Nursing & Midwifery Council

Annual Report and Accounts 2022–2023 and Strategic Plan 2023–2025

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Contents

Foreword

2022–2023 was an immensely challenging year for health and social care across the four countries of the UK. We therefore focused on delivering key actions that would have the most impact for people who use services and professionals delivering care during these difficult times.

Our top organisational priority was, and still is, to **reduce swiftly and safely the number of fitness to practise cases we have open**. This is vitally important for everyone affected. During 2022–2023, we reduced our caseload from 6,469 cases as of 31 March 2022 to 5,577 cases by the end of March 2023. Although short of our target of a 5,000-caseload total by March 2023, this represents a decrease of 14 percent, and we are confident of continuing this downward trend into 2023–2024.

With the health and social care **workforce** under significant pressure, we must continue to **play our part in easing that pressure and supporting nursing and midwifery professionals** to deliver safe, effective and kind care for people and communities. Last year this included: revising our English language requirements to make sure that people with the right level of English language competence can work safely in the UK; expanding the number of objective structured clinical examination (OSCE) centres and significantly increasing test capacity; setting new evidence-based, forward-looking standards for post-registration qualifications; and updating our pre-registration education standards following the UK's exit from the EU.

We also continued to maintain the Covid-19 temporary register after the Government asked us to keep it open for a further two years.

During the strikes that took place, we highlighted the right of professionals to take part in lawful industrial action, while helping them to uphold standards of care by emphasising the importance of the Code (professional standards of practice and behaviour for nurses, midwives and nursing associates) and other resources.

Improving safety in health and social care has been another priority and will continue to be. To this end, we supported professionals on our register to revalidate; introduced new approaches to education quality assurance; targeted our outreach activity and worked with partners to promote improvements.

During 2022, the Ockenden review and the East Kent report set out appalling, tragic and long-standing failings in maternity services. Our thoughts continue to be with the women, babies and families who have suffered as a result. We have been working together with trusts, higher education institutions and other regulators to address concerns about the safety of maternity services in England and to deliver sustainable improvements across all four nations.

We continued to work with the UK Government to develop a new legal framework that will **modernise how we regulate**. Benefits for people will include having a clearer register that is easier to understand; being able to act more rapidly to protect the public if someone cannot meet the required standards of proficiency and conduct, and stronger and more proportionate quality assurance of education.

We must be an **organisation fit for the future** with the right capabilities, processes and resources in place to fulfil our ambitions of protecting the public and improving everyone's health and wellbeing by supporting nursing and midwifery professionals. This report outlines steps we have taken to improve the way we work, while being mindful that we spend money as effectively as possible.

Underlying all of this is our ambition to take a person-centred approach in everything we do. Last year we took steps to move forward more significantly on equality, diversity and inclusion (EDI) within our own organisation, including publishing our EDI plan and Ambitious for Change research. By addressing these challenges internally, we are better able to use our leadership role and regulatory powers to tackle discrimination and inequality in the health and social care workforce, which in turn negatively affect the health outcomes of people and communities.

Thank you to everyone who helped deliver everything we achieved last year, including colleagues, Council members, registered professionals, partners, and our Public Voice Forum, for their unremitting focus on achieving the safe, effective and kind care that everyone has a right to expect.

Sir David Warren
Chair
10 July 2023

Andrea Sutcliffe
Chief Executive
and Registrar
10 July 2023

Our role

We are the independent regulator for nurses and midwives in the UK and nursing associates in England.
Our objectives are set out in the Nursing and Midwifery Order 2001 (as amended).

The overarching aim of the Council is the protection of the public by:

a. protecting, promoting and maintaining the health, safety and wellbeing of the public

b. promoting and maintaining public confidence in the professions regulated under the Order

c. promoting and maintaining proper professional standards and conduct for members of those professions.

Our regulatory responsibilities are to:

- **maintain the register** of nurses and midwives who meet the requirements for registration in the UK, and nursing associates who meet the requirements for registration in England
- set the **requirements for the professional education** that supports people to develop the knowledge, skills and behaviours required for entry to, or annotation on, our register
- shape the practice of the professionals on our register by **developing and promoting standards** including our Code, and promoting lifelong learning through revalidation
- **investigate and, if needed, take action** where serious concerns are raised about a nurse, midwife or nursing associate's fitness to practise.

Our governing body is our Council, which is made up of six lay people and six professionals on our register. Our work is overseen by the Professional Standards Authority for Health and Social Care, which reviews the work of regulators of health and care professions. We are accountable to Parliament through the Privy Council. We are also a registered charity and seek to ensure that all our work delivers public benefit.

Our vision is safe, effective and kind nursing and midwifery practice that improves everyone's health and wellbeing. As the independent regulator of more than 788,000 nursing and midwifery professionals, we have an important role to play in making this a reality.

Our core role is to **regulate**. First, we promote high education and professional standards for nurses and midwives across the UK, and nursing associates in England. Second, we maintain the register of professionals eligible to practise. Third, we investigate concerns about nurses, midwives and nursing associates – something that affects a tiny minority of professionals each year. We believe in taking account of the context in which incidents occur and giving professionals the chance to address concerns, but we will always take action when needed.

To regulate well, we **support** our professions and the public. We create resources and guidance that are useful throughout people's careers, helping them to deliver our standards in practice and address new challenges. We also support people involved in our investigations, and we are increasing our visibility so people feel engaged and empowered to shape our work.

Regulating and supporting our professions allows us to **influence** health and social care. We share intelligence from our regulatory activities and work with our partners to support workforce planning and sector-wide decision making. We use our voice to speak up for a healthy and inclusive working environment for our professions.

Our five strategic themes guide how we prioritise and phase our work, as well as new investment in people and other resources. They are:

1. Improvement and innovation
2. Proactive support for our professions
3. More visible and better informed
4. Engaging and empowering the public, professionals and partners
5. Greater insight and influence

Underpinning these themes, we aim to align our capabilities, infrastructure and culture to become a fit for the future organisation.

Our values underpin everything we do. They shape how we think and act.

We are fair

We treat everyone fairly. Fairness is at the heart of our role as a trusted, transparent regulator and employer.

We are kind

We act with kindness and in a way that values people, their insights, situations and experiences.

We are collaborative

We value our relationships (both within and outside of the NMC) and recognise that we're at our best when we work well with others.

We are ambitious

We take pride in our work. We're open to new ways of working and always aim to do our best for the professionals on our register, the public we serve and each other.

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Our strategy on a page

Purpose

Promote and uphold high professional standards in nursing and midwifery - protecting the public, inspiring public confidence.

Vision

Safe, effective and kind nursing and midwifery, improving everyone's health and wellbeing.

Our role 2020–25

Regulate

- An accurate and transparent **register**
- Robust professional educational **standards**
- Assuring **education programmes**
- Responding fairly to **fitness to practise (FtP) concerns**.

Support

- Promote **understanding** – our professions and our role
- Provide **practical tools** – help embed standards
- **Emotional/practical support** – people involved in our processes.

Influence

- Promote positive and inclusive **professional working environments**
- Share **data and insight** to identify risks of harm and address workforce challenges
- Encourage **regulatory innovation**.

Values

Fair Kind Collaborative Ambitious

Themes 2020–25

Improvement and innovation | Proactive support Visible and better informed | Engaging and empowering | Insight and influence

Performance review 2022–2023

Our corporate plan for 2022–2025 sets out 22 commitments that will help us to realise our vision of safe, kind and effective nursing and midwifery practice that improves everyone's health and wellbeing. In the following pages we report on our progress against these commitments during 2022–2023.

Equality, diversity and inclusion

We have a responsibility as a regulator and an employer to do everything we can to tackle discrimination and inequality and to promote diversity and inclusion. Our EDI plan 2022–2025 sets out how we will integrate EDI across all our work to deliver more equitable experiences and outcomes for our colleagues, the professionals on our register and the public we serve.

We began implementation of our EDI plan in May 2022. As our EDI activity is embedded across all our work, progress has been integrated throughout the report and is drawn out in these boxes.

Maintaining an accurate register and ensuring fitness to practise

Our register

To practise as a nurse or midwife in the UK, or a nursing associate in England, professionals must join our register. This protects the public by ensuring that only those who can demonstrate our standards for safe, kind and effective care are able to practise.

As at 31 March 2023, the number of nurses, midwives and nursing associates on the permanent register was 788,638.

This represents an increase of 4 percent (30,351 volume) since March 2022, and is the highest number of professionals ever on our register.

We continually review the quality and content of our data and information. When improved data or additional information becomes available, we retrospectively update our previously published information. This means that when comparing data in our latest reports against some of our previous publications, you may see small changes in some data.

Numbers of professionals on our permanent register by registration type at 31 March 2023

Registration type	Number
Midwives	41,716
Nurses	731,058
Dual registered (nurse and midwife)	6,525
Nursing associates	9,339

Total register **788,638**

Numbers of registered professionals by country or region of initial registration at 31 March 2023

Country or region	Number
England	498,354
Northern Ireland	21,970
Scotland	73,052
Wales	31,064
European Union/European Economic Area	28,082
Outside of the UK/EU/EEA	136,116

Total register **788,638**

In the year to March 2023, 52,148 professionals joined the permanent register for the first time, up from 48,430 in 2021–2022. The majority of these first-time joiners (just over half) were UK-trained and just under half were trained outside the UK.

- 27,142 trained in the UK (2021–2022: 25,024).
- 651 trained in the European Union/ European Economic Area (EU/EEA) (2021–2022: 680).
- 24,355 trained outside the UK or EU/EEA (2021–2022: 22,726).

The number of people leaving the register was fewer compared to the previous year, with 26,755 professionals leaving in 2022–2023, compared to 27,133 professionals in 2021–2022. We publish a registration data report on **our website**, which contains more data about the make-up of the register.

Our registration processes ensure that professionals can provide safe, kind and effective care when they join our register. These processes must be both proportionate and efficient to ensure everyone who is capable of safe and effective practice can join our register in a timely manner. At a time when the health and social care workforce is under significant pressure that has been more important than ever. Our strong registration performance in 2022–2023 has supported that aim.

- 99 percent (2021–2022: 99.6 percent) of UK initial registration applications were completed within one day, exceeding our target of 97 percent.
- Where a concern has been raised, some applications take longer to process. Our target is to complete 95 percent of these cases in 60 days. In 2022–2023 we narrowly missed this target with 94.5 percent (2021–2022: 96.2 percent).
- 99.9 percent of international registration applications (from professionals trained outside the UK) were completed within our goal of 30 days, exceeding our target of 90 percent (2021–2022: 99.7 percent in 30 days).

