE) accredited company that undertake recycle, reuse and recovery. Records and retention labelling of documents is ongoing, to support the reduction of document volumes through automatic deletion of documents.

Further detail on NICE's performance is outlined in the tables below.

Estimated carbon emissions

Activity	Outturn 2023/24	Carbon tonnes 2023/24	Outturn 2024/25	Carbon tonnes 2024/25	Outturn 2025/26	Carbon tonnes 2025/26
Purchased energy, electric generation (kWh)	554,269*	124.70*	496,959*	111.99*	251,571	49.01
Scope 2 total emissions Relating to emissions from energy consumed that is supplied by another party	**554,269**	**124.70**	**496,959**	**111.99**	**251,571**	**49.01**
Rail travel (km)	915,725	32.47	1,048,168	37.17	1,414,382	50.25
Air travel – domestic (km)	24,007	4.03	25,949	4.18	23,131	3.13
Air travel – international (km)	288,501	35.79	545,353	63.55	710,493	102.61
Car travel (km)	11,407	1.77	5,272	0.74	10,590	1.94
Scope 3 total emissions Relating to emissions from official business paid for by the NICE	-	**74.06**	-	**105.64**	-	**157.93**
Total Scope 2 and Scope 3 emissions	-	**198.76**	-	**217.63**	-	**206.94**

* Previous years, Manchester office only, now including mains standard grid electricity, mains green tariff electricity, natural gas and district heating

Waste

Waste	2023/24	2024/25	2025/26
Total recycled (tonnes)	20	22	1.11
Total incinerated with energy recovery (tonnes)	12	15	1.29
Total waste (tonnes)	**32**	**37**	**2.40**
Total waste to landfill	0	0	0

Previous years figures were a percentage of the Manchester office building and now the Manchester office and a percentage of the London office and electrical waste

Notes:

- Estate information is for the Manchester office and a percentage of the London office. For the London office, the percentage varies depending on the floorplate which for 2025 to 2026 varied from 28.5% to 28.1%.
- We measure and report on food waste in both the London and Manchester offices, adhering to the new government initiative Simpler Recycling obligations. However, due to the shared buildings we do not have NICE-level data and so is estimated
- Financial information is not separately available for office estate waste because the cost is included in the building service charge.
- Weight of waste is estimated pro rata on floor area of total building waste produced as waste for the building is collected and measured together.
- Financial information is not separately available for office estate water use because the cost is included in the service charge. There are no other uses of finite resources where the use is material.
- NICE currently has no scope 1 carbon emissions, which are from sources owned by the organisation such as fleet vehicles.

Signed:

Professor Jonathan Benger
Chief executive and accounting officer
23 June 2026

Section B

Accountability report

Corporate governance report

The purpose of the corporate governance report is to explain NICE's governance structures and how they support the achievement of its objectives.

It comprises 3 sections:

- directors' report
- the governance statement
- statement of the board's and chief executive's responsibilities.

Directors' report

The directors' report as per the requirements of the Government Financial Reporting Manual (FReM) requires certain disclosures relating to those having authority or responsibility for directing or controlling the entity including details of their remuneration and pension liabilities. Remuneration and pension details are set out in pages 70 to 79 of the financial statements.

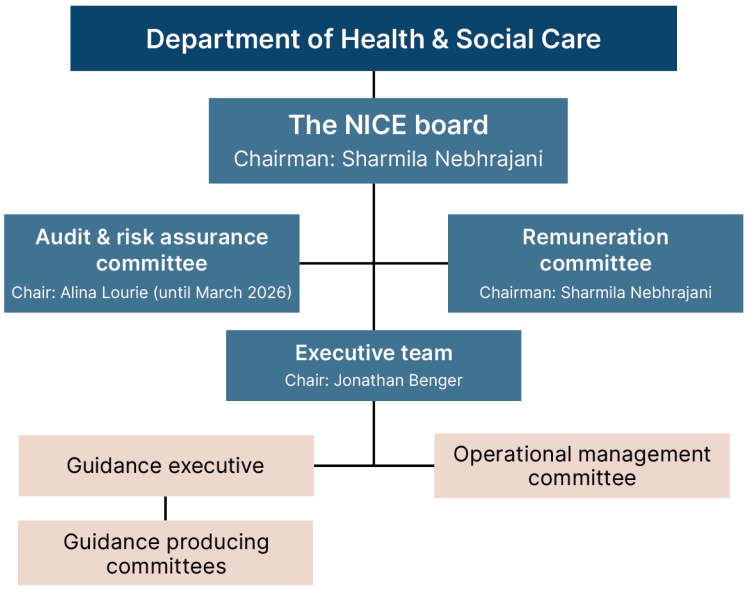
NICE's role

NICE was established as the National Institute for Clinical Excellence on 26 February 1999 as a special health authority and became operational on 1 April 1999. The Health and Social Care Act 2012 re-established NICE as an England-only national advisory body with the status of non-departmental public body (NDPB) with effect from 1 April 2013. It became known as the National Institute for Health and Care Excellence.

Our role is to balance the best care with value for money across the NHS and social care, to deliver for both individuals and society as a whole. NICE helps practitioners and commissioners get the best care to people, fast, while ensuring value for the taxpayer. We do this by:

- producing useful and usable guidance for health and care practitioners
- providing rigorous, independent assessment of complex evidence for new health technologies
- developing recommendations that focus on what matters most and drive innovation into the hands of health and care practitioners
- encouraging the uptake of best practice to improve outcomes for everyone.

Governance structure



Governance arrangements

NICE is led by a unitary board comprising:

- a non-executive chairman appointed by the Secretary of State for Health and Social Care;
- a minimum of 5 other non-executive members appointed by the Secretary of State, one of which is appointed by the board as the vice chair;
- a chief executive appointed by the non-executive members with the approval of the Secretary of State; and
- between 2 and 4 other executive members appointed by the non-executive members.

The board members collectively have a range of skills and experience appropriate to the board's responsibilities to provide leadership and strategic direction for the organisation.

NICE Board

The board is our primary governing body and maintains the highest standards of governance to effectively deliver our strategy. The operation of the board is supported by the collective experience of our non-executive and executive directors.

The role of the NICE board

The board:

- sets the strategic direction and risk appetite of the organisation and is the ultimate decision-making body for matters of NICE-wide strategic or reputational significance
- ensures through its governance framework, decision making at the correct level ensuring there is accountability and long-term value for tax payers
- provides oversight of the management of NICE's resources
- identifies and manages risks and ensures a sound system of internal controls is in place
- approves NICE's annual report and accounts.

Board roles

Chairman

The chairman is responsible for leading the board in an open and positive way, representing NICE to the health and social care communities, life sciences industry and the public.

Responsibilities also include:

- Leading the board in formulating NICE's strategy
- Encouraging and enabling all board members to make a full contribution to the board's affairs and work effectively as a team
- Ensuring the board discharges its statutory duties to the highest standards of propriety
- Ensuring NICE's executive are supported and held to account for NICE's performance, and the delivery of objectives as set out in the business plan
- Setting the tone for excellent working relationships between NICE and key stakeholders responsible for the successful operation of the health and social care system, and supporting innovation and the UK life sciences
- Representing NICE externally
- Advising the Department of Health and Social Care (DHSC) on the performance of the non-executive directors.

Non-executive directors

Our board has a majority of non-executive directors, all of whom bring extensive skills and external experience to the board. This ensures a good balance of skills is available to NICE in discharging our duties and responsibilities, in addition to setting NICE's policy and strategic direction and its resourcing framework.

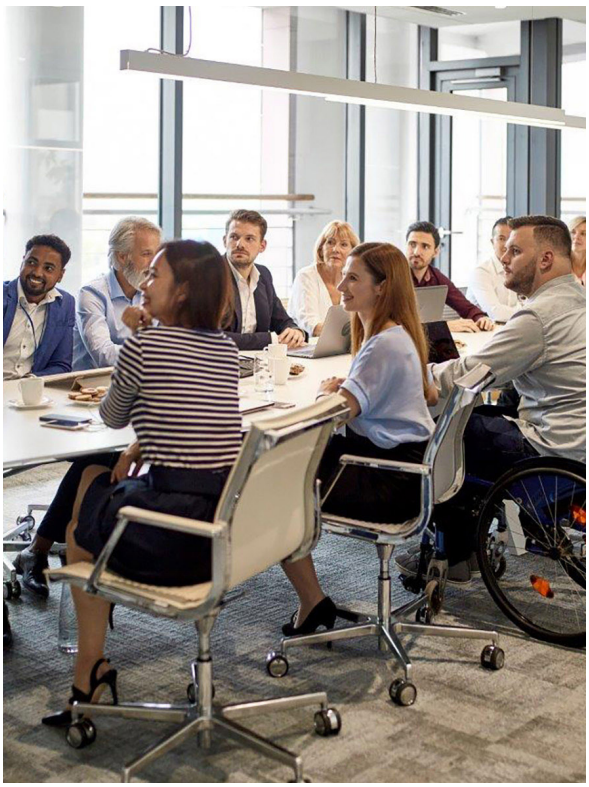
Chief executive

The board has delegated responsibility for the day-to-day running of NICE to the chief executive and the executive team (ET).

The permanent secretary at the DHSC has designated the chief executive as NICE's accounting officer. This appointment carries duties and responsibilities in respect of regularity, propriety, value for money and good financial management, and the safeguarding of public funds. The chief executive has specific responsibilities for ensuring compliance with the terms of the Framework Agreement with DHSC. They must also ensure that proper accounting records are maintained, and they must sign the annual report and accounts.

Executive directors

NICE has up to five executive directors (including the chief executive), who are officer members of the NICE board. In addition, other members of the executive team who lead directorates attend the board meetings in a non-voting capacity. Further information is provided on the executive team later in the report.



NICE's board and executive team

Non-executive directors who served on the board in 2025 to 2026

Board Membership

Non-executive membership of the NICE board remained stable throughout 2025 to 2026, with the addition of 2 new non-executive directors appointed by the Secretary of State in July 2025. Keith Ridge and Frank Smith were appointed for a three-year term. One non-executive director, Alina Lourie, resigned from the NICE board in March 2026.

The chart on page 48 shows the tenure of the non-executive directors.

Sharmila Nebhrajani OBE

- Chairman and non-executive board member
- Remuneration committee chair

Sharmila began her career in strategy consulting and has broad experience across health, media, utilities, and financial services from both the private and public sectors. She serves as a non-executive director at Halma plc, ITV plc, and Severn Trent plc. She is appointed by HM Treasury to chair the sovereign grant audit committee and sits as non-executive director for the Lord Chamberlain's committee of the Royal Household. She serves as trustee of both the Governing Council of Oxford University where she chairs the audit and scrutiny committee and the Thomson Reuters Founders Share Company. More recently, Sharmila was appointed to serve as an external advisory board member for the Centre for Personalised Medicine at Oxford University.

In her executive career, Sharmila spent 15 years at the BBC, latterly as chief operating officer for BBC Future Media and Technology, the division that built the iPlayer, and chief executive at Wilton Park, an executive agency of the UK Foreign and Commonwealth Office convening international dialogues for senior policy makers from around the world with a special focus on global health.

Dr Mark Chakravarty

- Vice chair and non-executive board member
- Audit and risk assurance committee member
- Lead non-executive director for technology appraisals and highly specialised technologies appeals

Mark is a business leader and physician, who brings more than 20 years' experience in innovation, healthcare, and business. He serves on the board of Health Innovation Manchester in addition to being a board advisor to a range of technology start-ups. Most recently, he joined the Parliamentary and Health Service Ombudsman (PHSO) as a non-executive director.

His international career spans life sciences, healthcare, and consumer goods sectors and he has held senior leadership positions in Procter and Gamble and Novartis. Mark was the chief communications and patient officer for Novartis Pharmaceuticals and a former board member of the Care Quality Commission.

Jackie Fielding

- Non-executive board member
- Remuneration committee member

Jackie has been in the healthcare industry for around 30 years, including 28 years with Medtronic Inc. She was their vice president for the last 10 of those years leading a multi-million pound business in a dynamic and competitive environment and held a number of external posts, including vice chair of the Association of British HealthTech Industries.

Since leaving full time employment Jackie now holds some non-executive director roles in the private and public sector.

Jackie is passionate about authentic leadership and a strong believer that culture drives results. She also speaks about women in leadership and the value of diversity, inclusion, and engagement in the workplace.

Professor Gary Ford CBE, FMedSci

- Non-executive board member
- Remuneration committee member

Gary is chief executive officer of Health Innovation Oxford and Thames Valley (previously Oxford Academic Health Science Network). He is also a consultant stroke physician at Oxford University Hospitals NHS Foundation Trust, and professor of stroke medicine at Oxford University. He was the chair of the 15 Academic Health Science Networks across England from 2021 to 2023.

He has been part of many service innovations in UK stroke care in the last 20 years. This includes developing the first thrombolysis protocol for acute stroke in England and the Face Arm Speech Test.

Gary was director of the National Institute for Health Research (NIHR) stroke research network from 2005 to 2014. He was awarded a CBE in 2013 for services to research in stroke medicine. In 2018, Gary was identified as one of 7 NIHR research legends whose work has transformed care in the NHS.

Gary also holds a number of roles across the health service.

Professor Bee Wee CBE

- Non-executive board member
- Remuneration committee member
- Lead non-executive director for workforce engagement

Bee is a consultant in palliative medicine at Sobell House and Katharine House Hospices, Oxford University Hospitals NHS Foundation Trust, and associate professor at University of Oxford. She is a governing body fellow of Harris Manchester College.

Originally from Malaysia, Bee qualified from Trinity College Dublin in 1988, trained in general practice in Dublin, then moved into palliative medicine in Ireland, Hong Kong, and the UK. She was elected president of the Association for Palliative Medicine of Great Britain and Ireland from 2010-2013. She chaired a NICE quality standards advisory committee for 7 years from its inception in 2012. As national clinical director for palliative and end of life care at NHS England from 2013-2023, she led the Leadership Alliance for the Care of Dying People and co-led the national 34-member Ambitions Partnership for Palliative and End of Life Care.

She is a visiting professor at Lewis-Manning Hospice, Bournemouth University and Sichuan University, and was awarded an honorary doctorate by Oxford Brookes University in 2018.

She was awarded a CBE in 2020 for services to palliative and end of life care.

Dr Justin Whatling

- Non-executive board member
- Audit and risk assurance committee member

Dr Justin Whatling is a Fellow of British Computer Society (BCS) the Chartered Institute for IT and a Leading Practitioner Federation of Informatics Professionals. He is an experienced global healthcare and IT leader with a medical background. He excels in growing businesses, operationalising complex value propositions, and leading organisational transformations with over 25 years' experience in using technology and informatics to transform outcomes for patients.

He holds a number of advisory roles as a member of the Health & Social Care Council for techUK, a member of the BCS Academy of Computing board representing BCS on the management committee of the BMJ Health and Care Informatics journal, and a member of the CW+ innovation advisory board the official charity of Chelsea & Westminster Hospital NHS Foundation Trust.

Justin has held senior positions including CEO at Optum UK, Managing Director health and life sciences at Palantir Technologies, global Vice President Population Health at Cerner, and Chief Clinical Officer at BT Health.

Dr Keith Ridge CBE FRPharmS

- Non-executive board member
- Audit and risk assurance committee member

From 2006 to 2022, Keith was chief pharmaceutical officer for England, the NHS's and Government's principal adviser on pharmacy and medicines use, and head of the pharmacy professions in England. During that time he led fundamental reforms that led to pharmacy professionals delivering more clinical services to patients. He was centrally involved in a number of policy areas including antimicrobial resistance, introducing a more patient focused approach to medicines use (known as "medicines optimisation") into the NHS, the introduction of biosimilars, and the response to the Covid pandemic.

Prior to that, Keith served as Chief Pharmacist at University Hospitals Birmingham and North Glasgow University Hospitals. In the 1990s, he worked at the Department of Health, where he contributed to the establishment of NICE. Keith is a member of the European Board of Icon Group, a cancer care service provided based in Australia.

Professor Frank Smith

- Non-executive board member
- Audit and risk assurance committee member

Frank Smith is emeritus professor of vascular surgery and surgical education at the University of Bristol, UK. He trained in vascular surgery in the West Midlands, Edinburgh, and the South-West, undertaking travelling fellowships to Boston, Denver, Los Angeles and Seattle.

He has served two terms as a member of Council of the Royal College of Surgeons of England (2020-28) and was elected vice president in 2024. He chairs several standing committees and the Invited Review Oversight Group. He is past-president of the section of surgery at the Royal Society of Medicine and was chair of the intercollegiate committee of basic surgical examinations on behalf of the four Royal Colleges of Surgeons (2017-20).

From 2006-24 Frank also held the role of programme director for the confidential reporting system for surgery (CORESS).

Alina Lourie

- Senior independent director and non-executive board member
- Audit and risk assurance committee chair
- Remuneration committee member

Executive directors who served on the board in 2025 to 2026

Professor Jonathan Benger

- Chief executive and accounting officer

Jonathan joined NICE in January 2023 as chief medical officer and in March 2023 became interim director of the centre for guidelines. Jonathan was subsequently appointed deputy chief executive in May 2024 and chief executive in December 2025.

Prior to joining NICE Jonathan was the interim chief clinical information officer (CCIO) at NHS England (2022), the chief medical officer (CMO) of NHS Digital (2019 to 2022), and the national clinical director for urgent and emergency care at NHS England (2013 to 2019).