Corporate commitment:

Close the Covid-19 emergency register

In March 2020, we created a temporary register made up of groups of professionals we considered to be fit, proper and suitably experienced to work in support of the Covid-19 emergency. In September 2022, the Government asked us to keep the temporary register open for a further two years to help tackle the Covid-19 backlog of elective care. In response, we reviewed our arrangements and made changes to ensure we maintain the register safely and fairly. This is to ensure that people continue to receive high-quality care and that professionals can keep their skills and knowledge up to date. Further information about the conditions can be found on **our website**.

We contacted all professionals on the temporary register in February 2023 as part of implementing the changes, which then came into effect on 21 March 2023. We clarified all the conditions for continuing to remain on the temporary register and professionals were removed from the temporary register if appropriate.

As a result of the changes, on 21 March 2023, we removed 10,379 professionals from the temporary register who were not practising or who were not progressing their application to join the register from outside the UK. This meant 2,030 professionals remained on the temporary register as of that date.

As at 31 March 2023, 1,992 professionals had temporary registration. Of these, 1,820 were nurses, 137 were midwives and 35 were dual-registered. We are hugely grateful to everyone on the temporary register for the invaluable contributions they have made. We continue to actively encourage professionals on the temporary register to join the permanent register.

Corporate commitment:

Increase OSCE testing capacity and explore options for alternate delivery models

To help address the UK's nursing and midwifery workforce challenges, health and care employers are continuing to focus on recruiting nursing and midwifery professionals from outside the UK. This means more professionals who have trained outside the UK are applying to join our register compared to previous years. As part of the application process, to ensure they can provide safe, kind and effective care, we assess their skills and knowledge through our two-part Test of Competence. This test is also taken by those that wish to re-join our register after a long period away from practice. Feedback throughout the year about the quality of the Test and about the supporting preparatory materials we have provided has been positive.

To ensure we could meet increased demand, and help more professionals join our register quickly and safely, we worked with our five delivery partners to increase capacity of the practical element of the test, known as the objective structured clinical examination (OSCE).

46,940 OSCEs were taken in 2022–2023 compared to 29,687 in the previous year, covering all fields of nursing and midwifery. This equates to an average of 3,911 a month compared to 2,474 a month for 2021–2022 (when there were only three OSCE centres).

To help monitor recruitment activity and ensure that we increase capacity as effectively as possible, we work closely with key stakeholders, such as the Department of Health and Social Care, NHS England and Improvement, Health Education and Improvement Wales, as well as listen to feedback from employers and applicants. Since the Leeds and Northumbria OSCE centres opened in 2022, we have helped them to embed and increase their testing capacity. We will continue to increase testing capacity from July 2023, which will result in over 1,000 additional tests each month. This provides candidates, and those supporting them, with greater flexibility and choice.

We also committed to exploring alternative delivery models during 2022–2023. This will be an important opportunity which will require significant investment of time and resources. As part of business prioritisation, we decided that resource was better focused on improving our existing delivery model, which will have more immediate, direct and significant benefits to applicants, employers, and ultimately the public they care for.

Concerns regarding the computer-based test

The computer-based test (CBT) forms the first part of the two-part test of competence taken by internationally trained professionals (the second part is the OSCE). The CBT is usually taken in a candidate's home country. An organisation called Pearson VUE operates the CBT programme on the NMC's behalf.

At the end of 2022–2023, they alerted us to anomalous data at one of their third-party owned and operated test centres (Yunnik Technologies Ltd) in Ibadan, Nigeria. Pearson VUE stopped testing at this centre immediately.

The test centre opened in 2019 and a total of 1,969 people have taken one or more CBT tests during that time. 513 of those people are on our register (around five percent of all the professionals on our register who qualified in Nigeria) while the remaining people are at varying stages of our applications process, including some who are now residing in the UK.

We have informed the 513 people on our register that we have opened cases in relation to them to consider whether there may be an allegation that their entry to the register is fraudulent or incorrect. We have also written to over 1,400 people in the application process who are not yet on our register to explain that we are looking into their tests. This group of applicants will not be able to join the register until we have carried out further analysis of the situation.

To ensure that we are drawing reasonable and objective conclusions we have appointed an independent data expert to provide us with further analysis and scrutiny of the data relating to tests taken at the Yunnik Technologies test centre.

It is important to note, that at the time of writing we have made no determinations about anyone who sat their test at the Yunnik Technologies test centre.

Our paramount concern is to maintain the integrity of the register to protect the public. At the same time, it is critical we approach any investigations about individuals objectively and transparently, avoiding any unfair discrimination.

We are aware that nurses and midwives from overseas and black nurses and midwives often face racism, discrimination, and prejudice in their workplaces and in society. While the issue relating to the CBT test affects a small number of nurses and midwives on our register, we are concerned that many more may be affected by the way their colleagues and the public may react to this incident. We are engaging with health and care services, employers, trade unions, the Nigerian Nurses Charitable Association and other groups and networks to ensure people get the support they need.

After careful consideration and to ensure the future integrity of the CBT test, we have also suspended testing at all Pearson VUE PVTC test sites globally, due to lower levels of security controls at this type of test centre. This suspension will remain in place unless and until we can be satisfied that controls can be strengthened to a sufficient level. This decision affects 49 test centres. Testing remains available at 746 Pearson VUE PPC and PVTC Select test centres globally.

We are working closely with Pearson VUE to implement additional monitoring controls including ongoing forensic data analysis and reporting.

Corporate commitment:

Revise our English language requirements

Clear and effective communication is key to achieving safe, kind and effective care for people who use health and social care services. It's therefore essential that everyone joining our register can demonstrate good English language skills. Our process for assessing competency must be fair and proportionate, so that everyone who is capable of safe and effective practice can join our register if they want to, no matter where they trained or how they became competent in English.

Following an extensive consultation on our English language requirements during the summer of 2022, we brought in changes from 8 February 2023 so that our processes are as fair and proportionate as possible and that people using health and social care services can have confidence that they will receive safe, kind and effective care. Detail on the changes we made can be found **here**.

Early indications are that these changes are having a positive effect and we will be reporting to our Council in March 2024 on the full impact.

Equality impact assessment of our English language requirements

We undertook an Equality Impact Assessment to evaluate the impact of our English language requirements and proposed policy changes on different groups. This was developed in collaboration with stakeholders, including international professionals and applicants.

We did not find evidence that our requirements have had any disproportionate negative impact on any group. We found that they were a proportionate means of obtaining assurance that all those joining the register can communicate effectively in English. We also found that the changes to our requirements are likely to have positive effects on applicants, particularly those from minority ethnic backgrounds who form a significant proportion of international applicants and are more likely to have trained in English in countries where English is not a majority-spoken language.

Assessing impact does not end with the introduction of the policy changes. We are committed to monitoring the impact of these as they are implemented and will use this data to revisit and review the Equality Impact Assessment.

Our contact centre

Our contact centre supports nurses, midwives, and nursing associates with queries they have about their registration, helping people to join, re-join or stay on the register more swiftly and efficiently. This helps to ensure we have an up-to-date register of professionals who provide safe, kind and effective care to people and their families.

In December 2022, we launched a new referrals helpline to support people with a fitness to practise concern. Our dedicated call handlers listen to people, and help explain more about who we are, how we can help and most importantly, what support we can offer. If someone is ready to make a referral, we can then guide them to give us everything we need to make the right decision as quickly and safely as possible.

Our contact centre statistics for 2022-2023

190,754
Calls received

190,754 calls were received during 2022–2023 (217,373 in 2021–2022).

93.5%
Calls answered

We answered 93.5 percent of calls (2021–2022: 88 percent), exceeding our target of 90 percent.

53,814
Email responses

53,814 emails were responded to during 2022–2023 (57,490 in 2021–2022).

3.9
Days to respond to emails

The average response time to emails was 3.9 working days (4.7 working days in 2021–2022).

96%
Survey respondents reported kindness

On average for the year, 96 percent of people who contacted the contact centre and answered our survey said we treated them kindly. This is a new measure that we have brought in for 2022–2023.

The reduction in calls and emails compared to 2021–2022 is due to:

- the easing of the Covid-19 pandemic: previously this had resulted in higher levels of contact due to queries about changes to our processes, such as the creation of the temporary register and revalidation extensions
- the improvements to our registration processes and the information on our website, meaning people have less need to contact us.

Revalidation

All professionals on our register must demonstrate they continue to be safe and effective to practise by revalidating every three years. Revalidation promotes lifelong learning by requiring nursing and midwifery professionals to reflect on their practice and how the Code applies to their work. This helps ensure the care they provide to people and their families continues to develop and strengthen throughout a professional's career. To support professionals, in November 2022 we wrote to all the professionals on our register to remind them that our updated standards of proficiency need to be taken into account when revalidating.

Improvements we have made mean that this year, for the first time, we can report on the number of professionals that revalidated after their due date, for example to include those granted an extension. This means that the revalidation rates we report are a truer reflection of professionals that successfully revalidated in the year, as previously, those who revalidated with an extension were not included in our figures. In 2022–2023, 227,351 professionals revalidated successfully and this equates to a revalidation rate of 94 percent. This is higher than in previous years, where the pressures of the Covid-19 pandemic meant some professionals needed extra support in completing their revalidation and we saw rates of 89.6 percent in 2021–2022 and 80.7 percent in 2020–2021. This year's figures bring revalidation rates back in line with pre-pandemic levels (where the rate ranged between 92 and 94 percent).

Looking across the nursing and midwifery professions and also across the four UK nations, revalidation rates were consistent.

More revalidation data and trends can be found in our separate Revalidation data report and data tables for 2022–2023.

Fitness to practise

One way we regulate professionals and maintain public safety is to investigate concerns about nurses, midwives and nursing associates – something that affects a tiny minority of the professionals on our register every year. We determine whether their skills, knowledge, education or behaviour fall below the standards needed to deliver safe, effective and kind care. If they do, we then take steps to keep the public safe and prevent something from going wrong again.

We will always take action if needed (including removing people from our register in the most serious cases). But most of the time the best way to keep people safe is to learn from incidents and stop similar things happening again in the future.

When deciding whether there is a risk, we take into account the context in which an incident took place, and any steps professionals may have taken to strengthen their practice since the incident happened.

We operate a process that allows people to tell us what happened straight away and encourages professionals, members of the public and employing organisations to engage with us to make sure we make the right decisions as soon as possible.

Fitness to practise in numbers: 2022–2023

Screening

When we receive concerns about someone's fitness to practise we check whether they are on our register and assess whether the concerns require a full investigation.

We received **5,068** **new concerns** (2021–2022: 5,291)

We reached decisions on **6,131** **cases** (2021–2022: 4,923)

We decided **1,492** cases required **a full investigation** (2021–2022: 1,080)

We decided **4,639** cases did not require **a full investigation** (2021–2022: 3,843)

Interim orders

Where needed, at any point, Fitness to Practise panels can take urgent, temporary action to protect the public while we look into the concerns that have been raised.

Fitness to Practise panels imposed:

Interim suspension orders in **324 cases** (2021–2022: 240)

Interim conditions of practice orders in **364 cases** (2021–2022: 264)

Case examiners

Where needed, we fully investigate the concerns raised about someone's fitness to practise.

At the end of the investigation our case examiners decide whether any further steps are required to protect the public. Case examiners may decide to take no further action if they conclude the concerns do not require regulatory action or if the nurse, midwife or nursing associate has taken sufficient steps to improve their practice.

We completed **1,210** investigations (2021–2022: 1,582)

Our Case examiners decided to:

Take no further action in **411 cases** (2021–2022: 739)

Give advice, issue a warning, or agree undertakings in **133 cases** (2021–2022: 102 cases)

Refer **666 cases** **for adjudication** (2021–2022: 741)

Adjudication

After a full investigation and if case examiners decide there is a case to answer, cases are then reviewed by a Fitness to Practise panel at a meeting or hearing. Panels have a range of decisions they can make to protect the public.

Fitness to Practise panels made **553** **decisions** (2021–2022: 414) **where they decided to:**

Remove the person from the register in **191 cases** (2021–2022: 109)

Suspend the person from the register temporarily in **155 cases** (2021–2022: 124)

Impose conditions of practice orders in **65 cases** (2021–2022: 61)

Issue cautions in **31 cases** (2021–2022: 37)

Take no further action in **108 cases** (2021–2022: 83)

Proceeding stayed in **3 cases** (2021–2022: 0)

A stay of proceedings is a rare power used by the Fitness to Practise Committee in exceptional circumstances, where it decides that to allow a case to continue would amount to an abuse of process and be unfair on the professionals involved. The stayed proceedings stated here involved linked cases.

As another way of concluding cases, in particular circumstances, professionals can apply for voluntary removal from the register without a panel reviewing their case. In 2022–2023 60 voluntary removal applications were granted (2021–2022: 46). We revised the voluntary removal process in April 2023 to ‘agreed removal’ to create more flexibility for people involved in a case. One change is that, in certain circumstances, professionals can now apply for removal from the register at any stage of the fitness to practise process, rather than only after the case examiner stage.

A detailed statistical analysis of our performance in 2022–2023 is published in our Annual Fitness to Practise Report.

Corporate commitment:

Reduce our fitness to practise caseload and make improvements to how we regulate.

Since the beginning of 2019–2020, we have been managing a high caseload, which doubled in volume between March 2019 and March 2022. This increase was not due to an increase in referrals but due to challenges with progressing cases in a timely manner, in part caused by the impact of the pandemic. This has meant people are waiting longer for us to reach decisions. We know the impact this has on people, which is why reducing our fitness to practise caseload safely and swiftly is our number one corporate priority.

During 2022–2023, we reduced our caseload from 6,469 cases at 31 March 2022 to 5,577 cases at the end of March 2023. This is short of our target to reduce the caseload to 5,000 by March 2023 but represents a decrease of 14 percent. While our caseload remains high, with people being impacted by delays, this is the first sustained reduction in caseload since 2019, and we have established a downward trend that we are confident we will continue into 2023–2024.

Table showing caseloads:

Year	Referrals received	Cases concluded	Year-end closing caseload	Yearly change in caseload	
				Actual	Percent
2019–2020	5,704	4,358	4,506	+1,363	+43
2020–2021	5,547	3,701	6,357	+1,851	+41
2021–2022	5,291	5,170	6,469	+112	+2
2022–2023	5,068	5,832	5,577	-892	-14

Improvements we made during 2022–2023

We re-shaped our Fitness to Practise Improvement programme in the summer of 2022 to focus on a smaller number of more impactful changes, while ensuring that we maintained a person-centred approach. We also put renewed focus on quality case management and close support for our casework teams to help them progress cases. The improvements outlined here have driven the reduction in caseload and position us to continue to safely and swiftly reduce the caseload in 2023–2024.

The first stage of our fitness to practise process is screening and at 31 March 2022 our caseload at that stage was 3,469, representing over 50 percent of our total caseload.

In summer 2022 we increased the decision-making capacity within our screening teams and as a result our output levels increased. Other improvement activities meant that we were able to subsequently reduce the level of decision-making resource in January 2023 while maintaining high decision numbers. As a result, our screening caseload stood at 2,341 on 31 March 2023, a reduction of 33 percent of cases at that stage.

Revisions made to our guidance in 2021–2022 are now having an increasingly positive impact as we are able to resolve more cases at screening. This means that later stages of the fitness to practise process are not being overwhelmed as a result of our increased productivity at the early stages of our process.

Being person-centred remains key to our work at screening and in December 2022 we launched our referrals helpline as a first port of call for those looking to raise a concern with us. We now provide people with more information about our process and what we do, with the aim of obtaining more detail upfront from people and, where appropriate, signposting people to other organisations better placed to help.

At all stages of the fitness to practise process, we have a renewed emphasis on prioritising our oldest and highest-risk cases. To support this, we have implemented a range of proactive case management tools.

At the investigations stage, the focus on older cases and the time to re-establish good management practices has meant output numbers have been lower.

The final stage of our process is adjudication and at 31 March 2022 our caseload at that stage was 879, representing over 13 percent of all fitness to practise cases. Work continues to increase the efficiency and effectiveness of our virtual hearings. We started to switch to a different video conferencing platform for our interactions with case parties and this has resulted in fewer technical delays. Microsoft Teams is now routinely used for non-substantive hearings, such as Interim Order hearings, and substantive 'meetings' (decisions made using papers rather than holding a hearing). We started the switch-over for substantive hearings in March 2023.

We commissioned external support to review our ways of operating at the adjudication stage to ensure we are operating effectively and efficiently. This will identify opportunities to increase the number of hearings which conclude first time.

There are significant opportunities for improvement here and it's important that we leverage those fully in 2023–2024 so that our caseload does not increase at the final stage of the process.

Regarding the whole of our fitness to practise process, we began working with external process improvement experts to identify opportunities for targeted change. In March 2023 we began to design a new approach for case management, helping us to move to a more streamlined process that enables us to make the right decision at the earliest opportunity.

Our key performance indicators

To close 80 percent of cases within 15 months from receipt: on average we closed 61 percent of cases within 15 months (2021–2022: 62 percent).

We did not therefore meet this measure in 2022–2023. However, we expect to see improved performance in this metric as we continue to reduce our caseload across the process and, in particular, at screening, through our screening improvements in 2023–2024.

To impose 80 percent of interim orders within 28 days of receipt. We ended the year with 65 percent of interim orders imposed with 28 days (2021–2022: 77 percent).

We did not meet this measure for 2022–2023 due to a number of factors outlined below.

- A renewed focus in screening on higher risk cases which had been on hold or not reviewed for a period of time, partly due to insufficient management oversight and persistent staff vacancies. This progressed a number of those older cases, with interim orders then imposed on some. However, these interim orders were imposed outside our KPI target.
- An increase in the volume of new interim order hearings required, which exceeded the capacity we had available.
- Panels adjourning interim order applications in the interests of fairness to the professional involved, to allow the professional more time to prepare their case.

Looking to 2023–2024

Our focus for 2023–2024 is to improve our core operational performance and continue with a range of measures to reduce the caseload safely, swiftly and in ways that increase public confidence.

By 31 March 2024, we will safely and swiftly reduce our caseload to 4,000 cases by undertaking the following activities:

- developing our casework approach, including improvements to management oversight and proactive escalation of issues causing delay
- optimisation of our key casework processes, using external expertise to streamline and speed up our work while maintaining quality
- testing and piloting new ways of working, including moving towards having single case owners so we provide a more consistent service as part of our person-centred approach to our fitness to practise process.

Whistleblowing to the NMC as a prescribed person

The NMC is a 'prescribed person' in law. This means that concerns may be raised with us by nurses, midwives, nursing associates, students or other healthcare professionals who identify wrongdoing in their workplaces or practice placements. Whistleblowing helps a workplace to be open, transparent and accountable, to be able to learn from events, prevent future concerns and therefore protect the public.

Our policy sets out six criteria which we use to decide if information we receive should be dealt with as whistleblowing. In 2022–2023 we received 137 disclosures that met our criteria for disclosures we reasonably believe to be instances of whistleblowing (2021–2022: 152). The most common themes of disclosure made this year were: behaviour and violence; patient safety and care; dishonesty.

Each year we publish a joint report with other health and social care regulators on how we handled whistleblowing disclosures. The joint Whistleblowing disclosures report 2021–2022 can be found on our website **here**. The joint report for 2022–2023 will be published later this year.

Maternity services

During 2022, two reports identified significant failings in maternity services at Shrewsbury and Telford Hospital NHS Trust and East Kent Hospitals University NHS Foundation Trust. Our thoughts are with the women, their babies and families who have been so terribly affected by these awful events.

During 2022–2023, we considered very carefully the findings of the reports to see what action we need to take as the regulator of midwives, and where we can work with other regulators and partners to improve the safety of the environments in which midwives practise.

We introduced new standards of proficiency for midwives in 2019. These are based on global evidence of good practice and designed to address learning from previous inquiries. They support midwives to deliver the safest, person-centred care for women and babies and promote respectful and responsive midwifery care for our diverse population. This includes knowing when things are going wrong and making sure the right actions are taken in response.

We have reviewed our standards against the findings of these reports and concluded that the deficits in knowledge and skills identified in the reports have been thoroughly addressed. We will commission a further external, independent review of the standards following the publication of the review into maternity services at Nottingham University Hospitals NHS Trust.

In the interim, we have continued to support professionals and organisations to understand and implement our standards so that they are able to deliver safe and effective care for women, babies and their families.