In his clinical work, Jonathan is a consultant in emergency medicine at the Bristol Royal Infirmary and also does regular shifts with the Great Western Air Ambulance, which he established as its first medical advisor between 2007 and 2011.

Helen Knight

- Director, medicines evaluation

Since March 2022 Helen has been the director of medicines evaluation at NICE having joined the organisation in 2007. She is responsible for designing and operating methods and systems to produce national guidance and other advice on medicines and other relevant therapies for the NHS in England.

With an academic background in biochemistry and health economics, and over 20 years of experience in health technology assessment, she has extensive knowledge of the principles of evidence-based healthcare, methods and processes of health technology assessment and experience over a wide range of technologies and disease areas.

Pete Thomas

- Senior information risk owner
- Director, finance

Pete joined NICE as director of finance in July 2024, as an experienced NHS and DHSC Arm's-Length Body (ALB) director of finance and corporate services with a track record of leading effective and efficient delivery and large-scale change.

Pete joined NHS England in February 2023 as director of finance following its merger with NHS Digital. Prior to the merger, he was chief financial officer and previously finance director and commercial director at NHS Digital from January 2016. In both organisations he led teams through periods of significant change and sustained pressure on delivery.

Between January 2013 and January 2016, Pete was commercial director at NHS Yorkshire and Humber Commissioning Support Unit (CSU) and was previously interim chief financial officer at NHS West Yorkshire CSU. He worked for many years in professional services, focusing on financial management and corporate and project finance, and advising public and private sector organisations including the DHSC and the NHS.

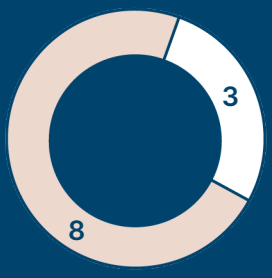
Dr Sam Roberts

- Former chief executive and accounting officer

Mark Chapman

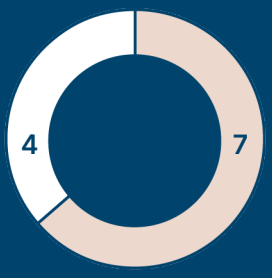
- Director, medical technology

Tenure of board members



- Less than 3 years
- 3 to 5 years

Gender of board members



- Male
- Female

Directors who were members of the executive team during 2025 to 2026

Dr Nick Crabb

- Chief scientific officer

Nick had a 20-year career in analytical science, process technology and general management in the chemical, pharmaceutical and contract laboratory industries prior to joining NICE in 2010. His initial role was to establish and manage the diagnostics assessment programme and he was later appointed programme director, scientific affairs. As chief scientific officer Nick oversees NICE's science, evidence and analytics directorate.

His experience includes consideration of health technology assessment (HTA) issues arising from the availability of novel new products such as cell and gene therapies and work on methods issues relating to the evaluation of antimicrobials.

Nick was the NICE lead on a collaborative pilot project with NHS England to develop and test innovative models for the evaluation and purchase of antimicrobials. Nick also has interests around the alignment of regulatory and HTA processes and collaborates closely with national and international regulators.

Dr Clare Morgan

- Director, impact and partnerships

Clare joined as director of implementation and partnerships, leading on collaboration with key stakeholders to enable effective implementation of NICE products across health and social care. Her portfolio also includes people and communities involvement and engagement.

Clare was previously the director of strategy at Liverpool University Hospitals NHS Foundation Trust; leading on organisation and system wide strategy, transformation and partnerships in an integrated care system responsible for tackling some of the worst health inequalities in the UK and Europe. Prior to this Clare was the national life sciences industry and research director for the NIHR Clinical Research Network for thirteen years, during which she spent a year in the South Yorkshire & Bassetlaw Integrated Care System leading on research and innovation. She also brings significant experience of the clinical research ecosystem, gained through roles in contract research organisations, the pharmaceutical industry and within academia.

Clare has a Doctorate of Philosophy (PhD) in Immunology and an academic background in biomedical sciences.

Thomas Slater

- Director, Healthtech and NICE Advice

Tom is a commercial and healthcare leader bringing over 15 years' experience in fields such as innovation, investment, healthcare, technology and supply/market transformation.

Before joining NICE, Thomas was the director of commercial for NHS England and prior to that, director of commercial strategy and solutioning for NHS Digital, leading his teams in many of the recent technology transformations the NHS has delivered over the last decade.

Thomas has an MBA from Birmingham University and supports multiple academic and professional development programmes like NHS Digital Academy, HCSA Future Leaders and the Clinical Entrepreneur Programme (CEP).

Raghunath Vydyanath

- Chief information officer

As chief information officer, Raghu leads the digital, data and technology directorate with a particular focus on technology-enabled business transformation.

Raghu was previously the director of corporate IT and smarter working at NHS England, where he directed the digital and IT service. During his time at NHS England, in addition to his operational responsibilities, Raghu was also accountable for various national services such as the non-clinical IT and unified service desk for COVID vaccination centres and booster programme, ambulance digitisation programme and digital and IT systems and services that underpin the cancer screening programmes in England.

Raghu has an eMBA and is a BCS fellow and chartered IT professional doctorate, CHIME certified healthcare CIO (CHCIO).

Helen Williams

- Chief people officer

A fellow of the CIPD Helen holds a Diploma in HR Management and a BA (Hons) in Sociology and Social Policy from Durham University and has also completed a certificate programme in organisational development with NTL.

Helen has over 25 years of experience in human resources and has held a variety of HR roles. Initially Helen built her career in the retail industry and then worked within MedTech for Medtronic. At Medtronic Helen served as the HR director looking after three business units across Europe in Neuroscience. Prior to this Helen partnered with the business as HR director for the UK and Ireland.

In her roles Helen has ensured close alignment with the business strategies and has been heavily involved in transformation. Helen is a true partner with the business and is particularly passionate about talent management. Helen strongly endorses a culture where people at all levels feel fulfilled and included.

Eric Power

- Interim director, centre for guidelines

Eric was appointed as Interim Director, Centre for Guidelines in January 2026. In this role Eric leads the delivery of NICE's guidelines, quality standards and indicators programmes. Previous roles at NICE include Deputy Director in Centre for Guidelines and senior roles with responsibility for medicines optimisation, implementation and guidance development.

Eric started his career as a clinical pharmacist with roles in primary and secondary care and gained his independent prescribing qualification before moving into senior commissioning and medicines optimisation roles.

At NHS England, Eric worked in a senior leadership role on improving population healthcare and reducing unwarranted variation in healthcare delivery. The role involved partnering with NHS leaders at national, regional, and local levels to identify areas for improvement across care pathways and convening coalitions across health systems to improve patient outcomes.

Eric holds a Masters degree in Economic Evaluation from University of York as well as postgraduate qualifications in clinical practice and strategic leadership.

Jane Gizbert

- Director, communications

Board attendance during the 2025 to 2026 financial year

Table 1

Name	Role	Attendance
Sharmila Nebhrajani	Chairman	6/6
Mark Chakravarty	Vice chair	6/6
Alina Lourie (until March 2026)	Senior independent director	3/6
Jackie Fielding	Non-executive director	4/6
Gary Ford	Non-executive director	5/6
Keith Ridge (from July 2025)	Non-executive director	5/5
Frank Smith (from July 2025)	Non-executive director	5/5
Bee Wee	Non-executive director	6/6
Justin Whatling	Non-executive director	3/6
Sam Roberts (until December 2025)	Chief executive and accounting officer	5/5
Jonathan Benger	Director, then Chief executive and accounting officer from December 2025	6/6
Mark Chapman (until September)	Executive director	3/3
Pete Thomas	Executive director	6/6
Helen Knight	Executive director	6/6
Nick Crabb	Director	6/6
Jane Gizbert (until September)	Director	3/3
Clare Morgan	Director	5/6
Tom Slater (from September)	Director	4/4
Raghunath Vydyanath	Director	5/6
Helen Williams	Director	6/6
Eric Power (from January 2026)	Interim Director	1/1

Executive team

The NICE board and its committees are supported by an internal governance structure led by the executive team. The executive team ensures that the strategy and business plan set at board level are delivered by NICE.

The executive team is responsible for providing leadership to the organisation within the authority delegated by the board. It:

- develops strategic options for the board's consideration and approval
- prepares NICE's annual business plan for approval by the board and Department of Health and Social Care
- oversees delivery of the objectives set out in the business plan
- ensures arrangements are in place to secure the proper and effective control of NICE's resources
- approves proposals for material changes to NICE's outputs, including proposals for discontinuing products or establishing new areas of work
- approves expenditure and changes to staff policies and terms and conditions where these exceed the delegations to individual directors or the operational management committee
- ensures effective relationships with partner organisations and maintains good communications with the public, the NHS, social care and local government and with the life sciences industries
- identifies and mitigates the strategic risks facing NICE
- reviews the financial position and planning for future years.

Guidance executive

The guidance executive approves, on behalf of the board, NICE guidance and products developed by the independent advisory committees. These products include NICE guidelines; quality standards; technology appraisals; highly specialised technology guidance; and HealthTech guidance.

The guidance executive is responsible for consulting on, and making decisions about variations to the funding requirement for technologies assessed by the technology appraisal and highly specialised technologies programmes. It also formally receives and takes action on appeal decisions regarding the technology appraisal and highly specialised technologies programmes, as well as agreeing any changes to NICE's methods and processes for guidance development prior to approval by the board (subject to the need for board approval and public consultation). It reviews topic pipelines across all NICE programmes and ensures implementation and patient safety considerations inform guidance production.

Operational management committee

The committee acts under delegated authority from the executive team to consider operational issues with a cross-organisation impact. It has senior representation from all the centres and directorates.

Its role is to approve new or materially amended corporate policies; oversee NICE's health and safety, emergency planning and business continuity arrangements; review the operational risk register and escalate any emerging threats to the executive team; and approve the management response to internal audit recommendations where these have cross-organisational impact/implications. It is also advised of proposals for any management of change affecting more than 5 staff.

The committee has a number of sub-groups which report into it giving oversight of key operational areas. They are the health & safety committee and the information governance steering group. It also receives regular performance data relating to people, financial and information technology key performance indicators.

Independent advisory committees

The advisory committees develop and update our guidance that helps practitioners and commissioners get the best care to patients fast, while ensuring value for the taxpayer.

Membership of these committees includes healthcare professionals working in the NHS and local authorities, social care practitioners and people who are familiar with issues that affect those who use health and social care services, their families and carers. The committees seek the views of organisations that represent people who use health and social care services, and professional and industry groups, and their advice is independent of any vested interest.

During 2025 to 2026 the standing committees were:

- technology appraisal committees, chaired by Dr Radha Todd, Dr Charles Crawley, Professor Stephen O'Brien (until August 2025), Dr James Fotheringham (from December 2025) and Dr Megan John
- highly specialised technologies evaluation committee, chaired by Dr Paul Arundel
- interventional procedures advisory committee, chaired by Professor Richard Body
- diagnostics advisory committee, chaired by Professor Thomas Clutton-Brock
- medical technologies advisory committee, chaired by Dr Jacob Brown
- indicator advisory committee, chaired by Dr Ronny Cheung
- quality standards advisory committee, chaired by Dr Rebecca Payne.

Independent academic groups and information-providing organisations

NICE works with independent academic centres funded by the National Institute for Health Research to review the published and submitted evidence when developing technology appraisal, highly specialised technologies guidance and the diagnostics assessment programme.

We currently work with:

- Health Economics Research Unit and Health Services Research Unit, University of Aberdeen
- Liverpool Reviews and Implementation Group, University of Liverpool
- School of Health and Related Research (ScHARR), University of Sheffield
- Centre for Reviews and Dissemination and Centre for Health Economics, University of York
- Peninsula Technology Assessment Group (PenTAG), University of Exeter
- Southampton Health Technology Assessment Centre (SHTAC), University of Southampton
- Kleijnen Systematic Reviews Ltd
- BMJ Evidence Centre, BMJ Group
- Warwick Evidence, Warwick Medical School, University of Warwick
- Bristol Technology Assessment Group, University of Bristol
- Newcastle NIHR TAR Team, Newcastle University.

We commission independent academic centres and other institutions to support advanced evidence synthesis and economic analysis in the development of guidelines. The Centre for Guidelines in 2025 to 2026 worked with the following organisations:

- Technical Support Unit, University of Bristol
- Anna Freud National Centre for Children and Families Charity
- University College London.

The University of Sheffield is commissioned by NICE to provide the Decision and Technical Support Unit (DTSU). This is a contracted service managed by the Health Economics and Decision Modelling team in SEA Directorate to support delivery of complex and high-impact work. The DTSU provides specialist technical, methodological and analytical support, as well as methods training to all NICE programmes, including guidance development, technology evaluation, research, data analytics and scientific advice.

External assessment groups

We commission external assessment groups to work with the HealthTech Programme on projects related to the work programmes on medical devices, diagnostics, digital and interventional procedures.

The centres groups are:

- CEDAR, (Centre for Healthcare Evaluation, Device Assessment, and Research)
- Newcastle upon Tyne Hospitals (NuTH)
- University of Exeter (PenTAG)
- York Health Economics Consortium (YHEC)
- Coreva Scientific.

Annual governance statement

Accountability summary

As accounting officer, and working together with the NICE board, I have responsibility for maintaining effective governance arrangements and a sound system of internal controls that support the achievement of NICE's aims and objectives, while safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me.

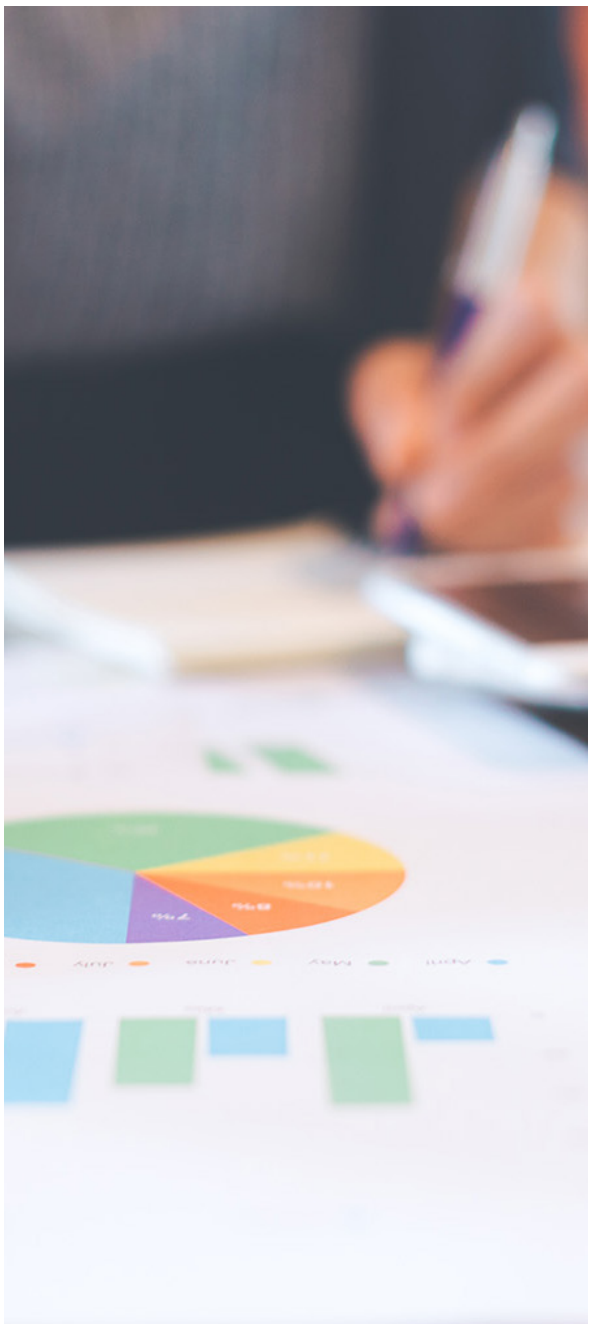
Public board

The board usually meets formally five times a year in public, with an additional meeting held in private to approve the annual report and accounts. The public meetings are open for the public to observe online, with the ability to submit questions in real time that are answered during the meeting.

Informal seminars and workshops

In addition to the formal public meetings, the board holds an informal strategy away-day in October each year.

Board members also usually hold five informal non-decision making seminars each year to explore strategic issues and developments.



A summary of topics the board has reviewed in the year

Table 2

Topics	Month
Setting and monitoring strategic objectives	-
Annual business plan	May 25
Performance reporting	All meetings
NICE methods and processes	-
Improvement story	Jul, Sept, Dec 25 & Mar 26
HealthTech manual updates	May, Jul & Dec 25
NICE's role in addressing health inequalities	May 25
NICE's role in delivering the 10 year health plan and life sciences sector plan	Jul 25
Update to the NICE health technology evaluations manual	Sep 25
Quality standards process guide update	Sep 25
Medicines data - NICE approvals and availability in England	Sep 25
Changes to NICE's cost effectiveness thresholds	Dec 25
Prioritisation activity report	Dec 25
Topic prioritisation manual	Mar 26
Digital strategy	-
Business case for a guidance content management and publishing platform	May 25
Data strategy - a strategic roadmap for NICE	Mar 26
Developing and supporting staff	-
Workforce engagement - update from non-executive director	Jul and Dec 25
Annual equality report	Sep 25
Bullying and harassment report	Sep 25
Staff survey	Sep 25
Equality, diversity and inclusion spend 2026-2027	Mar 26
Governance and compliance	-
Audit and risk assurance committee - annual assurance report and terms of reference review	May 25
Annual report and accounts	June and Jul 25
Modern slavery and human trafficking statement	Jul 25
Patient safety annual report	Dec 25
People and communities: involvement and engagement three year strategy	Dec 25
Risk appetite	Dec 25
Revisions to standing orders and standing financial instructions	Mar 26
Remuneration committee annual assurance and terms of reference review	Mar 26

Register of interests

A register of interests is maintained to record declarations of interest of the board members, the executive team and all other staff. The register includes details of all directorships and other relevant and material interests which relate to NICE's work, as required by our standing orders and policy on declaring and managing interests.

Board members and employees are required to reconfirm their declared interests annually, in addition to declaring any changes in-year as they arise. At the start of each board meeting, the board and executive team members confirm the register is up to date and they do not have any conflicts relating to the items on the agenda.

NICE has a comprehensive policy on declaring and managing interests for board members and employees. It is next due for review in July 2027 in line with the three-year review cycle.

Information on transactions with organisations with which our directors are connected are detailed in the related parties note in the annual report and accounts.

NICE also has a separate policy on declaring and managing interests for its advisory committee members, which was reviewed and updated in November 2025 in line with the three-year review cycle.

Both policies and the register of interests of board members and the executive team can be found on the NICE website.

Board effectiveness and development

The board is committed to the highest standards of corporate governance and in line with good practice, reviews its effectiveness annually. In 2025 to 2026, the board carried out a self-assessment of its effectiveness, and discussed the results in September 2025 noting that overall, the feedback was very positive and a further improvement on the already positive previous years' responses. Areas for further improvement were discussed, notably the quality and length of board papers and interaction between board members and staff outside of board meetings. To address the latter, we will trial greater non-executive director engagement in the all-staff meetings.

An externally facilitated board effectiveness review will take place in 2026 to 2027 in line with best practice to undertake such review every three years.

Compliance with the code of governance

An annual review of our self-assessment against the HM Treasury and Cabinet Office code of good governance practice (2017) concluded that NICE was compliant with all applicable principles, with the exception of principle 5.5, 'the head of internal audit should periodically be invited to attend board meetings'. This requirement is not applicable to NICE; it relates to government departments.

Accountability to the Department of Health and Social Care

Annual accountability meetings are held between NICE's chief executive and chairman and the sponsoring minister at the DHSC. In addition, quarterly accountability meetings take place between our sponsor team at the DHSC, members of NICE's executive team and NICE's chairman.

Board administration

The administration of the board is the responsibility of the associate director, corporate office who is the board secretary. The board secretary maintains and keeps up to date the main procedures and policies of the board, corporate records and the terms of reference of the board committees. The secretary also maintains and keeps under review NICE's corporate governance framework including the standing orders and, in consultation with the finance director, the standing financial Instructions. The agenda and supporting papers for board meetings are distributed approximately one week in advance of the meeting via a secure digital portal.

Board committees

To help the board fulfil its duties, it is supported by 2 committees – the remuneration committee and the audit and risk assurance committee.

Remuneration committee

The committee:

- agrees the remuneration and terms of service for the chief executive, members of the executive team, and any other staff on the executive and senior manager pay framework
- ensures there is a system of performance review, talent management and succession planning in place for the chief executive and executive team
- reviews the succession planning talent pipeline for the chief executive and executive team roles.

Members serving on the committee in 2025 to 2026

Name	Role	Attendance
Sharmila Nebhrajani	Non-executive chair	2/2
Gary Ford	Non-executive director	2/2
Jackie Fielding	Non-executive director	2/2
Alina Lourie (until March 2026)	Non-executive director	1/2
Bee Wee	Non-executive director	2/2

The remuneration committee met twice in 2025 to 2026. It approved the salaries for senior roles within its remit and agreed which members of the executive team should receive a non-consolidated performance related pay award for 2024 to 2025 within the framework set by the DHSC. It reviewed the talent management and succession planning arrangements at NICE and reviewed its terms of reference and effectiveness.

Audit and risk assurance committee

The committee:

- provides an independent and objective review of arrangements for risk management, internal control and corporate governance
- reviews the annual report and accounts, prior to approval by the board
- ensures there is an effective internal and external audit function in place
- reviews the findings of internal and external audit reports and management's response to these.

Members serving on the committee in 2025 to 2026

In 2025 to 2026, the audit and risk assurance committee welcomed two new non executive directors, Keith Ridge and Frank Smith. Their appointments brought the committee's membership back up to five non executive members.

In March 2026, Alina Lourie resigned as a non-executive director and chair of the audit and risk assurance committee. The DHSC is in the process of appointing a new substantive committee chair, with chairing duties shared among other committee members in the interim.

Name	Role	Attendance
Alina Lourie	Non-executive chair (until March 2026)	3/5
Justin Whatling	Non-executive director	1/2
Mark Chakravarty	Non-executive director	5/5
Frank Smith	Non-executive director	3/3
Keith Ridge	Non-executive director	2/3
Amanda Gibbon	Independent committee member	5/5

Overview

The committee meets quarterly and has formally agreed terms of reference which are reviewed annually. It reports independently to the board on:

- the adequacy of NICE's governance arrangements;
- assurance and the risk management framework and the associated control environment;
- oversight of the financial reporting process; and all types of fraud, and whistle-blowing arrangements;
- cyber security and IT resilience.

The audit and risk assurance committee also agrees the annual internal audit plan. The plan is designed to systematically review different areas of the business and provide assurance to the executive team and the audit and risk assurance committee that any identified weaknesses in controls, are addressed and strengthened.

The committee has private sessions with the internal audit provider - Government Internal Audit Agency (GIAA), and external auditors, KPMG and the National Audit Office (NAO), without the NICE executives being present. Both the internal and external auditors have direct access to the committee chair if they wish to raise anything which they feel is not appropriate to raise directly with the executives.

During 2025 to 2026, internal audit services were provided by GIAA. The GIAA team operates to Public Sector Internal Audit Standards.

The areas for improvement identified in the internal audit reviews, have either been addressed, or are being addressed by senior management, with progress reviewed by the audit and risk assurance committee.

The internal audit plan included the following audits:

Business area	**Assurance rating**	**Recommendations made**		
-	-	High	Med	Low
Counter fraud, bribery and corruption (inc. gifts and hospitality)	Moderate	-	4	1
Budget management	Moderate	-	2	1
Stakeholder management	Moderate	-	6	-
Incorporation of technology appraisals into guidelines	Moderate	-	3	-
Cyber security (major incident planning)	Moderate	-	3	4
Data Security and Protection Toolkit (DSPT)	-	-	-	-
Risk assessment	High	n/a	n/a	n/a
Confidence level	Medium	n/a	n/a	n/a
Total recommendations = 24	**-**	**-**	**18**	**6**
(2024/25 = 40)	-	1	27	12

The internal auditor gave an overall opinion of ***moderate*** assurance for the year.

Areas of particular focus for the committee in 2025 to 2026 were:

- a review of the strategic risk register at every meeting and to hear from the chief executive and directors about the current risks facing NICE and any emerging risks
- comprehensive reviews of NICE's cyber security arrangements and IT system resilience including disaster recovery and business continuity planning
- 'deep dive' reviews of high rated risks to scrutinise risk management arrangements, test assurances, and challenge actions where appropriate
- the annual review and update of NICE's standing orders and standing financial instructions
- approval of a revised counter fraud strategy and policy and a new fraud response plan
- monitoring the financial accounting performance, including the financial controls and reporting processes in place
- the findings from internal and external audit reviews and the management response to these
- annual assurance reports on information governance, cyber security and resilience, counter fraud, health and safety, compliance with functional standards, whistle-blowing, and management of complaints
- compliance with mandatory training for staff
- the annual review of committee's effectiveness and its terms of reference.

The risk and control framework

System of internal control

The chief executive, as Accounting Officer, has ultimate responsibility for maintaining a sound system of internal control that supports the achievement of NICE's aims and objectives. The audit and risk assurance committee has oversight of the system of internal control which has been in place at NICE for the year ended 31 March 2026 in accordance with HM Treasury guidance.

There were no breaches of NICE's delegated authority or spend controls in 2025 to 2026 and no expenditure required retrospective approval from DHSC and/or Cabinet Office.

There was however one instance of noncompliance with NICE's statutory framework and internal standing orders and standing financial instructions relating to the past contractual arrangements for a senior member of staff.

Due to his ongoing NHS clinical activity, Professor Jonathan Benger was, until 1 March 2026, engaged via a secondment agreement with an NHS trust, the terms of which meant he was not directly employed by NICE and therefore not eligible to exercise powers on behalf of NICE under NICE's statutory and internal governance framework or eligible to be appointed as executive director. This was resolved when Professor Benger became a NICE employee on 1 March 2026 but meant for the period 19 December 2025 to 28 February 2026 inclusive NICE did not comply with Schedule 16 of the Health and Social Care Act 2012 which requires NICE to have between three and five executive directors, one of whom must be the chief executive.

The board and the audit and risk assurance committee reviewed the noncompliance, the circumstances of how it had arisen, and the steps taken to prevent a recurrence. It was noted that the position had likely arisen as Professor Benger had previously been engaged through a similar secondment with the NHS trust in his previous roles with DHSC arm's-length bodies. The noncompliance with the statutory framework applicable to NICE was identified following a review of the contractual arrangements arising from Professor Benger's appointment as chief executive.

To mitigate the position, the board reviewed and ratified the decisions taken by Professor Benger in the period prior to 1 March 2026 that were noncompliant with NICE's statutory framework, including those set out in NICE's standing financial instructions, and noted the steps taken to prevent a future recurrence. It was also noted the board had not met or taken any decisions in the period of NICE's noncompliance with the Health and Social Care Act 2012.

A review was undertaken to confirm this was an isolated case and other staff with decision-making authority were directly employed by NICE. Relevant staff have been reminded of the requirements of NICE's statutory framework in relation to senior appointments and this will be supplemented with wider training on NICE's statutory framework for senior leaders.

The annual year-end assurance process was undertaken in Q4 of 2025 to 2026 requiring each director to complete a comprehensive checklist of control measures to confirm compliance with all the key controls within their responsibility. This information provided the chief executive with evidence-based assurance to support the effectiveness of the internal controls system in place and the conclusions in this annual governance statement.

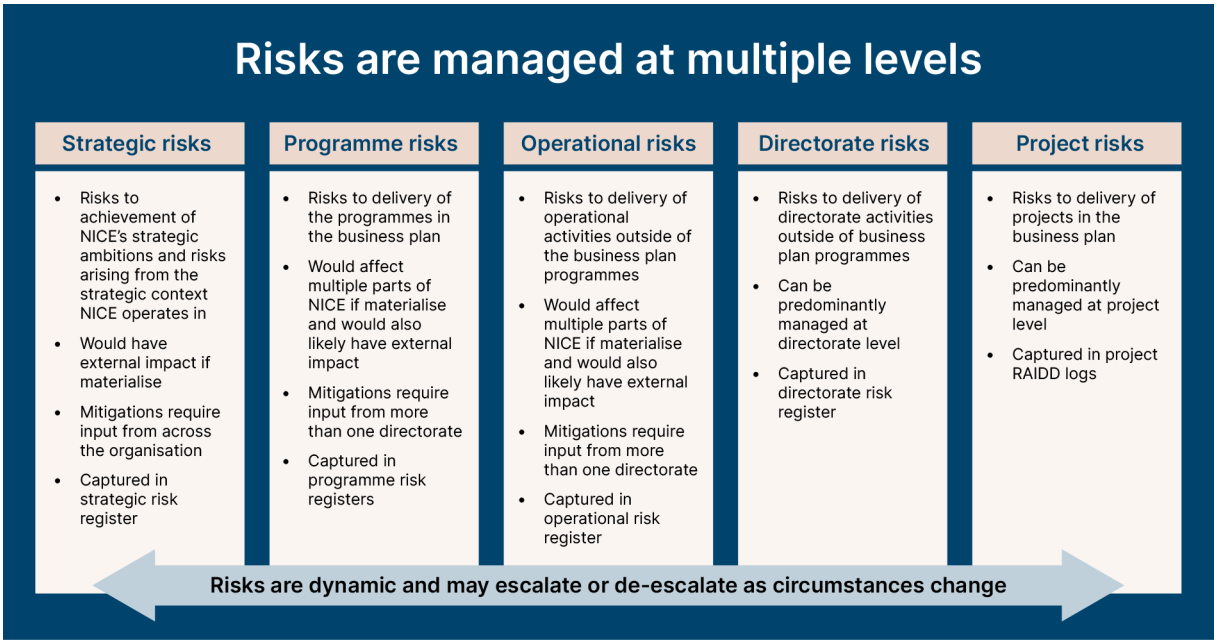
Risk management framework

The audit and risk assurance committee provides an independent and objective view of the arrangements for the management of risk.

It advises the board on the effectiveness of the internal control system. The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risks. It can therefore only provide reasonable and not absolute assurance of effectiveness. It is based on a continuous review process designed to identify and prioritise the risks to the achievement of organisational aims and objectives.

NICE's risk management policy defines risk, outlines roles and responsibilities for managing risks at different levels and explains how risks are categorised, assessed, escalated and de-escalated. It uses a 5×5 risk scoring matrix in line with HM Treasury guidance and the principles set out in the Orange Book.

The risk management framework in place for 2025 to 2026 is set out below.



Risk appetite

The board has ultimate responsibility for risk management including major decisions affecting NICE's risk profile or exposure. The board approves the risk management policy and determines the risk appetite – the extent to which we will tolerate known risks, in return for the benefits expected from a particular action or set of actions.

The board reviews its risk appetite statement annually to reflect the changing environment within which NICE operates. The current risk appetite set by the board, using the categories recommended in HM Treasury Orange Book on risk management, is set out below.

Risk category	Category appetite level
Reputation Finance Governance Legal challenge	**Cautious** - Willing to tolerate a degree of risk where we have identified scope to achieve significant benefit and/or realise an opportunity and the risks can be managed. (although minimalist to any risk to financial propriety and regularity).
Workforce Partnerships	**Open** - Willing to consider all options and choose one that is most likely to result in successful delivery. (although minimalist to any risk to compliance with the statutory employment legislation)
Cyber	**Minimalist** - Preference for safe options that have a low degree of residual risk.

The audit and risk assurance committee reviews the strategic risk register at each of its quarterly meetings and also undertakes a 'deep dive' discussion of one of the risks.

Strategic risk 'deep dives' undertaken by the committee in 2025 to 2026 were:

- innovation – a risk of failure to provide useful and useable advice on innovative products due to the pace of change in health care (September 2025)
- the risks arising from the policy context around UK medicines pricing and the change in the cost effectiveness threshold (November 2025 and January 2026)

Directors, in conjunction with their senior teams, are also responsible for ensuring risks in their directorate are identified, assessed and entered into an operational risk register which is monitored by the operational management committee (OMC). The OMC reviews the operational risks bi-monthly and escalates risks that are increasing in threat level, to the executive team for considering their inclusion in the strategic risk register.

Key risks facing NICE

In 2026 to 2027 NICE will continue to focus on delivering the priorities set out in our transformation plan and those set out in the NHS 10 Year Health Plan. A summary of our key risks is given below:

Risk 1 – Cyber security

What is the risk?

A security incident, use of unauthorised AI tools and technologies and/or unplanned major technology system outage could lead to data loss, reduction in operational productivity, and inability to recover services, data or systems.

What is the potential impact?

An inability to support the health and care system.

What are we doing to mitigate the risk?

We have a combination of safeguards including firewalls, back-up solutions, staff training; and third-party assurance and accreditation such as cyber essentials plus.

How has this risk changed during the year?

We have strengthened our controls, however the risk remains high.

Risk 2 – Evidence pipeline

What is the risk?

Changes in the international political environment in relation to some areas of clinical research, and restrictions in the current AI copyright legislative framework could negatively impact NICE's access to evidence needed for guidance development.

What is the potential impact?

NICE is unable to produce high-quality advice for the NHS and patients.

What are we doing to mitigate the risk?

We continue to have cross system meetings with the DHSC, National Institute for Health Research and the Medical Research Council, to discuss biomedical literature resilience. We are also liaising with the Copyright Licensing Agency over the need for collaborative AI copyright licencing.

How has this risk changed during the year?

This is a new risk that has emerged and been escalated in the year to be a key strategic risk.

Risk 3 – The changing international environment and government policy on medicines pricing

What is the risk?

Changes arising from the US announcement on most favoured nation pricing could negatively impact NICE's technology appraisal programme by reducing the number of medicines launched in the UK.

What is the potential impact?

A reduction in the number of medicines launched in the UK could adversely affect patient access to the latest innovative medicines, and affect NICE's financial sustainability through reduced income from technology appraisals.

What are we doing to mitigate the risk?

We have implemented the revised cost effectiveness threshold following a direction from the Government, with minimal disruption to the technology appraisal programme. We continue to meet with UK managers of pharmaceutical companies to understand the likely impact of the international environment on UK launch decisions, while also contingency planning for an unexpected shortfall in technology appraisal income.

How has this risk changed during the year?

This is a new risk that has emerged and been escalated in the year to be a key strategic risk.

Risk 4 – Health system landscape and partnership working

What is the risk?

The impact of the changes in the organisation of the national health and care system resulting from the abolition of NHS England and the reconfiguration of Integrated Care Boards could make it difficult for our partners to implement NICE guidance, and difficult for NICE to collaborate with system partners to implement NICE priorities effectively.