Some examples of work undertaken are listed below.

- We have written to professionals outlining our expectations that they should review the standards as part of their revalidation process and address any gaps in their knowledge as part of their continuous professional development.
- We have carried out an extraordinary review of the midwifery programme at Shrewsbury and Telford Hospital NHS Trust to provide assurance of the practice learning environment for students.
- We have included a new standard requiring midwifery students to have placement experiences at more than one maternity services provider to ensure student midwives experience a diverse range of teams and settings.

Setting robust education and professional standards

We set the standards for nursing and midwifery practice in the UK and nursing associates in England. We review and maintain these standards to ensure they require professionals to provide safe, kind and effective care to people and their families. Professionals must demonstrate they meet these standards at the point of entry to the register, and every three years they must demonstrate they continue to meet them by revalidating against our standards.

We also set education standards, which must be followed by all approved education institutions. These education standards support students to gain the knowledge and skills required to deliver safe, kind and effective care.

Corporate commitment:

Deliver a new set of ambitious post registration standards focusing on community nursing practice.

In July 2022, we published our new post-registration standards for specialist community public health nursing (SCPHN) and specialist community nursing qualifications (SPQs). These will help deliver modern, safe, kind and effective care to people closer to their homes and in communities.

These ambitious standards set clear expectations of the knowledge, skills and behaviours required from professionals working in specialist roles in the community, such as health visitors, school nurses and community mental health nurses. The standards will prepare future professionals with the necessary knowledge, skills and attributes to improve people's health, and address health inequalities across the diverse communities and populations they care for.

The standards came into effect on 1 September 2022, and by September 2024, all post-registration education providers must have new programmes approved against the new standards. To support effective implementation, we are liaising with education providers and their practice placement partners across the four countries of the UK, including with apprenticeship trailblazer groups who provide flexible routes to post-registration programmes, widening access to diverse students.

These ambitious new standards have been received positively, demonstrating the strength of our co-production approach.

"We welcome these standards which set out the expectations for future health visitors and build on the advances in the evidence base for preventative public health for babies, children and families. We thank the NMC for engaging with so many groups and practitioners during their consultation and for taking on board so many of the comments from the Institute of Health Visiting."

Alison Morton,
Executive Director,
Institute of Health Visiting

Corporate commitment:

Provide greater flexibility in nursing and midwifery pre-registration education and training by launching new standards for pre-registration education in the UK.

Since the UK left the EU and is no longer required to follow all EU legislation, we have more flexibility in setting pre-registration education programme standards for nursing and midwifery courses. Following extensive research and a UK-wide consultation process, in January 2023 our Council approved new and amended nursing and midwifery education programme standards. These standards will allow for greater flexibility in the design of pre-registration programmes, which we believe will lead to better outcomes for students and the people they care for. Key changes are listed below.

- The flexibility to include more simulated practice learning within nursing programmes. Approved education institutions (AEIs) will now be able to include up to a maximum of 600 hours of simulated practice learning within the 2,300 practice learning hours that are required of each student. This will provide the opportunity for students to develop and build on skills which may not be easy to practise in practice learning environments.

- Each education institution will now have the flexibility to set their own robust entry requirements, including removing the need for at least 12 years' general education before starting a nursing or midwifery programme. This will have a positive impact by widening access to nursing and midwifery programmes, especially for people who may not be able to evidence their education, such as refugees.

- We removed EU stipulations about the settings in which nursing practice placements must take place. This will allow students to complete all their practice learning in the settings most relevant to them.

- We introduced a new midwifery standard to ensure students gain experience with a range of maternity providers and teams. This will help better prepare midwifery students for their practice by giving them a greater range of experience.

We will work with AEIs to support the implementation of these new standards by February 2025.

Corporate commitment:

Review regulation of advanced nursing practice.

In the last few decades, there has been a rise in the use of the term 'advanced practice' in nursing and midwifery titles across the four countries of the UK. Broadly speaking professionals with these titles have displayed a higher level of skill and expertise and, therefore, have greater autonomy, manage more complex cases and provide a higher level of care to the public and their families. However, there is no single definition of what the title entails, nor is there a unified approach as to what's required to achieve it or how it is overseen. This lack of a unified approach can cause confusion for the public, employers and professionals themselves. Therefore, as part of our 2020–2025 strategy, we committed to carrying out a comprehensive review of advanced nursing and midwifery practice, including consideration of whether regulation is needed.

In October 2022, we began initial scoping and discovery work to explore whether the regulation of advanced practice is the most effective way of ensuring the roles provide safe, effective and kind care. To provide a solid evidence base, we commissioned two independent research agencies to conduct two distinct reviews.

- Britain Thinks was commissioned to engage with practitioners currently working in advanced practice roles, so that we can understand their views on advanced practice and the potential for future regulation.
- The Nuffield Trust was commissioned to provide a strategic overview of the advanced practice landscape across the four countries of the UK, as well as examining international evidence on the regulation of advanced practice.

Gaining insights from the public is also a key area of consideration, and through our Public Voice Forum we have gained key insights into the potential impact regulation could have.

Our Council considered the findings of this research in May 2023 and will consider findings from the next steps of the project in September 2023.

Quality assuring nursing and midwifery education

As part of our regulatory function, we make sure that education institutions are delivering courses that prepare skilled professionals to provide safe, kind and effective care. We do this in two key ways.

- Firstly, we approve education providers to deliver programmes based on our education standards. These are known as approved education institutions (AEIs). This provides assurance to the public that the education programmes delivered by AEIs are suitably preparing students for joining the NMC register and providing quality care to the public.
- Secondly, we monitor these institutions to ensure our standards continue to be met, and where they fall short of our standards, we have clear and transparent processes to investigate and take action.

As at 31 March 2023, there were 93 AEIs, covering over 1,830 programmes and providing education and training to over 116,000 student nurses, midwives and nursing associates.

Approving education programmes in 2022–2023

In 2022–2023, our quality assurance (QA) activity focused on completing approvals of pre-registration midwifery programmes against our new education standards by September 2022. Canterbury Christ Church University was the only AEI to be refused approval of its programme, due to concerns that the proposed programme did not meet our new standards. Due to the number of concerns identified there was insufficient time for the university to re-seek approval in time for the September cohort of students. We understand the impact of refusing approval and we have worked closely with NHS England Workforce, Training and Education (NHSE WTE) to support the university and the students affected.

As reported elsewhere in this performance review, during 2022–2023, we introduced a number of new standards and we have been updating our approval and monitoring processes accordingly.

During 2022–2023, we moved to a hybrid approach to approval visits, whereby some approvals could be undertaken remotely and some face to face. While the majority of approval visits are undertaken face to face, being able to undertake remote visits where appropriate has been beneficial to both the NMC and the institution concerned. As ever, our priority is ensuring our standards are being met.

Monitoring education programmes in 2022–2023

Once approved, we monitor approved programmes to ensure they still meet our standards. In 2022–2023 we monitored programmes through the following mechanisms.

- **Annual self-reporting:** AEIs must submit an annual self-assessment and self-declaration, along with responding to thematic questions. The most recent reporting period covered the academic year 2021–2022, and 56 out of 88 AEIs provided assurance that all key risks were controlled or mitigated through appropriate action plans. Thematic questions focused on differential attainment, the role of people who use services in programmes and the use of simulated practice learning within programmes.
- **New programme monitoring:** To provide extra assurance, we require new programmes to provide additional information to us. This gives us the opportunity to work more closely with new programmes and institutions which we have not worked with before and have less information on.

  During 2022–2023, we monitored 28 programmes, and in January 2023, we made the decision that 25 of these no longer required new programme monitoring.

- **Enhanced scrutiny:** Where we have identified concerns, we can place AEIs under enhanced scrutiny, which require them to report more regularly to us. Following an extraordinary review in 2020, and a subsequent monitoring visit in 2022 in relation to maternity concerns at Shrewsbury and Telford Hospital NHS Trust, one programme remained under enhanced scrutiny, whilst three further programmes were added.

When a concern is raised about a programme, we assess and categorise the concern under one of three levels. During 2022–2023, we managed a total of 254 new concerns. 163 were categorised as minor, 90 as major and six critical. 138 concerns were closed where we received adequate assurance that these were being mitigated appropriately.

We managed six critical concerns during the year (one identified during 2022–2023, five identified in previous years). Of these six critical concerns, five related to maternity services. Where critical concerns are identified, we meet regularly with AEIs to discuss action plans, monitoring and impact, along with contingency plans. During this period two critical concerns were de-escalated following adequate assurance from the AEIs that concerns were being managed.

Following significant engagement with Canterbury Christ Church University over serious concerns we had with the delivery of its midwifery programme, and having reviewed a wide range of evidence, in February 2023 we informed the university of our initial decision to withdraw approval. Our process required the university to provide assurances within a month that our standards were being met. Having reviewed the university's submission, after very careful consideration, and in the best interests of women, babies, and families, we made a final decision to withdraw approval of their midwifery programme. As such, from 10 May 2023, the midwifery programme no longer leads to registration as a midwife in the UK.

We recognise that this was a decision which will have a significant impact on the students affected and the local workforce. However, as the UK's midwifery regulator, our role is to protect the public and uphold the high standards of midwifery practice that women and families have the right to expect. We are working with the university and NHS England on plans to support the affected students to continue their education at another institution.

Corporate commitment:

Implement a new data-driven and proportionate approach to education quality assurance.

During 2022–2023, we continued to develop our risk-based data-driven approach to programme monitoring. This helps ensure we proactively identify issues and make interventions as quickly as we can, reducing the impact on students and the public they will care for. We did this by making greater use of available data, such as the National Student Survey (NSS), strengthening our approach to managing complex critical concerns, and utilising listening events to ensure the student voice is being heard. We also moved to a regional approach to managing concerns, meaning we shared intelligence more widely both within and outside of the organisation. This meant that we had additional data and intelligence and we could intervene earlier where appropriate.

We had hoped to make greater progress developing the technology that underpins our quality assurance process. However, while we have managed to make some important data fixes, we have not progressed as far as we had planned, in part due to dependencies on other pieces of work. We have reviewed and revised the project plan and expect to complete the work in 2023–2024.

Corporate commitment:

Remove recovery education standards.

In March 2020, in response to the pandemic, we introduced a set of emergency standards which enabled more than 35,000 student nurses and midwives to support the workforce as part of their programmes during 2020–2021. As the impact of the pandemic lessened, these were then replaced with a set of recovery standards with a view to returning students to as normal an education as possible.