What is the potential impact?

This could lead to NHS spend not being focused on technologies that are most clinically and cost effective.

What are we doing to mitigate the risk?

We will develop and roll out a strategic communications campaign and also track delivery of our 10-year plan priority programmes through quarterly joint assurance boards chaired by Ministers. We will also continue our sustained and focused engagement directly with Integrated Care Boards (ICBs) through a joint ICB panel.

How has this risk changed during the year?

The risk has increased during the year due to the re-organisation of the health and care system.

Risk 5 – Relevant, timely, useful and implementable guidance

What is the risk?

Our guidance does not help practitioners and commissioners get the best care to patients fast if it does not reflect the system's priorities or available resources, is not produced in a timely manner in response to new evidence, and/or is not presented in a usable format.

What is the potential impact?

Stakeholders look to alternative sources of advice, NHS spend is not focused on technologies that are most clinically and cost effective, and a decline in the quality of care and the reputation of NICE.

What are we doing to mitigate the risk?

We have established a Prioritisation Board to ensure our guidance meets the system's needs, taking account of the particular requirements of public health, social care and rare diseases. We have established an integrated topic intelligence and monitoring team in the Clinical Directorate to deliver the agreed process for all topic selection at NICE and agreed an annual forward view that identifies key priorities for the year ahead.

How has this risk changed during the year?

The risk has remained stable during the year.

Information governance

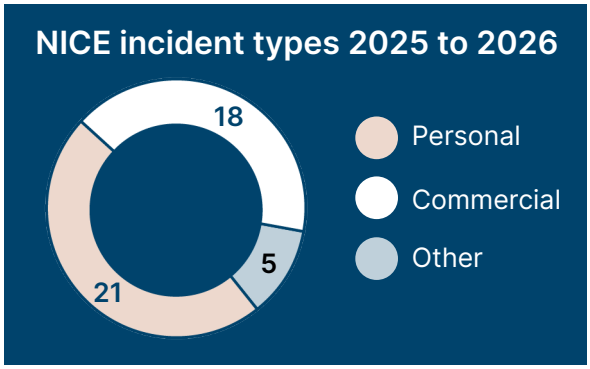
NICE adopts a risk-based approach to information governance, aligned to official guidance from relevant bodies, notably the Information Commissioner's Office and NHS England. Board-level responsibility for the management of information risk rests with the Director of Finance who is the nominated Senior Information Risk Owner (SIRO). NICE has nominated the Head of Information Governance and Records Management as its Data Protection Officer, with responsibilities outlined in the UK General Data Protection Regulation (GDPR).

Policies and procedures for the management of personal data and corporate data are reviewed internally by an Information Governance Steering Group, ensuring that policies and procedures are in line with best practice, relevant standards, and legislation. The group is chaired by the SIRO and includes Information Asset Owners (IAO) from each directorate. Jonathan Benger was appointed as the Caldicott Guardian in his role as Chief Medical Officer (CMO), responsible for ensuring any patient data is used legally and within confidentiality guidelines, and will pass this role to NICE's new substantive CMO when in post. The information governance arrangements are supported by a working group, comprised of Deputy IAOs. Information risks are considered within the risk management framework at NICE and reported to the Information Governance Steering Group.

All employees, including board members, are required to complete annual information governance and records management training. Staff training compliance as of March 2026 was 93% with processes in place to improve this above 95%.

The audit and risk assurance committee reviews information governance arrangements on an annual basis, through provision of an annual report, which provides assurance relating to requirements of the Data Security and Protection Toolkit.

There were 44 information governance incidents reported within NICE during 2025 to 2026 with a breakdown of the types of incidents NICE has had in the last year provided below. All incidents reported were graded as minor with low risk scores. (40 incidents were reported in 2024 to 2025).



Mandatory training

NICE employees are required to complete a range of mandatory training courses to support the internal control framework. The table below shows compliance performance with the key mandatory courses as at 31 March 2026. While compliance rates overall have improved in the year, the NICE board would like to see further improvements, therefore action is being taken to review processes to achieve greater completion rates.

Course	25/26 completion rate	25/26 target	24/25 completion rate	24/25 target
Cyber security	94%	95%	93%	90%
Information governance	93%	95%	94%	95%
Fire Safety	98%	85%	94%	85%
Fraud awareness	93%	95%	92%	95%
Equality & diversity	86%	85%	78%	85%
Budget holder	90%	85%	81%	85%
Contract manager	94%	85%	93%	85%
Freedom to Speak Up	93%	85%	73%	85%

(This list is not exhaustive but states the key internal control and highest risk area courses)

Assurance of business-critical analytical models

NICE makes extensive use of health economic models in producing guidance. The models may be developed inhouse, by academic partners or by companies in submissions to NICE. NICE ensures quality assurance (QA) measures are in place for the various guidance producing programmes. NICE considers these measures compliant with the Macpherson report recommendations and the Government's Aqua Book.

Counter fraud, bribery and corruption

In 2025 to 2026 we updated our counter fraud, bribery and corruption strategy and policy in readiness for the Economic Crime and Corporate Transparency Act 2023, which introduced a new offence where an organisation may be criminally liable when an employee, agent, subsidiary, or other 'associated person', commits a fraud intending to benefit the organisation and the organisation did not have reasonable fraud prevention procedures in place. NICE assessed its exposure to the new offence, which became effective in September 2025, and produced a new fraud prevention plan which includes identifying how NICE would detect fraud, and test and monitor fraud prevention procedures.

An internal audit of counter fraud, gifts and hospitality arrangements procedures, completed in August 2025, gave a substantial assurance rating for NICE's counter fraud arrangements.

There were no losses due to fraud identified in 2025 to 2026.

We remain active members of the DHSC's government department and ALB counter fraud liaison network and NICE makes the required quarterly submissions to the NHS Counter Fraud Authority in compliance with the government counter fraud functional standard GovS 013: counter fraud.

NICE takes part in the Government's National Fraud Initiative. We will be submitting data in September 2026 for the 2026 to 2027 data matching exercise.

Government functional standards

Of the 14 functional standards, we have self-assessed NICE as meeting the mandatory elements in all 12 of the standards that are applicable to NICE. The standards which are not applicable are grants, as NICE does not award grants, and security, as we are required to comply with the alternative Government standard of the Data Security and Protection Toolkit.

Whistleblowing

All staff are made aware of NICE's whistleblowing policy as part of their induction programme. The chair of the audit and risk assurance committee oversees the whistleblowing policy and can be contacted if staff feel the initial reporting routes are not appropriate or have failed to resolve their concerns. There were no whistleblowing cases in 2025 to 2026.

To support the whistleblowing policy, NICE has four nominated Freedom To Speak Up (FTSU) guardians to whom staff can speak in confidence about any issue that concerns them at work. There is a FTSU page on the NICE intranet where details of all the nominated staff can be found and details of their role. The guardians periodically attend an executive team meeting to talk about the number of cases and types of concerns that have been raised with them, and they produce an annual report.

Modern slavery

NICE is committed to tackling the serious issue of modern slavery. We do not tolerate slavery or human trafficking in our business or supply chains, and we have taken action during the year to identify risks in our contracts and our contract managers work with suppliers to monitor and manage them effectively. We publish an annual modern slavery statement on our website.

Statement of the Accounting Officer's responsibilities

Under the Health and Social Care Act 2012, the Secretary of State for Health and Social Care with the consent of HM Treasury has directed the National Institute for Health and Care Excellence (NICE) to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of NICE and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by the Secretary of State for Health and Social Care, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts
- prepare the accounts on a going concern basis

The Accounting Officer for the Department of Health and Social Care (DHSC) has appointed the chief executive of NICE as the Accounting Officer for NICE. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding NICE's assets, are set out in Managing Public Money published by HM Treasury.

As chief executive and Accounting Officer, I confirm that I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that NICE's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

I confirm that the Annual Report and Accounts as a whole are fair, balanced and understandable, and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that they are fair, balanced and understandable.

Significant internal control weaknesses

As noted at page 61, there was an instance of non-compliance with NICE's statutory framework and internal governance framework. Steps have been taken to prevent future reoccurrence.

I can confirm there were no other significant weaknesses in NICE's system of internal controls in 2025 to 2026 that affected the achievement of NICE's key aims and objectives.

Signed:

Professor Jonathan Benger
Chief executive and accounting officer
23 June 2026

Remuneration and staff report

The remuneration and staff report provides details of the remuneration (including any non-cash remuneration) and pension interests of board members and the directors who regularly attend board meetings. The content of the tables are subject to audit.

Senior staff remuneration

The remuneration of the chairman and non-executive directors is set by the Secretary of State for Health and Social Care. The salaries of the staff employed on NHS conditions and terms of service are subject to direction from the Secretary of State for Health and Social Care.

The remuneration of the chief executive and all executive senior managers (ESMs) is first subject to independent job evaluation and then approved by NICE's remuneration committee with additional governance oversight from the DHSC remuneration committee. Any salary in excess of £174,000 requires both Secretary of State and DHSC remuneration committee approval. The remuneration of the executives and senior managers is detailed in the table on pages 72 to 74.

Membership of the remuneration committee and its work can be found on page 58.

Performance appraisal

A personal objective-setting process that is aligned with the business plan is agreed with each member of staff annually and all staff are subject to an annual performance appraisal called 'my contribution'. NICE is a designated body for the revalidation of medical staff and has implemented a robust appraisal and revalidation process for its medical workforce that complies with the guide for good medical practice and the General Medical Council's framework for medical appraisal and revalidation.

Summary and explanation of policy on duration of contracts, and notice periods and termination payments

Terms and conditions: chairman and non-executives

For chairman and non-executive directors of NICE the terms and conditions are laid out below.

Statutory basis for appointment

The chairman and non-executive directors of non-departmental public bodies (NDPBs) hold a statutory office under the Health and Social Care Act 2012. Their appointment does not create any contract of service or contract for services between them and the Secretary of State for Health and Social Care or between them and NICE.

Employment law

The appointments of the chairman and non-executive directors of NICE are not within the jurisdiction of employment tribunals. Neither is there any entitlement for compensation for loss of office through employment law.

Reappointments

The chairman and non-executive directors are eligible for reappointment at the end of their period of office, but they have no right to be reappointed. DHSC will usually consider afresh the question of who should be appointed to the office.

Termination of appointment

A chairman or non-executive director may resign by giving notice in writing to the Secretary of State for Health and Social Care. Alternatively, their appointment will terminate on the date set out in their appointment letter unless terminated earlier in accordance with any of the grounds under paragraph 2 of schedule 16 to the Health and Social Care Act 2012, as follows:

- incapacity
- misbehaviour, or
- failure to carry out his or her duties as a non-executive director.

Remuneration

Under the Act, the chairman and non-executive directors are entitled to be remunerated by NICE for so long as they continue to hold office.

There is no need for provision in NICE's annual accounts for the early termination of any non-executive director's appointment.

Conflict of interest

The Code of Conduct for Board Members of Public Bodies published by the Cabinet Office applies to NDPB boards. The code requires chairs and board members to declare, on appointment, any business interests, positions of authority in a charity or voluntary body in health and social care, and any connection with bodies contracting for NHS services. These must be entered into a register that is available to the public. Any changes should be declared as they arise.

Indemnity

NICE is empowered to indemnify the chairman and non-executive directors against personal liability they may incur in certain circumstances while carrying out their duties.

Terms and conditions: NICE executive team

Basis for appointment

Executive directors and other directors who are members of the executive team, are normally appointed on a permanent basis under a contract of service at an agreed annual salary with eligibility to claim allowances for travel and subsistence costs, at rates set by NICE, for expenses incurred on its behalf. Appointments may be made on an interim or acting basis to cover vacancies or for other operational reasons, with agreed arrangements for travel and subsistence costs. During 2025 to 2026, one executive director was appointed on a secondment basis for part of the year and one other director was appointed on an interim basis.

Termination of appointment

The current notice period for directors who are members of the executive team is 6 months. During 2025 to 2026 no directors received a loss of office payment.

Single total figure of remuneration – board members' and directors' remuneration (subject to audit)

2025 to 2026

Name	Title	Salary and allowances (bands of £5,000) £000	All taxable benefits total to nearest £100 £	Performance pay and bonuses (bands of £5,000) £000	Accrued pension benefits to nearest £1,000 £000	TOTAL (bands of £5,000) £000
Sharmila Nebhrajani OBE	Chairman	70 to 75	600	Nil	Nil	70 to 75
Dr Mark Chakravarty	Non-executive director	5 to 10	700	Nil	Nil	5 to 10
Jackie Fielding	Non-executive director	5 to 10	800	Nil	Nil	5 to 10
Professor Gary A Ford, CBE	Non-executive director	5 to 10	700	Nil	Nil	5 to 10
Alina Lourie[1]	Non-executive director, ARAC chair	10 to 15	Nil	Nil	Nil	10 to 15
Dr Justin Whatling	Non-executive director	5 to 10	300	Nil	Nil	5 to 10
Keith Ridge[2]	Non-executive director	5 to 10	Nil	Nil	Nil	5 to 10
Frank Smith[3]	Non-executive director	5 to 10	Nil	Nil	Nil	5 to 10
Prof Bee Wee CBE[4]	Non-executive director	5 to 10	300	Nil	Nil	5 to 10
Professor Jonathan Benger CBE[5]	Chief executive	175 to 180	Nil	Nil	12.5 to 15	190 to 195
Dr Sam Roberts[6]	Chief executive	155 to 160	Nil	5 to 10	47.5 to 50	205 to 210
Mark Chapman[7]	Director of healthtech	50 to 55	Nil	Nil	Nil	50 to 55
Helen Williams	Chief people officer	135 to 140	Nil	5 to 10	32.5 to 35	175 to 180
Helen Knight	Director, medicines evaluation	135 to 140	Nil	5 to 10	42.5 to 45	185 to 190
Jane Gizbert[8]	Director, communications	65 to 70	Nil	Nil	70 to 72.5	135 to 140
Dr Clare Morgan	Director, impact and partnerships	135 to 140	Nil	Nil	35 to 37.5	170 to 175
Raghunath Vydyanath	Chief information officer	125 to 130	1,300	Nil	35 to 37.5	165 to 170
Dr Nick Crabb	Chief scientific officer	130 to 135	Nil	Nil	42.5 to 45	175 to 180
Pete Thomas	Director of finance	145 to 150	Nil	Nil	37.5 to 40	180 to 185
Eric Power[9]	Interim director of centre for guidelines	25 to 30	400	Nil	10 to 12.5	25 to 30
Thomas Slater[10]	Director of healthtech	65 to 70	1,700	Nil	17.5 to 20	87.5 to 90

Single total figure of remuneration – board members' and directors' remuneration (subject to audit)

2024 to 2025

Name	Title	Salary and allowances (bands of £5,000) £000	All taxable benefits total to nearest £100 £	Performance pay and bonuses (bands of £5,000) £000	Accrued pension benefits to nearest £1,000 £000	TOTAL (bands of £5,000) £000
Sharmila Nebhrajani OBE	Chairman	70 to 75	1,200	Nil	Nil	75 to 80
Dr Mark Chakravarty	Non-executive director	5 to 10	300	Nil	Nil	5 to 10
Jackie Fielding	Non-executive director	5 to 10	1,200	Nil	Nil	5 to 10
Professor Gary A Ford, CBE	Non-executive director	5 to 10	900	Nil	Nil	5 to 10
Alina Lourie[1]	Non-executive director, ARAC chair	10 to 15	200	Nil	Nil	10 to 15
Dr Justin Whatling	Non-executive director	5 to 10	Nil	Nil	Nil	5 to 10
Prof Bee Wee CBE[4]	Non-executive director	5 to 10	300	Nil	Nil	5 to 10
Professor Jonathan Benger CBE[5]	Deputy CEO & chief medical officer, interim director of centre for guidelines	160 to 165	Nil	Nil	Nil	160 to 165
Dr Sam Roberts[6]	Chief executive	190 to 195	Nil	Nil	15 to 17.5	205 to 210
Mark Chapman[7]	Director, medical technology and digital evaluation	110 to 115	Nil	Nil	35 to 37.5	145 to 150
Helen Williams	Chief people officer	125 to 130	Nil	5 to 10	30 to 32.5	165 to 170
Helen Knight	Director, medicines evaluation	130 to 135	Nil	Nil	15 to 17.5	145 to 150
Jane Gizbert[8]	Director, communications	130 to 135	Nil	Nil	75 to 77.5	205 to 210
Dr Clare Morgan	Director, impact and partnerships	135 to 140	Nil	5 to 10	35 to 37.5	175 to 180
Raghunath Vydyanath	Chief information officer	125 to 130	1,000	Nil	32.5 to 35	160 to 165
Dr Nick Crabb	Chief scientific officer	125 to 130	Nil	0 to 5	32.5 to 35	165 to 170
Pete Thomas[9]	Director of finance	95 to 100	Nil	Nil	27.5 to 30	125 to 130
Dr Michael Borowitz	Non-executive director	0 to 5	Nil	Nil	Nil	0 to 5
Boryana Stambolova	Interim director, finance	40 to 45	Nil	Nil	10 to 15	50 to 55

1 Left NICE 27/03/26 - Unpaid leave of absence with effect from 01/02/26 - 27/03/26. Full year equivalent salary range is £10k - £15k which reflects additional remuneration as chair of the audit and risk assurance committee

2 Joined NICE 01/07/2025 - The full year equivalent salary range is £5k - £10k

3 Joined NICE 01/07/2025 - The full year equivalent salary range is £5k - £10k

4 Remuneration is paid to Oxford University Hospitals NHS Foundation Trust.

5 Seconded in from University Hospitals Bristol and Weston NHS Foundation Trust on 0.85 FTE until 28/02/26. Joined NICE Payroll on 01/03/26 on 0.9 FTE, moving from M&D to ESM Terms. Appointed CEO on the 19/12/25 from Deputy CEO & chief medical officer, interim director of centre for guidelines. Both roles have a full year equivalent salary range of £205k to £210k.