We removed most of these standards during 2021–2022, but two standards remained in place. These standards provided flexibility for approved education institutions to implement the use of simulated practice learning as part of the required 2,300 practice learning hours. During 2022–2023, as we approved the use of simulation as part of the pre-registration education standard, we withdrew these last two recovery standards.

Engaging and empowering our audiences

Engaging and empowering our audiences is an intrinsic part of the effective delivery of everything we do to regulate, support and influence. Last year our Communications and Engagement directorate worked closely with all other directorates to support the delivery of complex projects, including the changes to the Covid-19 temporary register and major consultations on proposed changes to our English language requirements and education standards.

Engaging with the public

Our Public Voice Forum had its first full year, helping to shape key areas of our work. There are 22 highly engaged members from across the four nations of the UK who meet regularly to share their views on our projects. We greatly value their input and feedback from members about the forum is positive.

Last year we also built more consistent and purposeful relationships with stakeholder organisations representing people who use health and care services. This is invaluable in helping to extend our reach and build our understanding of the impact of the work we and our professionals do for different people and communities.

We commissioned research to define what person-centred regulation means to people. With the research phase complete, we are now considering our approach to embed the findings and become a more person-centred regulator.

Supporting professionals and students

From our regular newsletters and direct emails to our webinars, events and social media engagement, we continued to use a range of channels to support professionals and students across the four countries of the UK to provide safe, effective and kind care for people.

We marked the publication of our new post-registration standards, and the end of our six-year programme to modernise all our standards of proficiency, with a series of events. We were delighted to hear from speakers including current students, newly qualified practitioners and senior leaders. The events took place in Kirkcaldy, London and Belfast, and we will be visiting Wales in 2023–2024.

At these events, we launched a **new animation** which covers how our Code and standards work together to enable professionals to deliver high quality care to people throughout their careers. This was the first in a series of three animations intended to actively build an understanding of our role and what our professionals do for people.

It's essential that we empower everyone, no matter who they are, to have their say. Last year we welcomed a more diverse range of voices to our Midwifery Panel and launched a new membership policy for the group. This has helped us hear more from the perspective of women who use maternity services, and better reflect the diversity of the midwifery register amongst panel members.

Collaborating with partners and stakeholders

We have engaged a wide range of stakeholders in major programmes and consultations, including our English language review and pre-registration standards consultation. This helped us understand the implications of decisions and implement changes we know will support the workforce.

We have continued close, regular engagement with senior partners, health and care leaders, and other regulators. We also maintained our relationships with the UK Government, devolved ministers and officials. This has helped us respond to external challenges collaboratively and in consideration of how our decisions impact on professionals.

Our visual identity

In July 2022 we refreshed our visual identity to achieve a more accessible, inclusive and compelling design style for our work. This includes a new accessible colour palette and more inclusive and representative animation and photography styles.

Our new visual identity will help us be as clear and consistent as possible in all our interactions with people, which is fundamental to delivering our core regulatory work effectively, providing appropriate support and using our insight to influence.

Building new relationships with diverse groups

During 2022–2023, we completed a mapping exercise of our equality stakeholder engagement and built new relationships with diverse groups. This work focused on our engagement with organisations who represent or advocate for nursing and midwifery professionals with particular protected characteristics, people who use health and care services who have particular protected characteristics, and people who are subject matter experts on EDI and can help to inform our work as a regulator and an employer.

We are now developing an audience plan to help articulate the priorities from our EDI plan 2022–2025 and where we need to prioritise building or strengthening our stakeholder relationships across the four nations of the UK.

Corporate commitment:

Build trust in professional regulation through targeted campaigns to build an awareness of who we are, what we do, and what we stand for.

This year the pressures facing the health and care sector had a significant impact on the professionals on our register and students. In light of these pressures, we deferred our planned campaigns to 2023–2024.

Corporate commitment:

Create a modern and accessible website that effectively portrays our values, delivers our core services, and enhances our communications and engagement.

At the start of 2023, we launched a 24-month programme to create a more modern and accessible website. To help focus our efforts on the areas that will have the most impact for our audiences, we began with a research and discovery phase, which was completed in April 2023.

Our research and discovery looked at how the new website can help address key priorities such as reducing our fitness to practise caseload and supporting the workforce to deliver safe, kind and effective care. It also focused on barriers people face, and how navigation and language affect users.

We want to create a one-stop-shop for the public to access information and services with a streamlined and informative fitness to practise referral process. We also hope to empower nurses, midwives and nursing associates by improving access to our resources and services to ensure the best possible care for people, through integration of relevant standards in their daily work.

Using our insight and data

Ensuring our regulatory processes are fair for everyone

All nursing and midwifery professionals and students should be able to work and learn free from bias and discrimination. Our research indicates that this is not currently the case. As well as the devastating impact this has on professionals, we know from wider research that fair treatment of staff is linked to better care for members of the public and people who use services. Inequalities in the health and care sector and wider society directly impact the provision of effective, person-centred care, and in order to fulfil our regulatory role we need to hold ourselves and partners accountable for our part in these disparities.

Since 2019 we have been examining the impact of our regulatory processes on professionals with different diversity characteristics. In August 2022, we published the findings from the second phase of our **Ambitious for Change research**.

Since then, we have developed a targeted action plan to focus our interventions in the places they will have the most impact, which is likely to mean localised engagement in particular areas of the UK and in particular health and social care settings. In addition, we will continue to monitor our data to gain insight into equality differences across the four countries, and we will seek to engage stakeholders across the UK to influence sector-wide change.

Our ability to monitor impacts on people with different diversity characteristics is dependent on the data we have. We are looking at the equality, diversity and inclusion data we collect, to help us regulate well and be a good employer. As part of this we are considering whether we need to make changes to the data we collect about different audiences. Having the right EDI data helps us to identify and address discrimination and inequality, promote equality, support discussions about the health and care workforce, and foster good relations between different people and groups, in line with our Public Sector Equality Duty.

Implementation of Welsh language standards

The Welsh Language Standards (No.8) Regulations 2022 (WLSR) came into force on 31 October 2022 and apply to all healthcare regulators. Once implemented at the end of 2023, they will ensure that we treat the Welsh language no less favourably than English and will enable our colleagues to better understand and meet the needs of Welsh speakers.

We have analysed the impact of these changes on all our functions and have developed an implementation plan to ensure we meet the compliance deadline. We have met the Welsh Language Commissioner's Office to discuss the detail of the Standards and to ensure that the application of the standards is both reasonable and proportionate. We have also met regularly with the other healthcare regulators to share learning and ensure a consistent approach to compliance wherever possible for the benefit of the public.

Enhancing our regulatory impact

Corporate commitment:

Improve our insight and use it to enhance our regulatory impact and influence in the sector.

We rely on evidence and insight to ensure that our approach to regulation supports safe, effective and kind nursing and midwifery practice that improves everyone's health and wellbeing. Ahead of new developments in our regulatory policy or our standards, we undertake and commission evidence-gathering work, which is detailed elsewhere in this report.

We are committed to sharing our insights to spotlight issues that we know affect the quality and safety of care that people receive – such as workforce shortages. For a number of years, we have produced reports on our register which are used by stakeholders across the UK to shape their action on supply, recruitment and retention. This year, we took a closer look at internationally trained professionals on our register, in response to the big rise in the number of these professionals joining our register for the first time in 2021–2022. The report can be found **here**. This highlighted that professionals were still being recruited from 'red list' countries: countries from which active recruitment is prohibited by the UK Government because of healthcare workforce challenges in these countries. The data supported discussions with partners on ethical recruitment.

We have committed to using our insight and intelligence to influence the wider health and social care system. To help achieve this, in 2023 we will publish our first annual insight report. It will capture insight and learning from different projects, drawing out the impact on our processes and any implications for the wider health and social care system.

We have also continued to collaborate with the General Medical Council and the Care Quality Commission on the development of a shared data platform which helps us to jointly identify potential regulatory concerns and so protect the public more effectively. During the year, we signed a revised data sharing agreement which broadens data sharing to cover all settings (previously covering maternity services only).

Employer link service

During 2022–2023, our Employer Link Service (ELS) has continued to support and strengthen relationships with employers and other professional and system regulators. By building strong relationships with employers, we can identify risks as early as possible and support employers to manage concerns locally where appropriate. We know that local investigation and resolution is generally the best way to deal with concerns: employers can intervene directly and quickly in a professional's practice and do so in a more targeted way, leading to better outcomes for those they care for.

In 2022–2023, we continued to focus on providing support for employers to manage potential fitness to practise concerns about nurses and midwives across all countries, and nursing associates in England. Our Regulation Advisers have provided advice that supported local resolution of concerns and avoided inappropriate referrals into fitness to practise processes. This advice is provided either through regular engagement with employers or our employer advice line. We have also supported study days, conferences and webinars to discuss our processes and how to use our Code, avoid inappropriate referrals and ensure appropriate decisions are referred.

For example, in June 2022, we facilitated a webinar with employers to explain the fitness to practise process, our plans for caseload reduction and our proposals for regulatory reform.

Maternity services

Maternity services have been under intense pressure this year following significant failings reported in published investigations. In collaboration with the General Medical Council, we have delivered tailored education sessions to support health care professionals to develop the confidence and skills they need to proactively address unprofessional behaviour in the teams they work in. This will help to improve staff morale and wellbeing – and, most importantly, the safety of women, babies and their families.

We have also begun delivery of a Midwifery Matters programme which focuses on our standards, the Code and professionalism. Following positive feedback and appetite for these sessions, we will plan for expanded delivery across the UK in 2023–2024.

Supporting international professionals on our register

This year, ELS responded to the increased number of internationally educated nurses and midwives joining the register with the development of a Welcome to the UK programme. By preparing professionals for the cultural and ethical differences of working in the UK and raising awareness of our role and what it means to be regulated in the UK, we hope to improve retention, the professional's experience and, most importantly, the care they provide. We have piloted five sessions this year in England and Northern Ireland. The sessions have been well received and we have shared insights with employers and the Chief Nursing Officers.

"I think with everyone engaging and undertaking these conversations we can change for the better."

Professional Behaviours and Patient Safety workshop attendee

Learning from complaints and incidents

Complaints matter to us. Each time an issue is raised by a person using our services it provides us with an important opportunity to learn and improve.

We identified 127 learning points from complaints made to us in 2022–2023 (2021–2022: 230) which we used to improve our service. Here are three examples.

- **Delays in fitness to practise cases:** We continue to receive complaints from referrers, witnesses and professionals on our register who are involved in fitness to practise cases that have not been progressed in a timely manner. The issue of aged cases is being addressed through the Fitness to Practise Improvement programme.
- **Overseas registration applications being delayed due to issues with making payments:** Wherever possible our International Registration Team support customers to resolve the underlying causes of this matter.
- **Complaints that we have not made reasonable adjustments for people sitting their Objective Structured Clinical Examination:** We have strengthened our processes to ensure that reasonable adjustments are made for candidates when appropriate.

1,280
Formal complaints

In 2022–2023, we received 1,280 formal complaints (2021–2022: 1,610).

91%
Of complaints responded to within 20 working days

We responded to 1,163 (91 percent) of these within 20 working days (2021–2022: 92 percent within 20 working days)

We received 44 (2021–2022: 31) complaints from parliamentarians, including members of the UK Parliament and devolved legislatures in Scotland, Wales, and Northern Ireland. Although we acknowledge receipt as quickly as we can, given the complex nature of these enquiries we sometimes take longer than 20 working days to provide a substantive response. Of the 44 complaints we received in 2022–2023, we responded to 32 (73 percent) within 20 working days (2021–2022: 18 cases, 58 percent). Further work is underway to improve the timeliness of our responses.

We aim to handle any complaints about the service we have provided in a fair and timely way, treating those who raise complaints with respect and listening to their concerns. Following our response, 21 people remained unhappy (2021–2022: 53). We therefore reviewed our handling of their complaint and responded in an average of 17 working days (2021–2022: 13 working days).

We continue to focus on improving the performance of our Customer Enquiries and Complaints Team. We have embarked on a project to improve our handling of particularly complex complaints and introduced new case conferences to manage these.

We have continued to participate in the Inter-Regulatory Healthcare Complaints Forum and the Parliamentary and Health Service Ombudsman's Complaints Standards Framework Working Group to share best practice on complaints handling. Our Head of Customer Enquiries and Complaints has also presented on responding to complaints with kindness at the NHS Complaints Summit.

"I like the fact that you gave a listening ear to my complaint and also pinpointed exactly what the problem was. I really appreciate that."

A person who made a complaint

Freedom of information and data protection

We are committed to being as open and transparent as possible, while adhering to our legal obligations under freedom of information and data protection legislation.

This includes people's right to access their personal information, and the right to challenge the way we use and process their personal data.

We also respond to third-party disclosure requests from organisations such as the police and the Disclosure and Barring Service and Disclosure Scotland, with whom we can share personal information if there is a legal basis for disclosure.

Freedom of information

326 requests received (2021–2022: 328) 88 percent (2021–2022: 79 percent) responded to within statutory 20 working days.

General data protection regulation

350 requests received (2021–2022: 272) 90 percent (2021–2022: 72 percent) responded to within a statutory one calendar month.

Third party disclosure

1,059 requests received (2021–2022: 915) 95 percent (2021–2022: 90 percent) responded to within a statutory one calendar month.

Total information requests responded to on time

1,609 out of 1,735 (2021–2022: 1,278 out of 1,515) 93 percent (2021–2022: 84 percent).

Our performance against statutory deadlines has improved throughout 2022–2023, but we recognise there is still more to do to improve timeliness of our handling of large data subject access requests. We have adjusted our resourcing model to handle these cases more effectively.

If someone is unhappy with how their request for information has been handled, they can request an internal review.

We received a total of 29 requests for internal reviews during 2022–2023 (2021–2022: 23). This is proportionately low – only two percent of cases.

Of the people who remained dissatisfied following the outcome of their internal review and referred us to the Information Commissioner's Office (ICO), there were no cases that the ICO chose to investigate beyond initial enquiries. In one case we were asked to revisit our disclosure decisions, which we did and gave a revised response.

Preparing for regulatory reform

We have continued to work with the UK Government to develop a new legal framework that will modernise how we regulate. We have long called for modernisation of our legislation, which is now over 20 years old, and we are pleased that the UK Government has made significant progress in developing its proposals to deliver this. We see this as a once-in-a-generation opportunity to establish modern, flexible legislation that allows us to act swiftly and fairly for the benefit of people and their families, and nursing and midwifery professionals.

Key benefits that regulatory reform will bring include:

- the ability to change and flex our regulatory requirements and processes more quickly by being able to approve our own regulatory rules instead of relying on Privy Council approval
- giving us the tools to ensure that all our processes are clear, efficient, person-centred and proportionate
- having a register of professionals that is clearer and easier for people to understand and ensuring that our protected titles and enforcement powers are fit for purpose
- strengthening our quality assurance of nursing and midwifery education by taking evidenced and proportionate action to maintain safe learning environments
- acting more rapidly to protect the public if someone cannot meet our Code and standards.

In February 2023 the UK Government launched a consultation on draft legislation that would bring anaesthesia associates and physicians associates into regulation by the General Medical Council. This legislation will act as the template for wider legislative reform, including our own. For this reason, we have worked closely with the UK Government and other regulators to make sure this legislation would work for us. We have responded to this consultation and worked with our key stakeholders to encourage them to take part.

At the same time, we have also been undertaking development work to explore how we can use the increased flexibility to modernise our processes and policies, including drafting a set of new rules which set out how our new processes would work. Throughout our work in this area, we have been assessing the potential impact on different groups to ensure that we maximise opportunities to promote equality.

The UK Government has now committed to working with us and a small group of other regulators to develop the next stage of reform. We believe we are well placed to take a leading role in this and for our legislation to be developed as a priority.

Fit for the future organisation

Corporate commitment:

Deliver our People Plan that supports our colleagues to be engaged, retained and supported to deliver our strategy.

To ensure we are supporting our colleagues and have the capabilities to achieve our strategy, in April 2022 we begain implementing a People Plan to make us a more inclusive employer that attracts the best talent, develops colleagues and ensures everyone is appropriately rewarded.

During 2022–2023 we have improved our ability to attract, recruit, retain and develop a more diverse and skilled workforce through the actions outlined below.

- We have implemented our new hybrid working policy, whereby colleagues are offered a permanent flexible approach to how they work; with the expectation that only part of the week should be in an office, where appropriate.
- We launched a new resourcing process and applicant tracking system to create a better candidate journey and better routes for internal career progression and development.
- We introduced a new learning management system and have developed proposals for ensuring all our leaders and managers are trained in NMC Management Essentials. This will be complemented by the implementation of a more regular (quarterly) review of objectives via a new, online appraisal system. The new process is intended to support reflective discussions between managers and colleagues about performance and development.
- We engaged colleagues on proposals for a new pay structure and pay policy, including how colleagues progress along a pay range. This responds to concerns from colleagues about the competitiveness of our pay and reward offer and the fairness and transparency of our approach.

Key EDI developments

Employee networks form an integral part of the NMC's commitment to tackling inequalities and creating an inclusive workplace culture. They help to promote organisational values, provide a safe place for colleagues to raise concerns and access peer support. We have taken steps to formalise the contribution of networks through agreeing protected time so we can test our approach with network representatives and incorporate their feedback in corporate developments. We also provide targeted learning and development, sending a strong message to the organisation that the contribution of networks is supported and corporately recognised. We have also developed a guidance toolkit to support the effective operation of the NMC's employee networks.

In order to address our pay gaps, we have focused on recruitment and building the capability and confidence of colleagues on EDI. We have piloted inclusive recruitment training, drawing on colleague feedback to ensure it is shaped to the needs of the NMC. This has been delivered to support the implementation of our new applicant tracker system. This system, which is designed to reduce bias in the selection process, is also enabling us to gather better data at all stages of the recruitment process and identify where disparities are present in our processes. This will help us to focus future interventions where they are most needed.

EDI is a key focus of our new management essentials training course. The course will ensure managers are confident and equipped to role model and embed best practice, enabling them to continually improve inclusivity and equality throughout a colleague's journey at the NMC.

These activities are supporting us to address discrimination and inequality within the NMC and make positive culture changes. In turn, this will enable us to develop our EDI leadership role outside the NMC: strengthening our ability to tackle discrimination and inequality in the wider workforce, and the negative impact this has on the health outcomes of people and communities.

Key statistics

Employee turnover at 31 March 2023: 12.8 percent (11.8 percent at 31 March 2022). This was an expected increase after the easing of the Covid-19 pandemic which led to a candidate-driven labour market. The London average turnover rate is 12 percent so we are in line with the wider environment.

Overall sickness absence for 2022–2023: 2.9 percent (2.9 percent for 2021–2022). The three highest recorded reasons for absence remain the same as last year – mental health-related absence, minor illness and Covid-19.

Turnover of new starters leaving within six months of joining at 31 March 2023: 9.4 percent (14.3 percent at 31 March 2022). We believe this is primarily due to the candidate-driven market, but will continue to explore the reasons for this and will aim to further reduce turnover within six months of joining in the coming year. To help achieve this, we have reviewed our exit interview framework and added new questions, including questions specifically focused on EDI, which will strengthen our understanding of colleagues' reasons for leaving the NMC.

Headcount at 31 March 2023: 1,151 (1,132 at 31 March 2022).

Corporate commitment:

Improve the way we are structured so that we can deliver our strategy.

During 2022–2023, we undertook initial development work on a target operating model to help us deliver our strategy as effectively as possible. This work focused on changes we could make within our current model as well as more fundamental organisation-wide changes. To ensure effective use of resources, we decided to pause discussions on an organisation-wide target operating model until 2024, ahead of our next strategy. To help us deliver our current strategy, we have developed principles to guide targeted structural changes, which are identified through mechanisms such as directorate and priority reviews.

During 2022–2023, the findings of the directorate and priority reviews have been used to develop capability and ways of working across the NMC.

For example, in July 2022, we established the Change and Continuous Improvement function. Establishing the function moved us from a distributed change and improvement management structure to a centralised structure; creating a centre of excellence for leading change and continuous improvement work across the organisation.

Corporate commitment:

Deliver contemporary IT through our technology improvement programme and core business to improve our efficiency.

In 2022–2023 we have continued to upgrade and improve our IT services so that our colleagues have the systems and processes they need to fulfil their roles as effectively as possible. We are investing in cloud and digital technologies to allow us to achieve this vision and ensure the organisation is fit for the future.