6 Left NICE 18/12/25 - The full year equivalent salary range is £200k - £205k.

7 Left NICE 25/09/25 & employed as 0.8 of a FTE. The full-year FTE salary range is £135K - £140K

8 Left NICE 30/09/25 - The full year equivalent salary range is £135K - £140K

9 Acting up from substantive role as Deputy Director of Centre for Guidelines since 5/1/2026. Remuneration disclosure reflects this period only. The full year equivalent salary is £125K - £130K

10 Joined NICE 15/09/25 - The full year equivalent salary range is £135K - £140K

Individuals affected by the Public Service Pensions Remedy and their membership between 1 April 2015 and 31 March 2022 were moved back into the 1995/2008 Scheme on 1 October 2023. Negative values are not disclosed in this table but are substituted for a zero.

In line with framework set by the Department of Health and Social Care, in July 2025 NICE's remuneration committee agreed a consolidated pay-uplift of 3.25% to directors paid under the executive and senior manager pay framework, backdated to 1 April 2025. The committee also agreed 3 non-consolidated performance related pay awards for the period covering 2024 to 2025 (total £23k). In 2024 to 2025, 3 directors received non-consolidated related pay award for the period covering 2023 to 2024 (total £17k).

3 non-consolidated performance related pay award was allocated (total £23k). In 2024 to 2025, 3 directors received non-consolidated related pay award (total £17k).

Pension Benefits – Senior Management (Subject to audit)

Name	Title	Real increase / (decrease) in pension at pension age (bands of £2,500) £000	Real increase / (decrease) in pension at lump sum at pension age (bands of £2,500) £000	Total accrued pension at pension age at 31 March 2026 (bands of £5,000) £000	Lump sum at pension age related to accrual pension at 31 March 2026 (bands of £5,000) £000	Cash Equivalent Transfer Value at 1 April 2025 £000	Real increase in Cash Equivalent Transfer Value £000	Cash Equivalent Transfer Value at 31 March 2026 £000
Dr Sam Roberts[1]	Chief executive	2.5 to 5	Nil	25 to 30	Nil	361	38	439
Mark Chapman[2]	Director of HealthTech	0 to 2.5	0 to 2.5	10 to 15	15 to 20	227	Nil	239
Helen Williams	Chief people officer	2.5 to 5	Nil	5 to 10	Nil	79	22	118
Helen Knight	Director, medicines evaluation	2.5 to 5	0 to 2.5	30 to 35	65 to 70	595	36	648
Jane Gizbert[3]	Director, communications	2.5 to 5	Nil	45 to 50	Nil	Nil	Nil	Nil
Dr Clare Morgan	Director, impact and partnerships	2.5 to 5	Nil	15 to 20	Nil	202	25	244
Raghunath Vydyanath	Chief information officer	2.5 to 5	Nil	20 to 25	Nil	281	27	324
Dr Nick Crabb	Chief scientific officer	2.5 to 5	Nil	35 to 40	Nil	672	48	736
Pete Thomas	Director of finance	2.5 to 5	Nil	35 to 40	Nil	462	30	509
Eric Power[4]	Interim director of centre for guidelines	0 to 2.5	0 to 2.5	30 to 35	70 to 75	561	9	614
Thomas Slater[5]	Director of healthtech	0 to 2.5	Nil	20 to 25	Nil	275	12	313
Professor Jonathan Benger CBE[6]	Chief executive	0 to 2.5	0 to 2.5	100 to 105	265 to 270	2,309	20	2,563

1 Left NICE 18/12/2025

2 Left NICE 25/09/2025

3 Left NICE 30/09/2025

4 Interim role (acting up from substantive role) from 05/01/2026

5 Joined NICE 15/09/2025

6 Joined NICE 01/03/2026 following secondment

There is no CETV (cash equivalent transfer value) for those members who are over the age of 60 (1995 Section of the NHS Pension Scheme) and members over 65 (2008 Section).

Where a senior manager is entitled to a choice of benefits for the remedy period under the McCloud ruling, benefits in respect of their remediable service are valued as being in the 1995/2008 Scheme. Where the member was affected by 'rollback' benefits for year ending 2025 these are again based on the rollback position in line with year ending 2024.

No lump sum for senior managers who only have membership in the 2008/2015 Section of the NHS Pension Scheme.

Negative values are not disclosed in this table but are substituted for a zero.

Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by NICE and thus recorded in these accounts.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by NICE and treated by HM Revenue and Customs as taxable.

Cash equivalent transfer values

A cash equivalent transfer value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. CETVs are calculated in accordance with the Occupational Pension Schemes (Transfer Values) Regulations 2008.

Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension because of inflation and contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement), and uses common market valuation factors for the start and end of the period.

Fair pay disclosure (subject to audit)

Reporting bodies are required to disclose the relationship between the total remuneration of the highest-paid director/member in their organisation against the 25th percentile, median and the 75th percentile of remuneration of the organisation's workforce. Total remuneration of the employee at the 25th percentile, median and 75th percentile is further broken down to disclose the salary component.

The banded remuneration of the highest paid director in NICE in the financial year 2025 to 2026 was £205k-£210k (2024 to 2025: £205k-£210k) this was a 0.00% change year on year (in 2024 to 2025 this was 0.00% change). The mean salary percentage change for employees of NICE (excluding the highest paid director) was 3.23% in 2025 to 2026 (in 2024 to 2025 this was 6.07%). Performance pay and bonus for the highest paid director in 2025/26 was Nil (2024/25 Nil), a 0.00% change year on year. For the organisation as a whole performance pay and bonus in 2025/26 was £23k (2024/25 £17k), a 35.29% increase year on year.

Total remuneration includes salary, non-consolidated performance-related pay, and benefits in kind, but not severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions. The relationship to the remuneration of the organisation's workforce is disclosed in the below table:

2025/26	Lower Quartile (25th percentile)	Median Pay	Higher Quartile (75th Percentile) Pay
Total remuneration (£)	47,810	55,690	68,631
Salary component of total remuneration (£)	47,810	55,690	68,631
Pay ratio information	4.35	3.74	3.03

2024/25	Lower Quartile (25th percentile)	Median Pay	Higher Quartile (75th Percentile) Pay
Total remuneration (£)	46,148	54,082	66,246
Salary component of total remuneration (£)	46,148	54,082	66,246
Pay ratio information	4.48	3.83	3.12

In 2025 to 2026 no employees (2024 to 2025: nil) received remuneration in excess of the highest-paid director. Remuneration ranged from £3.8k to £207k (2024 to 2025: £18k to £207k).

Other information about pay includes:

- As can be seen from the table above, the pay ratios for all quartiles in 2025 to 2026 have decreased from the ratios in 2024 to 2025. This can be attributed to the highest paid directors pay remaining at the same rate from 2024 to 2025 to 2025 to 2026
- All eligible executive senior managers received a 3.25% inflationary pay award
- 3 bonuses were paid in 2025 to 2026 (2024 to 2025: 3)
- Incremental pay progression was applied, under NHS Terms and Conditions of service
- Average staff numbers have increased from 780 in 2024 to 2025 to 803 in 2025 to 2026; the cost and composition of permanent and other staff can be seen in the tables below.

Staff Turnover

Our staff turnover for 2025 to 2026 (measured on 31/03/26) was 8.81% (10.40% in 2024 to 2025).

The turnover rate includes 5.61% voluntary turnover and 3.2% of non-voluntary.

Staff costs (subject to audit)

Costs	2025/26 Permanently employed £000	2025/26 Other £000	2025/26 Total £000	2024/25 Permanently employed £000	2024/25 Other £000	2024/25 Total £000
Salaries and wages	47,262	1,733	48,995	44,778	520	45,298
Social security costs	6,550	0	6,550	5,251	0	5,251
Employer contributions to NHSPA	10,627	0	10,627	10,120	0	10,120
Apprentice Levy	224	0	224	210	0	211
Termination Benefits	238	0	238	526	0	526
Total	**64,901**	**1,733**	**66,634**	**60,885**	**520**	**61,406**
Less recoveries in respect of outward secondments	(137)	0	(137)	(123)	0	(123)
Total net costs	**64,764**	**1,733**	**66,497**	**60,762**	**520**	**61,283**

Average number of persons employed (subject to audit)

The average number of whole-time equivalent persons employed (excluding non-executive directors) during the year was as follows:

Employment	Permanently employed staff	Other	2025/26 Total	2024/25 Total
Directly employed	792	11	803	780

Pension costs

Past and present employees are covered by the provisions of the NHS Pension Schemes. Details of the benefits payable and rules of the schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years".

An outline of these follows:

a. Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2026, is based on valuation data as at 31 March 2024, updated to 31 March 2026 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the Statement by the Actuary, which forms part of the annual NHS Pension Scheme Annual Report and Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b. Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (considering recent demographic experience), and to recommend the contribution rate payable by employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2020. The results of this valuation set the employer contribution rate payable from 1 April 2024 to 23.7% of pensionable pay. The core cost cap cost of the scheme was calculated to be outside of the 3% cost cap corridor as at 31 March 2020. However, when the wider economic situation was taken into account through the economic cost cap cost of the scheme, the cost cap corridor was not similarly breached. As a result, there was no impact on the member benefit structure or contribution rates.

The 2024 actuarial valuation is currently being prepared and will be published before new contribution rates are implemented from April 2027.

Feature or benefit	NHS Staff Practice and Approved Employer Staff	NHS Staff Practice and Approved Employer Staff	Practitioners NHS Medical and Ophthalmic Practitioners
Scheme	1995	2008	1995
Member contributions	Tiered contribution rates	Tiered contribution rates	Tiered contribution rates
Type of scheme	Final salary based on the best of the last 3 years' pensionable pay	Final salary based on the average of the best 3 consecutive years within the last 10 years	Earnings accrual. The final value of pensionable earnings after adding all years' earnings and applying revaluation factors
Pension	A pension worth 1/80th of pensionable pay per year and pro rata for any part year of membership	A pension worth 1/60 of reckonable pay per year and pro rata for any part year of membership	A pension based on 1.4% of total uprated earnings
Retirement lump sum	3 x pension. Option to exchange part of pension for more cash up to 25% of capital value	Option to exchange pension for a lump sum, up to 25% of capital value. Certain members may have a compulsory amount of lump sum	3 x pension. Option to exchange part of pension for more cash up to 25% of capital value
Normal pension age (NPA)	60 (55 for Special Class/ MHO)	65	60
Maximum age	75	75	75
Maximum membership	Non Special Class/MHO 45 years in total. Special Class/MHO 40 years at age 55 & 45 years overall	45 years	-
Minimum pension age	Age 50 if joined pre 6/4/2006 and not had a break of 5 years or more, otherwise age 55	Age 55	Age 50 if joined pre 6/4/2006 and not had a break of 5 years or more, otherwise age 55
Actuarially reduced early retirement	Yes	Yes	Yes
Late retirement	No late retirement factors applied	Late retirement factors applied to pension earned before age 65	No late retirement factors applied
Pensionable reemployment following payment of pension	Yes if eligible	Yes if eligible	Yes if eligible
Partial retirement	No	Yes	No
Ill health tier 1	Built up benefits paid without reduction	Built up benefits paid without reduction	Built up benefits paid without reduction
Ill health tier 2	Tier 1 plus an enhancement of 2/3rds of prospective membership to NPA	Tier 1 plus an enhancement of 2/3rds of prospective membership to NPA	Tier 1 plus an enhancement of 2/3rds of prospective membership to NPA
Increasing your pension	Purchase of additional pension in units of £250	Purchase of additional pension in units of £250	Purchase of additional pension in units of £250

Details can be found on the pension scheme website at www.nhsbsa.nhs.uk/pensions.

Feature or benefit	Practitioners NHS Medical and Ophthalmic Practitioners	All NHS workers and Approved Employer Staff
Scheme	2008	2015
Member contributions	Tiered contribution rates	Tiered contribution rates
Type of scheme	Earnings accrual. The final value of pensionable earnings after adding all years' earnings and applying revaluation factors	Career average re-valued earnings based on a proportion of pensionable earnings in each year of membership
Pension	A pension based on 1.87% of total uprated earnings	A pension worth 1/54th of each year's pensionable earnings, revalued at the beginning of each following scheme year in line with a rate set by Treasury plus 1.5 % while in active membership
Retirement lump sum	Option to exchange pension for a lump sum, up to 25% of capital value. Certain members may have a compulsory amount of lump sum	Option to exchange part of pension for a lump sum up to 25% of capital value
Normal pension age (NPA)	65	Equal to an individual's state pension age or age 65 if that is later.
Maximum age	75	75
Maximum membership	45 years	No limit
Minimum pension age	Age 55	Age 55
Actuarially reduced early retirement	Yes	Yes
Late retirement	Late retirement factors applied to pension earned before Age 65	Late retirement factors applied to all pension earned until retirement
Pensionable reemployment following payment of pension	Yes if eligible	Yes if eligible
Partial retirement	Yes	Yes
Ill health tier 1	Built up benefits paid without reduction	Built up pension paid without reduction
Ill health tier 2	Tier 1 plus an enhancement of 2/3rds of prospective membership to NPA	Tier 1 plus an enhancement of 1/2 of prospective pension to NPA
Increasing your pension	Purchase of additional pension in units of £250	Purchase of additional pension in units of £250

Details can be found on the pension scheme website at www.nhsbsa.nhs.uk/pensions.

Pensions indexation

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in consumer prices in the 12 months ending 30 September in the previous calendar year.

Options to increase pension benefits

The NHS Pension Scheme provides different ways for members to increase their standard pension benefits. They are also able to contribute to money purchase additional voluntary contributions run by the scheme's approved providers.

Transfer of pension benefits

Scheme members have the option to transfer their pension into the NHS Pension Scheme providing they apply within 12 months of becoming eligible to join. Should they leave pensionable employment or decide to opt out of the NHS Pension Scheme they are able to transfer their accrued benefits out of the scheme to another pension provider.

Preserved benefits

Where a scheme member ceases NHS employment with more than 2 years' service they can preserve their accrued NHS pension for payment when they reach retirement age.

Retirements due to ill health

This note discloses the number and additional pension costs for individuals who retired on ill-health grounds during the year.

There were 0 retirements during 2025 to 2026 (2024 to 2025: 1 retirement at a cost of £661k).

Ill health retirement costs are met by the NHS Pensions Scheme.

Redundancies and terminations

During 2025 to 2026 there were 11 redundancies/terminations, totalling £590k (2024 to 2025: 20 cases at £1,221k).

Exit packages (subject to audit)

Exit package cost band (including any special payment element)	Number of compulsory redundancies	Cost of compulsory redundancies £000s	Number of other departures agreed	Cost of other departures agreed £000s	Total number of exit packages	Total cost of exit packages £000s	Number of departures where special payments have been made	Cost of special payment element included in exit packages £000
Less than £10,000	0 (1)	0 (8)	4 (1)	8 (4)	4 (2)	8 (12)	0	0
£10,000 – £25,000	3 (5)	66 (87)	0 (2)	0 (30)	3 (7)	66 (117)	0	0
£25,001 – £50,000	4 (4)	127 (155)	1 (0)	25 (0)	5 (4)	152 (155)	0	0
£50,001 – £100,000	2 (6)	131 (454)	0 (0)	0 (0)	2 (6)	131 (454)	0	0
£100,001 – £150,000	1 (3)	113 (357)	0 (0)	0 (0)	1 (3)	113 (357)	0	0
£150,001 – £200,000	1 (1)	153 (160)	0 (0)	0 (0)	1 (1)	153 (160)	0	0
More than £200,000	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0	0
Totals	**11 (20)**	**590 (1,221)**	**5 (3)**	**33 (34)**	**16 (23)**	**624 (1,255)**	**0**	**0**

Figures in brackets are prior year 2024 to 2025 figures.

There were no special payments agreed for any of the departures.

Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Pensions Scheme. Exit costs in this note are accounted for in full in the year of departure. Where NICE has agreed early retirements, the additional costs are met by NICE and not by the NHS Pension Scheme. This disclosure reports the number and value of exit packages agreed within the year. Note: the expenses associated with these departures may have been recognised in part or in full in a previous period.

Analysis of other departures

Other departures	Number of agreements	Total value of agreements £000s
Voluntary redundancies including early retirement contractual costs	0	0
Mutually agreed resignations (MARS) contractual costs	0	0
Early retirement in the efficiency of service contractual costs	0	0
Contractual payments in lieu of notice[1]	5	33
Exit payments following Employment Tribunals or court orders	0	0
Non-contractual payments requiring HMT approval[2]	0	0
Total	**5**	**33**

As a single exit package can be made up of several components each of which will be counted separately in this note, the total number of departures will not necessarily match the total number of exit packages.

1 any non-contractual payments in lieu of notice are disclosed under 'non-contractual payments requiring HMT approval' below.

2 includes any non-contractual severance payment following judicial mediation and £ relating to non-contractual payments in lieu of notice.

There were no non-contractual payments were made to individuals where the payment value was more than 12 months' of their annual salary.

The Remuneration Report includes disclosure of exit payments payable to individuals named in that report.

Health and safety

We are committed to adhering to the Health and Safety at Work Act 1974 and other related requirements to ensure that staff and visitors enjoy the benefits of a safe environment. There were 5 accidents, 0 incident and 3 near misses reported during the year, all of which were risk assessed and appropriate action was taken. There were no days lost due to injury at work during 2025 to 2026.

Employee consultation

NICE is committed to consulting and communicating effectively with employees. NICE has policies in place to ensure that, for all changes that affect the organisation there is open, honest and consistent 2-way consultation with UNISON and staff representatives. Information about proposed change, its implications and potential benefits are communicated clearly to all affected staff, who are encouraged to contribute their own ideas and to voice any concerns with their managers. Also, all policy development for employment policies is carried out in partnership with trade union representatives at NICE, we will continue to review our processes and procedures to improve change management in consultation with Unison and the business. We believe that communication with employees is essential, and keep employees updated and informed via the weekly NICE newsletter. Monthly staff meetings are held which are chaired by the chief executive to enable high levels of communication and consultation.

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
15	15

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1-50%	15
51-99%	0
100%	0

Percentage of pay bill spent on facility time

Facility time/pay bill	Cost / Percentage
Total cost of facility time	£50,802
Total pay bill	£65,376,432
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	0.08%

Paid trade union activities

Paid trade union activities	Percentage
Time spent on paid trade union activities as a percentage total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period / total paid facility time hours) X100	1.12%

Equality and diversity

NICE is committed to equality of opportunity for both current and prospective employees, and in the recruitment of committee and group members. Everyone who works for NICE, applies to work at NICE or applies to join a committee or group, is treated fairly, and valued equally.

NICE complies with legislation and statutory codes of practice that relate to equality and diversity. In accordance with the Equality Act 2010, all workers are treated fairly and equally regardless of age, disability, race, religion or belief, gender, marriage or civil partnership, pregnancy and maternity, sexual orientation, or gender reassignment.

NICE has published equality objectives for the period 2024 to 2029, which were agreed by the organisations Board in March 2024. The equality data of the NICE workforce, and performance against our equality objectives, is reported on an annual basis in the Annual Equality Report. This report also incorporates WRES (NHS Workforce Race Equality Standard) and WDES (NHS Workforce Disability Equality Standard) data, as well as our gender pay gap reporting. In March 2024 we published a workforce EDI 5 Year Road Map setting out our aspirations and approach for the next 5 years.

Each year we develop an Annual workforce EDI action plan. The areas of focus during 2025 to 2026 included: the establishment of directorate level EDI action plans; work to advance disability inclusion and wellbeing; maintain momentum on inclusive leadership and committee diversity; embed values-led behaviours.

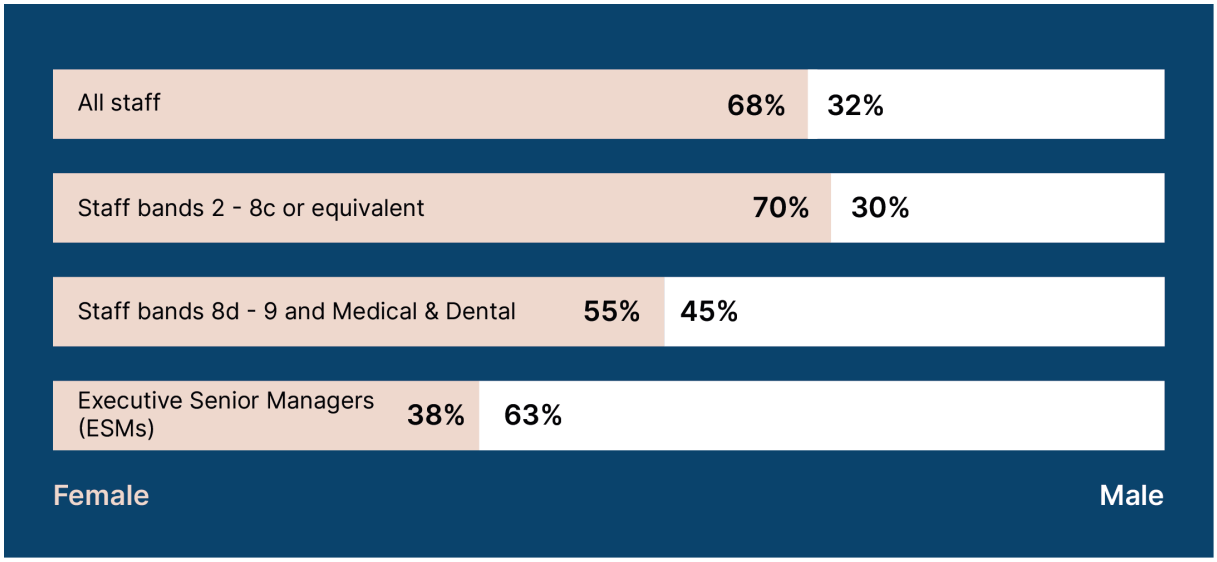
We are committed to building staff voice into everything we do, and we have 4 staff led Staff Networks: The Race Equality Network; the Disability Advocacy and Wellbeing Network; NICE and proud (for LGBTQ+ staff), and Women in NICE. We will continue to solicit input from our staff networks and those with lived experience, wherever possible.

Staff composition

NICE employs 70 staff at a grade equivalent to senior civil servants of which 62 are at band 8d, band 9 or engaged on Medical & Dental terms and conditions; and 8 are on the Executive Senior Manager (ESM) payscale (excluding 1 on a secondment into the organisation).

NICE's workforce is 68.5% female and 31.5% male. Our staff composition by salary band is shown in the figure below.

Staff composition by gender to nearest whole %



Gender pay gap

NICE's gender pay gap for the reporting year 2024 to 2025 (snapshot date 31st March 2025) is 12.2% in favour of male staff. This is an increase from last year, but below the national average for this period which is 12.8%. In 2026–2027, we will take forward a focused Fair Progression & Equity Inquiry to improve our understanding of our Gender Pay Gap (GPG) and career progression at NICE. We will continue to embed our Menopause Policy, prevent and respond to sexual harassment, and further strengthen fair and inclusive recruitment and career development practices. We will also continue to develop a more structured and consistent approach to identifying and developing talent.

Sickness absence

During the period January to December 2025, the number of days lost as a result of sickness by full-time equivalent employees was 6.1 days, or 1.67% (2024 1.78%). The Department of Health and Social Care considers the annual figures to be reasonable proxy for financial year equivalents.

Effectiveness of whistleblowing arrangements

There were no whistleblowing cases reported in 2025 to 2026.

Review of tax arrangements of public sector appointees – off-payroll engagements

As part of the Review of Tax Arrangements of Public Sector Appointees published by the Chief Secretary to the Treasury on 23 May 2012, NICE must publish information about off-payroll engagements.

For all off-payroll engagements as of 31st March 2026, for more than £245 per day

Number of existing engagements as of 31st March 2026	Number
Of which have existed for less than one year at time of reporting	9
Of which have existed for between one and two years at time of reporting	3
Of which have existed for between two and three years at time of reporting	0
Of which have existed for between three and four years at time of reporting	0
Of which have existed for four years or more years at time of reporting	0
Declaration that all of the above appointments have been subject to a risk based assessment regarding the payment of correct tax (Please enter Y or N)"	Y

For all off-payroll engagements between 1 April 2025 and 31st March 2026, for more than £245 per day

Number of temporary off-payroll workers engaged between 1 April 2025 and 31st March 2026	Number
Of which no. not subject to off-payroll legislation	0
Of which no. subject to off-payroll legislation and determined as in-scope of IR35	13
Of which no. subject to off-payroll legislation and determined as out of scope of IR35	0
Of which no. of engagements reassessed for compliance or assurance purposes during the year	0
Of which no. of engagements that saw a change to IR35 status following review	0

For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2025 and 31st March 2026

For any off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 April 2025 and 31 March 2026	Number
Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year	0
Total number of individuals on payroll and off-payroll that have been deemed "board members, and/or, senior officials with significant financial responsibility", during the financial year. This figure must include both on payroll and off-payroll engagements	3

Expenditure on consultancy

During the year NICE spent £0.4m on consultancy advice to support digital investment, including development of a knowledge platform and improvement of our enterprise architecture and application lifecycle management (£0.3m in 2024 to 2025).

Parliamentary accountability and audit report

The purpose of the parliamentary accountability and audit report is to bring together the key parliamentary accountability documents within the Annual Report and Accounts, much of this has historically formed part of the Financial Statements.

It is comprised of:

- losses and special payments, remote contingent liabilities, gifts or any other significant payments; and
- Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament.

The information in this section of the report is subject to audit.

Losses and special payments (subject to audit)

NICE did not have any losses or special payments that meet the disclosure requirements (2024 to 2025: none).

Fees and charges (subject to audit)

The following table provides an analysis of charging for technology appraisals and highly specialised technologies:

Charging activity	Income £000	Full cost £000	Deficit £000
2025/26	(13,788)	15,986	2,198
2024/25	(13,701)	14,862	1,161

Fees are made in accordance with UK Statutory Instrument 2018 No.1322 to cover the cost of producing technology appraisals and highly specialised technologies guidance. Fees are set to recover the costs incurred, other than a 75% discount for small companies which is subsidised by NICE through grant-in-aid funding from DHSC.

The full cost relating to chargeable activities includes predominantly staff costs but also other costs including committee meetings and overheads. Cost recovery performance is lower in 2025 to 2026 compared with 2024 to 2025 (86% in 2025 to 2026, 92% in 2024 to 2025). This reflects an increase in the cost base while fees have remained unchanged. The remaining deficit is funded through grant-in-aid. In future years, the programme is expected to recover all its cost through the fees, apart from the discount for small companies which will continue to be funded through grant-in-aid.

Remote contingent liabilities

As at 31 March 2026, NICE had no remote contingent liabilities (2024 to 2025: none).

Gifts

NICE did not have any gifts or other significant payments that meet the disclosure requirements (2024 to 2025: none).

Signed:

Professor Jonathan Benger
Chief executive and accounting officer
23 June 2026

The Certificate and Report of the Comptroller and Auditor General to the Houses Of Parliament

Opinion on financial statements

I certify that I have audited the financial statements of the National Institute for Health and Care Excellence for the year ended 31 March 2026 under the Health and Social Care Act 2012.

The financial statements comprise the National Institute for Health and Care Excellence's:

- Statement of Financial Position as at 31 March 2026;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted International Accounting Standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the National Institute for Health and Care Excellence's affairs as at 31 March 2026 and its comprehensive net expenditure for the year then ended; and
- have been properly prepared in accordance with the Health and Social Care Act 2012 and Secretary of State directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2024).* My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2024*. I am independent of the National Institute for Health and Care Excellence in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the National Institute for Health and Care Excellence's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the National Institute for Health and Care Excellence's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the National Institute for Health and Care Excellence is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other Information

The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's certificate thereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Health and Social Care Act 2012.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the Health and Social Care Act 2012; and
- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the National Institute for Health and Care Excellence and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability reports.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by the National Institute for Health and Care Excellence or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of the Accounting Officer's responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the National Institute for Health and Care Excellence from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view in accordance with Secretary of State directions issued under the Health and Social Care Act 2012;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with Secretary of State directions issued under the Health and Social Care Act 2012; and
- assessing the National Institute for Health and Care Excellence's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the National Institute for Health and Care Excellence will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Health and Social Care Act 2012.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the National Institute for Health and Care Excellence's accounting policies.
- inquired of management, the National Institute for Health and Care Excellence's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the National Institute for Health and Care Excellence's policies and procedures on:
    - » identifying, evaluating and complying with laws and regulations;
    - » detecting and responding to the risks of fraud; and
    - » the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the National Institute for Health and Care Excellence's controls relating to the National Institute for Health and Care Excellence's compliance with the Health and Social Care 2012 and Managing Public Money;
- inquired of management, the National Institute for Health and Care Excellence's head of internal audit and those charged with governance whether:
    - » they were aware of any instances of non-compliance with laws and regulations;
    - » they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the National Institute for Health and Care Excellence for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the National Institute for Health and Care Excellence's framework of authority and other legal and regulatory frameworks in which the National Institute for Health and Care Excellence operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the National Institute for Health and Care Excellence. The key laws and regulations I considered in this context included the Health and Social Care Act 2012, Managing Public Money, employment law, pensions and tax legislation.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Assurance Committee concerning actual and potential litigation and claims;

- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- I performed substantive testing on a sample of revenue transactions where I was unable to rebut the risk of fraud, agreeing back to source documentation.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General
30 June 2026

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Section C

Financial statements

Statement of comprehensive net expenditure for the year ended 31 March 2026

Statement of comprehensive net expenditure for the year ended 31 March 2026	2025/26 Total £000	2024/25 Total £000	Notes to accounts
Revenue from contracts with customers	**(25,955)**	(25,657)	6
Other operating income	**(2,152)**	(2,327)	6
Total operating income	**(28,107)**	(27,984)	-
Staff costs	**66,634**	61,405	5
Purchase of goods and services	**22,649**	23,102	3
Depreciation and impairment charges	**1,622**	1,340	3
Loss on disposal	**8**	208	3
Provision expense	**(509)**	44	3
Total operating expenditure	**90,404**	86,099	-
Finance expense	**137**	93	3
Net comprehensive expenditure for the year ended 31 March 2026	**62,434**	58,208	-

There was no other comprehensive expenditure for the year ended 31st March 2026.

The notes at pages 100 to 125 form part of these accounts.

Statement of financial position as at 31 March 2026

Statement of financial position as at 31 March 2026	Total 31 March 26 £000	Total 31 March 25 £000	Notes to accounts
Non-current assets	**-**	-	-
Property, plant and equipment	**1,373**	1,087	7
Intangible assets	**148**	200	7
Right of use Asset	**4,144**	5,203	7
Total non-current assets	**5,665**	6,490	-
Current assets	**-**	-	-
Trade and other receivables	**6,140**	11,881	8
Cash and cash equivalents	**22,520**	14,603	9
Total current assets	**28,660**	26,484	-
Total assets	**34,325**	32,974	-

Current liabilities	Total 31 March 26 £000	Total 31 March 25 £000	Notes to accounts
Trade and other payables	**(23,674)**	(21,316)	10
Lease Liability	**(1,008)**	(977)	10
Provisions for liabilities and charges	**(1,046)**	(2,469)	11
Total current liabilities	**(25,728)**	(24,762)	-
Non-Current assets less net current liabilities	**8,597**	8,212	-

Non-current liabilities	Total 31 March 26 £000	Total 31 March 25 £000	Notes to accounts
Provision for liabilities and charges	**(369)**	(369)	11
Lease Liability	**(3,016)**	(3,997)	10
Total non-current liabilities	**(3,385)**	(4,366)	-
Total assets less total liabilities	**5,212**	3,846	-

Taxpayers' equity	Total 31 March 26 £000	Total 31 March 25 £000
General fund	**5,212**	3,846
Total taxpayers' equity	**5,212**	3,846

The notes at pages 100 to 125 form part of these accounts.

The financial statements were approved by the board and signed by:

Professor Jonathan Benger
Chief executive and accounting officer
23 June 2026

Statement of cash flows for the year ended 31 March 2026

Cash flows from operating activities	2025/26 Total £000	2024/25 Total £000	Notes to accounts
Net operating expenditure	**(62,434)**	(58,208)	SoCNE
Adjustments for non-cash transactions	**1,121**	1,592	3
Adjustment for net finance costs	**137**	93	3
(Increase)/Decrease in trade and other receivables	**5,741**	(6,682)	8
Increase/(Decrease) in trade and other payables	**2,358**	4,765[1]	10
Use of provisions – cash payment	**(276)**	(743)	11
Use of Provision – transfer to other payable	**(636)**	-	11
Net cash outflow from operating activities	**(53,989)**	(59,183)	-

Cash flows from investing activities	2025/26 Total £000	2024/25 Total £000	Notes to accounts
Purchase of property, plant and equipment	**(751)**	(487)	7
Purchase of intangible assets	**(56)**	0	7
Net cash inflow/(outflow) from investing activities	**(807)**	(487)	-

Cash flows from financing activities	2025/26 Total £000	2024/25 Total £000
Net Grant in aid	**63,800**	60,300
Capital element of lease payments	**(1,089)**	(840)
Net cash flow from financing activities	**62,712**	59,460
Net increase/(decrease) in cash and cash equivalents in the period	**7,917**	(210)

Net increase/(decrease) in cash equivalents in the period	2025/26 Total £000	2024/25 Total £000	Notes to accounts
Net increase/(decrease) in cash equivalents in the period	**7,917**	(210)	-
Cash and cash equivalents at the beginning of the period	**14,603**	14,813	9
Cash and cash equivalents at the end of the period	**22,520**	14,603	9

The notes at pages 100 to 125 form part of these accounts.