Technology Improvement programme

Our Technology Improvement programme is a multi-year programme designed to make it easier for colleagues to do their day-to-day jobs, enabling the organisation to be more effective in its role as a regulator. To make this happen we are investing in modern cloud and digital technologies while maintaining the security of our information and data.

While the programme has experienced some delays due to some unforeseen technical challenges, we have achieved some key successes.

- From July to August 2022, as part of the Modern Workplace workstream, we introduced new digital collaboration tools for all colleagues by implementing Microsoft 365, Teams and Windows 11. These tools have improved productivity, enhanced hybrid working and made our technology more accessible and easier to use for all.
- We have modernised the network between our sites, which supports our move to the cloud and enables faster and more robust connections for colleagues wherever they choose to work.

Corporate commitment:

Update digital systems that support how we regulate to improve the experience for customers and colleagues.

Modernisation of Technology Services

The Modernisation of Technology Services (MoTS) programme was established in July 2018. Our vision is for our digital technology to make it easier for people to connect with us and for our colleagues to do their jobs. The technology platform we are adopting to deliver new capability is Microsoft Dynamics 365 (D365), which is a modern cloud-based system that is more efficient, adaptable and secure than our current approach to supporting technology systems.

During the first half of 2022–2023, we delivered enhancements to D365 which holds our Register. In the summer of 2022, we embarked on the final phase of the project to move the Register, and its associated processes, from the legacy system to D365.

The move is on track to complete in autumn 2023 and the Register will then be held on a safer, more secure platform ensuring it remains live and accessible to the public.

In January 2023, we made changes to our external-facing technology systems to incorporate an initial set of key changes to our English language registration requirements.

During the year we have also progressed data fixes to improve the integrity of our D365-based education quality assurance solution and will work to enhance the functionality through 2023.

Looking ahead, during 2023, we will complete the high-level design of the replacement system to manage fitness to practise cases. We will deliver prototypes ahead of the full replacement system in 2024–2025. The new system will help us to progress cases through the fitness to practise system more efficiently.

Corporate commitment:

Create modern workspaces that support wellbeing and collaboration.

During 2022–2023, we started the procurement for the key roles which will support us with the planned refurbishment of 23 Portland Place, such as the architect and construction project manager. We have also begun initial engagement with our landlord as part of the feasibility, design, and planning phase. We had planned to progress this work further but we experienced some delays due to Covid-19 and the relocation and fit-out of our new hearing venue and office space in Edinburgh.

Work will continue into 2023–2024 and beyond to create a modern, accessible and safe working environment to support our aim of a fit for the future organisation.

Corporate commitment:

Implement an NMC sustainability and environmental plan.

Improving our sustainability has continued to be a priority for us given the impacts of climate change and wider damage to the natural environment on everybody's health and wellbeing. Key areas that we have made progress in during 2022–2023 are outlined below.

- For our estate, as part of creating a fit for the future organisation, we have started the initial feasibility, design and approval phase of the refurbishment of our central London office at 23 Portland Place. We will be using the world leading science-based Building Research Establishment Environmental Assessment Method (BREEAM) benchmark as our standard for sustainability for the project. This will build on the high standards achieved in our recent refurbishment work at 10 George Street, Edinburgh where the building achieved a BREEAM 'very good' rating, and our One Westfield Avenue office which was assessed as the highly rated BREEAM 'excellent'.
- We have continued to exclude investment in companies that are significantly engaged in the production or processing of fossil fuels. Our investment policy, including our adoption of the Principles of Responsible Investment supported by the UN (UNPRI), can be found **here**.

- We have continued to monitor and encourage improvement to our carbon footprint generated by travel. As the table below shows, after a reduction in travel due to the Covid-19 pandemic, we have now seen an increase, mostly associated with attending fitness to practise hearings. As a result, where appropriate, we are looking to maximise our use of virtual hearings and encourage people to use rail rather than air travel where possible.

CO_2* tonnes	2022–2023	2021–2022	2020–2021
Flights	106	48	8
Rail	26	14	2
Hotels	37	53	8
Total	169	115	18

- In March 2023, we appointed an external partner to help us develop a robust and evidence-based sustainability plan. We had intended to develop the plan by the end of 2022–2023, but due to competing priorities we have rephased this to quarter one of 2023–2024. When selecting our partner, we carefully considered equality, diversity and inclusion both in how our partner operates and in how they will assess the EDI impacts of our sustainability plan. This is in addition to the general EDI benefits of becoming more sustainable given the higher impacts of climate change on the most disadvantaged people.

*CO_2 units are expressed in metric tonnes of CO_2e (CO_2e = carbon dioxide equivalent. CO_2e is a standardised unit of measurement which allows other greenhouse gas emissions to be expressed in terms of CO_2 based on their relative global warming potential).

Strategic plan for 2023–2025

Our commitments for the next two years aim to improve people's health and wellbeing by supporting professionals to deliver safe, effective and kind nursing and midwifery practice.

Proactive support for professionals

1. Deliver a new set of ambitious post-registration standards focusing on community nursing practice (completed in 2022).
2. Provide greater flexibility in nursing and midwifery pre-registration education and training by launching new standards for pre-registration education in the UK.
3. Review regulation of advanced nursing and midwifery practice.
4. Review revalidation requirements for nursing and midwifery professionals.
5. Implement a new data-driven and proportionate approach to education quality assurance which enables us to have a more holistic oversight of institutions and their programmes to make appropriate interventions.
6. Evaluate whether protected learning time is in line with current nursing associate standards.

Improvement and innovation

7. Reduce our fitness to practise caseload and make improvements to how we regulate to ensure that we process cases in a timely, safe, proportionate, and efficient way.
8. Work with the Department of Health and Social Care to deliver a substantial programme of regulatory reform to remove legal barriers that limit improvements in the way we regulate.
9. Tackle discrimination and inequality and promote diversity and inclusion to make sure that our processes are fair for everyone.
10. Continue to ensure OSCE capacity meets demand and to explore ways of improving access.
11. Deliver policy and legislative change to enable new approaches to international registrations, including a further review of English language guidance, to ensure that it is fair.
12. Maintain the Covid-19 emergency register.

More visible and better informed

13. Build trust in professional regulation through targeted campaigns to build an awareness of who we are, what we do, and what we stand for.

14. Expand our national and local outreach to embed regulation, support, and influence at local level.

Empowering and engaging

15. Create a modern and accessible website that effectively portrays our values, delivers our core services, and enhances our communications and engagement.

Greater insight and influence

16. Improve our insight and use it to enhance our regulatory impact and influence in the sector.

Fit for the future organisation

17. Deliver our People Plan that supports our colleagues to be engaged, retained and supported to deliver our strategy.

18. Improve the way we are structured so that we can deliver our strategy.

19. Update digital systems that support how we regulate to improve the experience for customers and colleagues.

20. Deliver contemporary IT through our technology improvement programme and core business to improve our efficiency.

21. Create modern workspaces that support wellbeing and collaboration.

22. Implement an NMC sustainability and environmental plan.

New commitment for 2023–2024

Implement the new Welsh language standards.

Financial review

Income and expenditure

Our total income for 2022–2023 was £102.9 million (2021–2022: £100.4 million) and total expenditure was £98.1 million (2021–2022: £92.9 million). This has resulted in a net surplus of income over expenditure of £4.8 million (2021–2022: £7.5 million surplus) before the loss on our investments and the net movement on the actuarial gain and asset ceiling adjustment on the defined benefit pension scheme. After those movements, our total funds remained the same as the prior year (2021–2022: £7.0 million increase).

We had planned for a £10.1 million deficit in 2022–2023. The breakeven position is largely due to much healthier income and lower expenditure across both our core business and some of our projects. Our expenditure on programmes and projects was lower than anticipated due to timing of delivery, with some costs deferred into future years. Additionally, we also reviewed and adjusted the period over which we depreciate our IT projects. This means that depreciation of these major assets – such as our register and our case management system – better matches their expected useful lives. The adjustment from three to ten years reduced depreciation for the year by £3.8 million but has no impact on the level of our free reserves or cash.

Income from registration and application fees was £100.4 million, in line with our budget and an increase on the previous year (2021–2022: £96.8 million). This was driven by the number of nurses, midwives and nursing associates on our permanent register growing by 4.0 percent, to 788,638, and by the increase in applications from international professionals.

The continuation of both these increases in future remains uncertain in the context of an increasing age profile for the register and the general volatility in the number of international applications. The continuation of the temporary register until September 2024 will not have an impact on our fee income since the professionals on the temporary register do not pay a fee.

Our 'other income' includes £0.1 million (2021–2022: £0.1 million) from the Department of Health and Social Care (DHSC), reimbursing us for the costs of setting up and maintaining the temporary register; £0.2 million (2021–2022: £2.6 million) 'grant income' was also received from the DHSC for the costs associated with increasing Objective Structured Clinical Examination (OSCE) capacity, ensuring sufficient, timely provision to meet the increase in the number of international applicants seeking to take the Test of Competence. Most of this funding, some £0.2 million (2021–2022: £2.4 million), was passed on by us directly to the OSCE delivery centres in the universities providing the tests.

Our total expenditure of £98.1 million was £8.6 million (8.0 percent) lower than we had budgeted but increased by £5.2 million compared to 2021–2022, when our activities and costs continued to be constrained by the Covid-19 pandemic. The underspend against budget in 2022–2023 arose from several factors including slippage in recruitment to fill vacancies and some deferral in project and programme spend.

Note 5 to the financial statements sets out our fully allocated costs for each charitable activity as required by the Charities Statement of Recommended Practice (SORP). This separates out the direct costs of each activity alongside the associated support costs which have been allocated using headcount or overhead usage. The commentary that follows is based on the direct cost column before allocation of support costs.

Direct costs of fitness to practise were £48.0 million, a significant increase on £42.4 million in 2021–2022. This has been driven by additional investment in this area required to reduce our caseload swiftly and safely.

This protects the public by delivering a greater volume of more timely and more proportionate decisions, and minimises the distress for those involved, and remains our key priority. It also creates significant financial demands as we move to reducing the caseload further. This is the key driver behind our planned further investment in fitness to practise during 2023–2024 and 2024–2025. Recruitment challenges in the past two years have meant that investment in this area has been slower than anticipated and some costs have been deferred to later years. As a result, we have indicatively budgeted for deficits in the next two years as we work to reduce the caseload to pre-pandemic levels. This is made possible by our level of free reserves, an element of which has been ringfenced to fund the investment required.