1 2024 to 2025 trade and other payables restated by +£123k and PPE restated by -£123k. This adjustment has been made to correctly reflect the purchase cost of PPE which was netted off against the capital creditor amount

Statement of changes in taxpayers' equity for the year ended 31 March 2026

Statement of changes in taxpayers' equity	General Fund[1] £000
Balance at 1 April 2024	1,754

Changes in taxpayers' equity for 2024/25	General Fund[1] £000
Grant in aid funding from DHSC	60,300
Comprehensive net expenditure for the period	(58,208)
Balance at 31 March 2025	3,846

Changes in taxpayers' equity for 2025/26	General Fund[1] £000
Grant in aid funding from DHSC	63,800
Comprehensive net expenditure for the period	(62,434)
Balance at 31 March 2026	5,212

The notes at pages 100 to 125 form part of these accounts.

1 The General fund represents the net assets vested in NICE (stated at historical cost less accumulated depreciation at that date), the surplus or deficit generated from notional charges and trading activities and grant-in-aid funding provided. It also includes surpluses generated from commercial activities. Further information on these activities is described in note 2.

Notes to accounts

1. Accounting policies

The Annual Report and Accounts have been prepared and issued by NICE, under directions given by the Secretary of State, with the approval of HM Treasury, in accordance with the Health and Social Care Act 2012. The financial statements have been prepared in accordance with the 2025 to 2026 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of NICE for the purpose of giving a true and a fair view has been selected. The particular policies adopted by NICE are described below. They have been consistently applied in dealing with items that are considered material to the accounts.

1.1 Going concern

The going concern basis of accounting for NICE is adopted in consideration of the requirements set out in International Accounting Standards as interpreted by HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

The functions and purpose of NICE are delivered in accordance with the Health and Social Care Act 2012 and the Framework Agreement between the Department of Health and Social Care (DHSC) and NICE which sets out NICE's role to provide guidance and support to providers and commissioners to help them improve outcomes for people using the NHS, public health and social care services. NICE has no reason to assume that its current functions and purpose within the NHS, public health and social care services will not continue.

At the reporting date NICE had a net asset position and a strong cash position of £22.5m. NICE is mainly financed by grant-in-aid funding from DHSC. DHSC has confirmed that the funding of NICE will continue and next year's funding has been agreed and indicative funding for 2027 to 2028 and 2028 to 2029 has been reported to NICE. Our going concern assessment is made up to 3 years from 31 March 2026 on this basis, and as an arms-length body sponsored by DHSC, NICE has no reason to assume that future funding will not be forthcoming beyond this date.

NICE does not consider there to be any material estimation uncertainty over the valuation of assets and liabilities at the reporting date as disclosed within the financial statements. In conclusion, these factors, and the anticipated continuation of future provision of services in the public sector, support NICE's adoption of the going concern basis for the preparation of the accounts.

1.2 Income

In the application of IFRS 15 a number of practical expedients offered in the Standard have been employed. These are as follows;

- NICE does not disclose information regarding performance obligations part of a contract that has an original expected duration of one year or less,
- Similarly, NICE does not disclose information where revenue is recognised in line with the practical expedient offered in the Standard, where the right to consideration corresponds directly with value of the performance completed to date.
- The FReM has mandated the exercise of the practical expedient offered in the Standard that requires NICE to reflect the aggregate effect of all contracts modified before the date of initial application.

Revenue in respect of services provided is recognised when performance obligations are satisfied by transferring promised services to the customer, and is measured at the amount of the transaction price allocated to that performance obligation.

Where income is received for a specific performance obligation that is to be satisfied in the following year, that income is deferred. Payment terms are standard reflecting cross government principles.

Operating income is income that relates directly to the operating activities of NICE. It principally comprises fees and charges for services provided on a full-cost basis to external customers, but it also includes other income such as that from the DHSC, the devolved administrations (Wales, Scotland and Northern Ireland) and NHS England.

NICE receives grants from other UK and overseas government departments, philanthropic organisations and development banks. On a monthly basis a work in progress calculation is completed according to contract dates with income being accrued or deferred in line with this calculation.

Other funding

The main source of funding for NICE is grant-in-aid funding from the DHSC, from Request for Resources within an approved cash limit, and is credited to the General Fund. Grant-in-aid funding is recognised in the financial period in which the cash is received. The 2026 to 2027 NICE business plan has been approved by DHSC and details of indicative funding for the next financial year have been provided.

The value of the benefit received when NICE accesses funds from the Government's apprenticeship service is recognised as income in accordance with IAS 20, Accounting for Government Grants. Where these funds are paid directly to an accredited training provider, non-cash income and a corresponding non-cash training expense are recognised, both equal to the cost of the training funded.

Re-presentation of income note

Following a review of income classifications, income previously presented as 'Copyright and licence fees' and 'Income from higher education' has been reclassified and included within 'Other commercial income' in 2025 to 2026. Comparative figures have been re-presented to ensure consistency of presentation. This change has no impact on total income, net expenditure, or cash flows.

1.3 Taxation

NICE is not liable to pay corporation tax and most activities are outside the scope of value added tax (VAT). Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.4 Employee benefits

Short-term employee benefits

Salaries, wages and employment-related payments, including payments arising from the apprenticeship levy, are recognised in the period in which the service is received from employees. The cost of leave earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period.

1.5 Non-current assets

A. Capitalisation

All assets falling into the following categories are capitalised:

i. Intangible assets where they are capable of being used for more than 1 year and have a cost, individually or as a group, equal to or greater than £5,000.

ii. Purchased computer software licences are capitalised as intangible fixed assets where expenditure of at least £5,000 is incurred per license.

iii. Property, plant and equipment assets which are capable of being used for more than 1 year, and which:

- Individually have a cost equal to or greater than £5,000
- collectively have a cost of at least £5,000, and an individual cost of more than £250, where the assets are functionally interdependent, and had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control
- form part of the initial setting-up cost of a new building, irrespective of their individual or collective cost.

B. Valuation

Intangible assets

Intangible assets held for operational use are valued at amortised historical cost as a proxy for market value in existing use given the immaterial balance. The accounts are therefore materially consistent with the FReM. Surplus intangible assets are amortised and valued at the net recoverable amount.

The carrying value of intangible assets is reviewed for impairment at the end of the first full year following acquisition, and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Property, plant and equipment

All property, plant and equipment (PPE) are measured initially at cost, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. All assets are measured subsequently at depreciated historic cost as this is considered to be not materially different from fair value. The carrying values of PPE assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Leasehold Improvement assets in the course of construction are valued at current cost. These assets include any assets under the control of a contractor.

C. Depreciation and amortisation

Depreciation is charged on each individual fixed asset as follows:

i. Intangible assets are amortised, on a straight line basis, over the estimated lives of the assets: 3-10 years
ii. Purchased computer software licences are amortised over the shorter of the term of the licence and their useful economic lives: 3-10 years
iii. Assets under construction are not depreciated
iv. Leasehold improvements are depreciated over 10 years, except where the lease will not be renewed in which case it will be the remaining life of the lease.
v. Each equipment asset is depreciated evenly over the expected useful life:
    - Furniture: 5-10 years
    - Office, information technology and other equipment: 3-5 years
vi. Right of use lease asset is depreciated on the remaining life of the lease

NICE has updated its capital policy and has capitalised laptops in year.

1.6 Financial instruments

NICE's financial assets are simple debt instruments held in order to collect contractual cash flows. NICE's material financial liabilities are trade payables and accruals. Under IFRS 9 financial instruments are measured at amortised cost.

1.7 Foreign exchange

Transactions which are denominated in a foreign currency are translated into sterling at the spot exchange rate on the date of the transaction. Resulting exchange gains and losses are recognised in the period in which they arise.

1.8 Leases

NICE has two office leases classified as Right of Use Assets under IFRS 16: one in London and one in Manchester.

Initial recognition

At the commencement of a lease, NICE recognises a right-of-use asset and a lease liability based on the lease term, the lease payment and the HM Treasury incremental borrowing rate (a nominal rate) is applied for leases commencing under IFRS 16.

Scope and exclusions

NICE applies the short-term lease recognition exemption to those leases that have a lease term of 12 months or less and the low value exemption of leases of assets below the materiality threshold of £5,000. These types of leases are recognised as an expense over the lease term on a straight-line basis.

Extension options and break clauses

NICE has applied judgement to determine the lease term for those lease contracts that include a renewal or break option. The assessment of whether NICE is reasonably certain to exercise a renewal option or reasonably certain not to exercise a break option significantly impacts the value of lease liabilities and right-of-use assets recognised on the statement of the financial position.

NICE currently recognises both leases until the expiry period of its contract, no further extensions have been exercised at this stage.

1.9 Provisions

Provisions are recognised when NICE has a present legal or constructive obligation as a result of a past event, it is probable that NICE will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using HM Treasury's discount rates.

All general provisions are subject to different discount rates according to the expected timing of cashflows from the Statement of Financial Position date:

- A nominal short-term rate of 3.64% (2024 to 2025 rate was 4.03%) for inflation adjusted expected cash flows up to and including 5 years from Statement of Financial Position date.
- A nominal medium-term rate of 4.22% (2024 to 2025 rate was 4.07%) for inflation adjusted expected cash flows over 5 years up to and including 10 years from the Statement of Financial Position date.

1.10 Pensions

Past and present employees are covered by the provisions of the NHS Pensions Schemes. Details of the benefits payable under these provisions can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions.

These schemes are unfunded defined benefit schemes that cover NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The schemes are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the schemes are accounted for as though they were defined contribution schemes: the cost to NICE of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to expenditure at the time NICE commits itself to the retirement, regardless of the method of payment.

The schemes are subject to a full actuarial valuation every four years and an accounting valuation every year.

1.11 Key areas of judgement and estimates

NICE has made estimates in relation to provisions, useful economic lives of its assets and depreciation and amortisation. These estimates were informed by legal opinion, specialist knowledge of managers and senior staff, and length of property leases.

1.12 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. The components that make up cash and cash equivalents are not analysed in the financial statements as NICE holds only cash.

1.13 Early adoption of standards, amendments and interpretations

NICE has not adopted any IFRSs, amendments or interpretations early.

Standards, amendments and interpretations in issue but not yet effective or adopted

International Accounting Standard 8, accounting policies, changes in accounting estimates and errors, requires disclosure in respect of new IFRSs, amendments and interpretations that are, or will be, applicable after the accounting period. There are three IFRS issued by the International Accounting Standards Board that are effective for financial statements after this accounting period.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 19 Subsidiaries without Public Accountability: Disclosures

After a review of these standards it is anticipated that there will be no impact on NICE.

2. Analysis of net expenditure by activities

2.1 Operating segments

NICE operates 3 reportable operating segments that meet specified criteria as defined within the scope of IFRS 8 (Segmental Reporting), where each reportable segment accounts for either 10% of the reported income, surplus/ deficit or net assets of the entity.

The largest reportable segment is for the core activities of NICE, funded mainly through grant-in-aid from the Department of Health and Social Care. NICE also receives funding from other sources, notably from NHS England. Activity associated with this funding is not business activity as defined in IFRS 8, therefore it is not shown as a separate operating segment here. Note 6 provides a detailed breakdown of funding and income received to support NICE activities.

The next largest reportable segment is the technology appraisals and highly specialised technologies programme. It operates on a full cost recovery basis with any deficit funded by grant-in-aid. In 2025 to 2026 it accounted for 49.1% (49.0% in 2024 to 2025) of operating income (excluding grant-in-aid) received and is therefore shown as a separate reporting segment below.

The final operating segment is the NICE Advice programme which provides fee-for-service consultation and education to pharmaceutical and healthtech companies on product development plans and market access strategy, as well as knowledge transfer and guideline adaptation to international health technology organisations. It operates on a full cost recovery basis with any surplus or deficit reflected within the NICE Advice operating segment General Fund (see note 2.2 below). In 2025 to 2026 it accounted for 14.9% (10.2% in 2024 to 2025) of operating income (excluding grant-in-aid) received and is therefore shown as a separate reporting segment below.

2025/26	NICE £000	Technology Appraisals & HST £000	NICE Advice £000	Total £000
Gross expenditure	70,305	15,986	4,250	90,541
Income	(10,141)	(13,788)	(4,178)	(28,107)
Net expenditure	**60,164**	**2,198**	**72**	**62,434**

2024/25	NICE £000	Technology Appraisals & HST £000	NICE Advice £000	Total £000
Gross expenditure	67,925	14,862	3,404	86,191
Income	(11,424)	(13,701)	(2,859)	(27,984)
Net expenditure	**56,501**	**1,161**	**545**	**58,207**

2.2 Reconciliation of net assets held within the general fund

With the agreement of the DHSC as sponsor the net assets (cash held in reserve arising from surplus income generation) of the NICE Advice operating segment are to be held separately within the General Fund.

The fees for technology appraisal and HST topics are charged before we begin each topic and we recognise the income as milestones are reached in the appraisal process. Therefore, the Statement of Financial Position does include cash (current asset) in the bank on the 31 March in each financial year (£18,586k in 2025 to 2026 £15,580k in 2024 to 2025) relating to partially completed appraisal topics, but these amounts are offset by an equal and opposite amount of contract liabilities (included in trade and other payables). Therefore, the Technology Appraisals and HST segment has nil net assets.

2025/26	NICE £000	Technology Appraisals & HST £000	NICE Advice £000	Total £000
Balance at 1 April 2025	2,547	-	1,299	3,846
Increase / (Decrease) in net assets	1,438	-	(72)	1,366
Segment net assets (as at 31 March 2026)	**3,985**	**-**	**1,227**	**5,212**

2024/25	NICE £000	Technology Appraisals & HST £000	NICE Advice £000	Total £000
Balance at 1 April 2024	(90)	-	1,844	1,754
Increase / (Decrease) in net assets	2,637	-	(545)	2,092
Segment net assets (as at 31 March 2025)	**2,547**	**-**	**1,299**	**3,846**

3. Operating costs

Operating costs	2025/26 £000	2024/25 £000	Notes to accounts
Staff costs (before recovery of outward secondments)	66,634	61,405	5
British National Formulary	4,215	3,790	-
External contractors	6,276	3,788	-
HealthTech External Assessment Groups	1,139	1,129	-
Healthcare Library Services	4,656	6,112	-
Premises and fixed plant	2,847	5,451	-
Establishment expenses	375	263	-
Supplies and services - general	527	428	-
Education Training and Conferences	955	756	-
Chair and non-executive directors' costs	151	145	-
Travel expenditure	802	665	-
Internal audit expenditure	88	68	-
Legal fees	522	417	-
Auditor's remuneration: audit fees *	95	90	-

* No non-audit fees were charged

Non-cash items	2025/26 £000	2024/25 £000	Notes to accounts
Depreciation on right of use lease asset	**1,059**	**751**	7
Depreciation on property, plants and buildings	**456**	**489**	7
Amortisation	**108**	**100**	7
Interest	**137**	**93**	-
(Profit)/loss on disposal	**8**	**208**	7
Provisions (sum of arising in year, prior year unused and change in discount rate)	**(509)**	**44**	11
Non-cash items total	**1,259**	**1,685**	-
Total	**90,541**	**86,192**	-

4. Reconciliation

4.1 Reconciliation of net operating cost to net resource outturn

Item	31 March 26 £000	31 March 25 £000
Net operating cost	**62,434**	58,207
Adjust: Revenue Annually Managed Expenditure (Revenue AME)	**1,423**	701
Net Resource Outturn (RDEL)	**63,857**	58,908
Net Resource limit (RDEL)	**64,547**	61,911
(Over)/Underspend against RDEL Limit	**690**	3,003

The table above has been updated to provide greater clarity on the reconciliation between net operating cost and net resource outturn by adding in the Revenue AME costs for both current year and prior year costs.

4.2 Reconciliation of Gross Capital Expenditure to Capital Resource Limit

Item	31 March 26 £000	31 March 25 £000
Gross capital expenditure	**807**	487
Creation of a new Manchester Lease (non-cash)	**0**	2,973
Re-measurement of London Lease (non-cash)	**0**	249
NBV of assets disposed	**(8)**	(209)
Net capital resource outturn	**799**	3,500
Capital resource limit	**1000**	3,535
(Over)/underspend against limit	**201**	35

5. Staff costs

Costs	2025/26 Permanently employed £000	2025/26 Other £000	2025/26 Total £000	2024/25 Permanently employed £000	2024/25 Other £000	2024/25 Total £000
Salaries and wages	47,262	1.733	48,995	44,778	520	45,298
Social security costs	6,550	0	6,550	5,251	0	5,251
Employer contributions to NHSPA	10,627	0	10,627	10,120	0	10,120
Apprentice Levy	224	0	224	210	0	210
Termination Benefits	238	0	238	526	0	526
Total	**64,901**	**1,733**	**66,634**	**60,885**	**520**	**61,405**
Less recoveries in respect of outward secondments	(137)	0	(137)	(123)	0	(123)
Total net costs	**64,764**	**1,733**	**66,497**	**60,762**	**520**	**61,282**

Please also see the remuneration and staff report on p70.

Other staff costs related to agency and seconded staff into NICE from other organisations.

6. Income

6.1 Revenue from contracts with customers

The comparative figures for 2024 to 2025 have been re-presented to reflect a revised classification of commercial income. See accounting policies (see note 1.2 Re-presentation of income note) for more information.

NICE receives contractual income from several separate sources, as shown below in accordance with IFRS 15.

Contract income from related NDPBs and Special Health Authorities	**2025/26 £000**	**2024/25 £000**
NHS England	6,200	7,712
Contract income from other sources	**2025/26 £000**	**2024/25 £000**
Technology Appraisals and Highly Specialised Technologies	13,788	13,701
NICE Advice	4,178	2,859
Research grant receipts	1,414	1,112
Other commercial income	238	150
Income received for staff seconded out (including overheads)	137	123
Total revenue from contracts with customers	**25,955**	**25,657**

Contract income from related NDPBs and Special Health Authorities shows the income from other NHS organisations whose parent is the Department of Health and Social Care. The funding from NHS England relates to several programmes that NICE delivers or contributes to. This includes funding the cost of core content (e.g. journals and databases) that is available on the NICE Evidence Search website (available at http://www.nice.org.uk/about/what-we-do/evidence-services).

2025 to 2026 was the seventh year of charging fees for technology appraisals and highly specialised technologies. The amount of income recognised has increased compared to 2024 to 2025 (£13.8m in 2025 to 2026, £13.7m in 2024 to 2025).

The NICE Advice and Technology Appraisals and Highly Specialised Technologies (TAHST) programmes are operating segments under IFRS 8 (Segmental Reporting). See Note 2 for further details.

We receive funding from a number of research projects, much of which is funded by the European Union and Innovate UK. Other commercial income relates to income from copyright and licence fees and a payment by JISC Collections for access to the Cochrane library online resource hosted on the NICE website.

6.2 Other operating income

Other operating income	2025/26 £000	2024/25 £000
Income from devolved administrations	**1,804**	**1,864**
Other income sources	**2025/26 £000**	**2024/25 £000**
Other income	172	95
Apprenticeship training grant (non cash)	166	203
Contribution to UK Pharmascan costs	10	10
Office sublet income	0	155
Total other operating income	**2,152**	**2,327**

Income from devolved administrations is a contribution of funds from Wales, Scotland and Northern Ireland to provide certain NICE products and services in those countries.

Other income sources includes a contribution to the cost of running the UK Pharmascan database, non-recurrent funding for various projects, plus travel reimbursements and honorariums for speaking engagements at conferences and seminars. Due to the relocation of the Manchester office, NICE no longer receives sublet income.

7. Non current assets

7.1 Property, plant and equipment

Cost or valuation 2025/26	Leasehold improvements £000	Plant and machinery £000	Information technology £000	Furniture and fittings £000	Total £000
At 1 April 2025	119	0	1,853	239	2,211
Additions – purchased	2		749		750
Disposals			(37)		(37)
At 31 March 2026	**121**	**0**	**2,565**	**239**	**2,924**

Depreciation 2025/26	Leasehold improvements £000	Plant and machinery £000	Information technology £000	Furniture and fittings £000	Total £000
At 1 April 2025	5	0	881	239	1,124
Charged during the year	24	0	431	0	455
Disposals		0	(28)	0	(28)
At 31 March 2026	**29**	**0**	**1,284**	**239**	**1,552**

Net book value at 31 March 2026	**92**	**0**	**1,281**	**0**	**1,373**
Net book value at 31 March 2025	114	0	972	0	1,087

All NICE PPE assets are owned.

Cost or valuation 2024/25	Leasehold improvements £000	Plant and machinery £000	Information technology £000	Furniture and fittings £000	Total £000
At 1 April 2024	2,537	59	2,989	541	6,126
Additions – purchased	120	0	367	0	487
Disposals	(2,538)	(59)	(1,503)	(302)	(4,402)
At 31 March 2025	**119**	**0**	**1,853**	**239**	**2,211**

Depreciation 2024/25	Leasehold improvements £000	Plant and machinery £000	Information technology £000	Furniture and fittings £000	Total £000
At 1 April 2024	2,325	59	1,957	489	4,830
Charged during the year	44	0	429	16	489
Disposals	(2,364)	(59)	(1,505)	(267)	(4,195)
At 31 March 2025	**5**	**0**	**881**	**238**	**1,124**

Net book value at 31 March 2025	**114**	**0**	**972**	**1**	**1,087**
Net book value at 31 March 2024	212	0	1,032	52	1,296

7.2 Intangible assets

Cost or valuation	Total software licenses £000
At 1 April 2025	311
Additions – purchased	56
Disposals	0
At 31 March 2026	**367**
Amortisation	**Total software licenses £000**
At 1 April 2025	111
Charged during the year	108
Disposals	0
Revaluation	0
At 31 March 2026	**219**
Net book value at 31 March 2026	**148**

All of NICE's assets are owned.

Cost or valuation	Total software licenses £000
At 1 April 2024	466
Additions – purchased	0
Disposals	(155)
At 31 March 2025	**311**
Amortisation	**Total software licenses £000**
At 1 April 2024	166
Charged during the year	100
Disposals	(155)
Revaluation	0
At 31 March 2025	**111**
Net book value at 31 March 2025	**200**

7.3 Right of use leased assets

Right of use leased asset	£000
Right of use leased asset as at 1 April 2025	8,589
Dilapidation	0
At 31 March 2026	**8,589**
Depreciation	-
At 1 April 2025	3,386
Charged during the year	1,059
At 31 March 2026	**4,445**
Net book value at 31 March 2026	**4,144**

Right of use leased asset	£000
Right of use leased asset as at 1 April 2024	5,038
Right of use leased asset - re-measurement of lease*	249
Right of use leased asset - Creation of a new lease**	2,973
Dilapidation	329
At 31 March 2025	**8,589**
Depreciation	-
At 1 April 2024	2,635
Charged during the year	751
At 31 March 2025	**3,386**
Net book value at 31 March 2025	**5,203**

* The re-measurement includes the rent review for our London lease which took place in August 2024

** Creation of the new Manchester lease as we moved into new smaller offices end of September 2024

7.4 Quantitative disclosure around lease liabilities

Obligations under finance leases comprise:	2025/26 £000
Buildings not later than one year	**1,155**
Buildings later than one year and not later than five years	**3,300**
Buildings later than five years	**0**
Total	**4,455**
Less Interest element	**(311)**
Present value of obligations	**4,144**

7.5 Quantitative disclosures around elements in the Statement of Comprehensive Net Expenditure

Total cash outflows for leases were £1,089k in year, of which £137k went to the Statement of Comprehensive Net Expenditure as finance expense.

7.6 Profit/(loss) on disposal of Fixed Assets

Profit/(loss) on disposal of Fixed Assets	2025/26 £000	2024/25 £000
Profit/(loss) on disposal of Intangible Assets	**0**	0
Profit/(loss) on disposal of property, plant and equipment	**(8)**	(208)
Total	**(8)**	(208)

8. Trade receivables and other current assets

Amounts falling due within 1 year	2025/26 £000	2024/25 £000
Contract receivables invoiced	**3,429**	9,092
Contract receivables not yet invoiced	**1,412**	1,294
Other receivables	**359**	297
Prepayments	**940**	1,198
Accrued income	**0**	0
Total	**6,140**	11,881

NICE does not hold any contract assets.

The amount of contract receivable not yet invoiced relating to EU funding is £682,000 (£502,000 in 2024 to 2025).

9. Cash and cash equivalents

Cash and cash equivalents	2025/26 £000	2024/25 £000
Balance at 1 April	**14,603**	14,813
Net change in cash and cash equivalent balances	**7,917**	(210)
Balance at period end	**22,520**	14,603

The following balances at March were held:

Government Banking Service	**22,520**	14,603
Balance at period end	**22,520**	14,603

10. Trade and other payables including Lease Liability

Amounts falling due within one year	2025/26 £000	2024/25 £000
Trade payables	**(1,075)**	(1,499)
Capital creditors	**0**	(123)
VAT	**(3)**	(223)
Accruals	**(3,607)**	(3,672)
Contract liabilities	**(18,989)**	(15,799)
Lease Liability	**(1,008)**	(977)
Total	**(24,682)**	(22,293)

Amounts falling due after more than one year	2025/26 £000	2024/25 £000
Lease Liability	**(3,016)**	(3,997)

11. Provision for liabilities and charges

Provisions for liabilities and charges	Total £000
Balance at 1 April 2024	3,169
Arising during the year	755
Utilised during the year	(743)
Provision not required written back	(345)
Unwinding of Discount	2
Balance at 1 April 2025	**2,838**
Arising during the year	1,046
Utilised during the year	(912)
Provision not required written back	(1,577)
Unwinding of Discount	20
At 31 March 2026	**1,415**
Analysis of expected timing of cash flows	**Total £000**
Within 1 year to (period to Mar 2024)	1,046
1-5 years (period Apr 2024 - Mar 2028)	369
Over 5 years (period Mar 2028+)	0
Total	1,415

As at 1 April 2025 NICE had an opening provisions balance of £2,838k. This included provisions relating to redundancy and estimated future costs of dilapidations for both the old Manchester office (City Tower) and the new one (3 Piccadilly Place). Apart from the new Manchester office dilapidations provision, all others were either utilised or not required.

During 2025 to 2026, there were £1,046k of provisions arising, all of which related to redundancy costs. NICE had a closing provisions balance of £1,415k.

The provisions have been discounted at 3.64% for short term (up to 5 years) and 4.22% for medium terms (5-10 years).

12. Capital Commitments

NICE has no contracted capital commitments as at 31 March 2026 for which no provision has been made (31 March 2025 £nil).

13. Commitments under leases

Total future minimum lease payments under IFRS 16 leases are given in the table below, analysed according to the period in which the lease expires.

Obligations under finance leases comprise:	2025/26 £000	2024/25 £000
Buildings not later than one year	**1,094**	1,094
Buildings later than one year and not later than five years	**3,215**	4,034
Buildings later than five years	**0**	275
Total	**4,309**	5,403
Other leases not later than one year	**1**	1
Other leases later than one year and not later than five years	**3**	3
Other leases later than five years	**0**	0
Total	**4**	4

NICE leases office space in London and Manchester.

NICE moved into a new, smaller office in Manchester after exercising the break clause on the old lease. The new lease started in September 2024 and runs for 5 years.

The London Lease is sublet from DHSC and expires November 2030 alongside the head lease.

14. Other financial commitments

NICE has entered into non-cancellable contracts (which are not leases or PFI contracts), for services. The payments to which NICE is committed during 2025 to 2026 analysed by the period during which the commitment expires are as follows.

Other financial commitments	2025/26 000	2024/25 £000
Not later than one year	**265**	790
Later than one year and not later than five years	**721**	724
Later than five years	**0**	0
Total	**986**	1,514

15. Related parties

NICE is sponsored by the DHSC, which is regarded as a related party. During the year, NICE has had various material transactions with DHSC itself and with other entities for which the DHSC is regarded as the parent entity.

These include NHS England, the Care Quality Commission, the Human Fertilisation and Embryology Authority, NHS Business Services Authority, NHS Commissioning Support Units, NHS trusts and NHS foundation trusts. In addition, NICE has had transactions with other government departments and central government bodies. These included Homes England, the Regulator of Social Housing, the Government Property Agency, and the British Council. During the 12 months ended 31 March 2026, no Board members, members of senior management, or other parties related to them have undertaken any material transactions with NICE except for those shown in the table below.

It is important to note that the financial transactions disclosed were between NICE itself and the named organisation. The individuals named in the table have not benefited from those transactions. Any compensation paid to management, expense allowances and similar items paid in the ordinary course of operations is included in the notes to accounts and in the Remuneration and Staff Report.

Related parties 2025 to 2026

Related party appointment	NICE Board member or senior manager	NICE appointment	Interest	Value of goods and services provided to related party £000	Value of goods and services purchased from related party £000	Amounts owed to related party £000	Amounts due from related party £000
NHS England	Gary Ford CBE	Non-Executive Director	Cholesterol and Familial Hypercholesterolaemia Expert Advisory Group, NHS England prevention and long-term conditions	6,981	63	(1)	284
NHS England	Eric Power	Interim director, CfG	Spouse is employed as a Project Manager-currently working in training and education (indirect interest)	6,981	63	(1)	284
Oxford University Hospitals NHS Foundation Trust	Prof Bee Wee CBE	Non-Executive Directors	Bee Wee - Consultant and Senior Lecturer in Palliative Medicine	-	10	1	-
Oxford University Hospitals NHS Foundation Trust	Gary Ford CBE	Non-Executive Director	Gary Ford - Consultant Physician	-	10	1	-
Bristol Myers Squibb/ Pfizer/Pfizer R&D Uk Ltd	Nick Crabb	Chief Scientific Officer	Nick Crabb - Brother works for The Devices Centre of Excellence, Pfizer R&D UK Ltd (indirect interest)	551	-	-	186
Merck KGaA / EMD Serono stroke trial advisory board	Gary Ford CBE	Non-Executive Director	Cholesterol and Familial Hypercholesterolaemia Expert Advisory Group, NHS England prevention and long-term conditions	-	-	-	259
Bayer	Gary Ford CBE	Non-Executive Director	Bayer acute stroke trial consultancy	(47)	-	-	-
Novartis	Mark Chakravarty	Non-Executive Director	Novartis shares/ options which are either blocked or managed under a blind mandate	1,011	-	-	223
Care Quality Commission	Mark Chakravarty	Non-Executive Director	Non-Executive Director	-	13	-	-

Related parties 2025 to 2026 continued

Related party appointment	NICE Board member or senior manager	NICE appointment	Interest	Value of goods and services provided to related party £000	Value of goods and services purchased from related party £000	Amounts owed to related party £000	Amounts due from related party £000
Blackpool Teaching Hospital NHS Foundation Trust	Mark Chapman	Interim Director of Medical Technology Evaluation	Spouse is Service Manager, Respiratory & Sleep Physiology, Blackpool Teaching Hospital NHS Foundation Trust (remunerated)	-	6	-	-
Greater Manchester ICB	Mark Chapman	Interim Director of Medical Technology Evaluation	Sister is Corporate Affairs and Governance Manager	-	1	-	-
University Hospitals Bristol and Weston NHS Foundation Trust	Jonathan Benger	Chief Medical Officer & interim Director, Centre for Guidelines	Consultant in Emergency Medicine, University Hospitals Bristol and Weston NHS Foundation Trust	-	259	39	-
Medicines and Healthcare Products Regulatory Agency	DHSC Group	-	DHSC Group	-	95	-	-
NHS Confederation	DHSC Group	-	DHSC Group	-	47	-	-
The Alan Turing Institute	DHSC Group	-	DHSC Group	-	37	-	-

Related parties 2024 to 2025

Related party appointment	NICE Board member or senior manager	NICE appointment	Interest	Value of goods and services provided to related party £000	Value of goods and services purchased from related party £000	Amounts owed to related party £000	Amounts due from related party £000
NHS England	Gary Ford CBE	Non-Executive Director	Cholesterol and Familial Hypercholesterolaemia Expert Advisory Group, NHS England prevention and long-term conditions	8,374.0	60.0	65.0	6,877.0
NIHR	Prof Bee Wee CBE	Non-Executive Director	Committee member for NIHR Applied Research Collaborative Call (non-remunerated	2.0	-	-	-
Oxford University Hospitals NHS Foundation Trust	Prof Bee Wee CBE	Non-Executive Director	Consultant and Senior Lecturer in Palliative Medicine	-	38.0	-	-
Oxford University Hospitals NHS Foundation Trust	Gary Ford CBE	Non-Executive Director	Consultant Physician	-	38.0	-	-
Bristol Myers Squibb/ Pfizer/Pfizer R&D Uk Ltd	Gary Ford CBE	Non-Executive Director	Non-Executive Director - NICE (remuneration paid via a charge from Northern Care Alliance)	786.0	-	-	-
Bristol Myers Squibb/ Pfizer/Pfizer R&D Uk Ltd	Nick Crabb	Chief Scientific Officer	Brother works for The Devices Centre of Excellence, Pfizer R&D UK Ltd (indirect interest)	786.0	-	-	-
Bayer	Gary Ford CBE	Non-Executive Director	Bayer acute stroke trial consultancy	814.0	-	-	223.0
Novartis	Mark Chakravarty	Non-Executive Director	Novartis shares/ options which are either blocked or managed under a blind mandate	373.0	-	29.0	-
Care Quality Commission	Mark Chakravarty	Non-Executive Director	Non-Executive Director	1.0	13.0	13.0	-

Related parties 2024 to 2025 continued

Related party appointment	NICE Board member or senior manager	NICE appointment	Interest	Value of goods and services provided to related party £000	Value of goods and services purchased from related party £000	Amounts owed to related party £000	Amounts due from related party £000
Blackpool Teaching Hospital NHS Foundation Trust	Mark Chapman	Interim Director of Medical Technology Evaluation	Spouse is Service Manager, Respiratory & Sleep Physiology, Blackpool Teaching Hospital NHS Foundation Trust (remunerated)	1.0	7.0	-	-
Greater Manchester ICB	Mark Chapman	Interim Director of Medical Technology Evaluation	Sister is Corporate Affairs and Governance Manager	-	1.0	-	-
University Hospitals Bristol and Weston NHS Foundation Trust	Jonathan Benger	Chief Medical Officer & interim Director, Centre for Guidelines	Consultant in Emergency Medicine, University Hospitals Bristol and Weston NHS Foundation Trust (remunerated)	-	222.0	5.0	-
Royal Free London NHS Foundation Trust	Jane Gizbert	Director of Communications	Governor, Council of Governors. (non-remunerated)	-	16	-	-
Medicines and Healthcare Products Regulatory Agency	DHSC Group	-	DHSC Group	69.0	83.0	-	-
NHS Confederation	DHSC Group	-	DHSC Group	-	9.00	-	-
The Alan Turing Institute	DHSC Group	-	DHSC Group	-	1.0	-	-

16. Events after the reporting period

There have been no significant events between the Statement of Financial Position and the date of authorising these financial statements.

These accounts were authorised for issue on the date they were certified by the Comptroller and Auditor General.

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