The direct costs of maintaining the register were £5.5 million in 2022–2023 (2021–2022: £8.3 million).

Overall support costs (including facilities, finance, people and technology) were £32.3 million (2021–2022: £31.0 million).

Pensions

The NMC has two pension schemes: a defined benefit scheme, which was closed to new entrants in November 2013 and closed to future accrual of benefits with effect from 1 July 2021; and a defined contribution scheme, into which all new employees are auto enrolled.

NMC contributions to the defined contribution scheme are expensed in the year they are due. The assets of the defined contribution scheme are attributable to individual employees and are not, therefore, shown in our accounts.

With respect to the defined benefit pension scheme for the purposes of our accounts and in line with FRS 102, its assets are revalued to market value and independent actuaries update their estimate of the value of the liability each year. The liability is estimated as the discounted present value of the pension benefits due to members of the scheme. The estimate of the liability depends on a number of standardised actuarial assumptions including expected mortality rates, inflation and yields on corporate bonds over a number of years into the future.

During the year, the market value of the defined benefit scheme assets reduced by £26.1 million and the liability reduced by £35.6 million, resulting in the scheme showing a net surplus of £15.3 million at the end of the year.

For a number of years up to and including 2020–2021 the net position on the defined benefit scheme shown in our balance sheet was a deficit, being the difference between the value of the scheme assets and the higher value of the pension liability. However, the FRS 102 valuations as at 31 March 2022 and 2023 have shown a surplus with the value of the scheme assets being higher than the estimated liability. Legal advice has confirmed that recovery of the surplus by the NMC from the pension scheme is a very remote possibility. It could only happen once all the liabilities of the scheme have been discharged. FRS 102 states that "an entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus". As a result this year, as last year, an asset ceiling adjustment has been applied to bring the net position to neither a surplus nor a deficit on the balance sheet.

This treatment of the surplus is only for the purposes of our accounts. The pension trustees, who are independent of the NMC, retain control over the scheme's assets and any surplus, however calculated, that relates to them.

During 2022–2023 a triennial review of the defined benefit scheme was also completed by the pension scheme trustees based on its position at 3 1 March 2022. This was carried out by the actuary reporting to the trustees and was for the purpose of defining whether the NMC still needs to contribute recovery payments to the scheme to ensure that it has sufficient funds to meet expected liabilities. As required, this was done according to actuarial and The Pensions Regulator standards rather than in line with the FRS 102 requirements used for the accounts.

The result of this valuation also showed a surplus even under very cautious assumptions designed to ensure the scheme has 'low dependency' on the employer.

As a result of this triennial review also showing a surplus, the independent pension trustees have agreed with us that recovery plan payments are no longer required. Under the previous recovery plan agreed with the pension scheme trustees, we paid £1.9 million in 2022–2023. This position will be reviewed at the next triennial review as at 31 March 2025.

Investments

Nurses, midwives and nursing associates pay their registration fee either annually or quarterly in advance. Together with our free reserves, this means that we hold significant cash balances.

During 2020–2021 we moved to implement Council's investment policy, which identified a fund of £30 million to invest in stock markets for the long term. In 2022–2023 we added an additional £3 million to that investment, which has a target rate of return for the long-term fund of three percent above the Consumer Price Index (CPI) measure of inflation (CPI+3 percent) net of investment management costs.

While we recognise that investing in equities, funds and bonds carries risk, by investing through expert investment managers – whose performance is overseen and scrutinised by our Investment Committee – we expect that such investment will deliver an above-inflation return over the long term and thereby help to avoid or mitigate the need to increase our fees.

In 2022–2023, dividend and interest income from the portfolio, which is reinvested, was £0.9 million (2021–2022: £0.7 million), with an unrealised loss on investments of £1.9 million (2021–2022: £1.0 million gain) at the year end. The statement of financial activities shows investment management costs of £0.16 million (2021–2022: £0.16 million). The total value of the investment fund at the year-end is £34.7 million. This is the same as the £34.7 million we have invested in total since inception in July 2020, being £33.0 million of capital invested and £1.7 million dividend and interest income reinvested.

As the unrealised loss indicates, performance this year has been disappointing relative to previous periods, reflecting very difficult market conditions. Given recent high inflation, we would have needed an annualised growth rate of 9.4 percent since the inception of our portfolio to achieve our long-term target rate of return of CPI+3 percent to March 2023. Our actual annualised growth rate has been 3.6 percent. Nevertheless, with inflation expected to fall in the near term, there is still a reasonable prospect of being able to achieve our long term growth target in coming years.

We regularly review and update our investment policy, including its ethical and sustainability dimensions. Our current investment policy is available on **our website**.

The interest earned on our bank deposits during the year was £1.2 million (2021–2022: £0.2 million). The increase compared to the previous year is because interest rates have been significantly higher in 2022–2023 than they were in 2021–2022.

Reserves

Our reserves policy is to maintain free reserves within a target range. Free reserves are funds that are freely available to spend, so do not include restricted funds, tangible fixed assets, intangible fixed assets and amounts designated for essential future spending. We also set a minimum level for the aggregate forecast cash and investments balance over the coming financial year. The Council reviews the target range of free reserves and the minimum cash and investments balance at least annually.

The target minimum level of free reserves is set to ensure our sustainability, taking account of the security of our income stream, our cash and investment balances, and an assessment of the potential financial impact of risks faced by the NMC. The target maximum level of free reserves is set to ensure our resources are applied effectively, balancing the interests of the professionals on our register who finance us through the fees that they pay, and the public who benefit from our work.

In March 2023 the Council reviewed the latest position regarding the reserves policy and agreed that the target range of free reserves should remain zero to £25 million, and the minimum aggregate cash and investments balance should remain £20 million.

Our total reserves at 31 March 2023 were £76.8 million (2022: £76.3 million) and free reserves were £44.5 million (2022: £47.6 million). Although free reserves are significantly above the upper end of the target range, this reflects the need to provide for some £40 million of investment planned over the next three years. This planned investment in technology infrastructure and modernised accommodation will directly improve our service to the public and to the professionals on our register. It will also produce significant annual cash savings and reduced environmental impacts. This will be through a reduced and more environmentally sustainable accommodation footprint as well as significant process efficiencies as we enhance our case management.

The strong levels of reserves also supports the position on going concern that is set out at note 1a to the accounts.

Sir David Warren
Chair
10 July 2023

Andrea Sutcliffe
Chief Executive
and Registrar
10 July 2023

Remuneration report

The Remuneration Committee's remit is to ensure there are appropriate systems in place for remuneration and succession planning at the NMC.

To fulfil this remit, the Committee considers the annual pay review for employees, as well as progress against the People Plan, any significant changes to the employee pay and grading structure or pension schemes.

The Committee approves reward packages for the Chief Executive and Registrar and Executive Directors on appointment, annual pay increases and reviews their performance annually, as well as having oversight of Executive succession planning.

The Committee also exercises oversight of Council appointment processes and recommends to Council any changes to allowances paid to the Chair, Council members, Associates and Partner members.

In reaching decisions on remuneration, the Committee considers a range of factors, including sector benchmarking and overall affordability. This year those decisions have been taken in the context of the rising cost of living, as well as pay awards for nursing and midwifery professionals and the wider public sector, and the need to ensure our approach to pay attracts and retains colleagues fairly and effectively. These decisions have been taken using benchmarking data and insight from reward consultants.

Other areas of priority focus for the Committee in the year included considering the updates on the People Plan and reviewing the effectiveness of the Associate scheme.

The National Audit Office (NAO) audits the financial aspects of this report.

Council allowances and expenses

The Council is the governing body of the NMC and has ultimate decision-making authority as described in the annual governance statement. The Council members are the charity trustees.

Under the Nursing and Midwifery Order 2001, the Council is responsible for determining the allowances to be paid to the Chair of Council, Council members, Associates and Partner members (members of committees who are not Council members).

To manage conflicts of interest, the Council has put in place arrangements for an Independent Panel made up of external experts to assess the appropriate level of allowances. The Council has agreed that it will either accept or reduce the level of allowance recommended by the Panel but will not increase it. The Remuneration Committee is responsible for overseeing the establishment of the Independent Panel and reviewing its findings for consideration by Council.

As reported in the 2021–2022 Remuneration Report, Council considered the findings of the most recent Independent Panel on 6 July 2022. In making its recommendations, the Panel considered a wide range of evidence, including allowance levels for comparative organisations, overall affordability and pay for nursing and midwifery professionals, as well as noting that allowances had not increased since 2017. The Panel was particularly conscious of the pressures on nursing and midwifery professionals due to the impact of the Covid-19 pandemic.

In line with the Panel's recommendations, on 6 July 2022 Council agreed the following.

- A three percent uplift to the Council member annual allowance (from £14,724 to £15,166), Partner member daily rate (from £286 to £295) and Associate annual allowance (from £10,296 to £10,605). The Council agreed that changes to allowances should be backdated to April 2022.
- Committee Chairs may be paid an additional allowance from between £0 to £2,500 - this should be at the discretion of the Chair of Council based on responsibility and time spent undertaking the role.

Given that the role of Committee Chair may attract an additional allowance, in December 2022 Remuneration Committee agreed proposed changes to the appointment process. The Committee also agreed a process to support the Chair in setting any additional allowances. It was agreed that any additional allowances would be paid from 2023–2024 onwards. As such no additional allowances were paid in 2022–2023.

Allowances paid to Council members and Associates in 2022–2023 amounted to £261,237 (2021–2022: £239,542). No extra-contractual payments were made to any Council, Associate or Partner member in 2022–2023.

Allowance payments to Council members, Associates and Partner members are made through payroll, with deductions for income tax and National Insurance. Expenses directly incurred in the performance of duties are reimbursed in accordance with the Council's Travel, Accommodation and Expenses policy.

Expenses are made up of travel, accommodation, meals and subsistence, and are incurred when members are carrying out their duties. The expenses received by members vary widely due to the costs of travel and accommodation for attending meetings from home locations across the UK, including travel from Wales, Scotland, Northern Ireland and parts of England which necessitate overnight stays. They also vary because some members undertake more activities that require travel, whereas others undertake more activities that can be undertaken virtually. Where any meetings are held in London, expenses are considered to be a taxable benefit in kind. The NMC pays the income tax and National Insurance arising through a PAYE settlement agreement with HMRC. All expenses incurred by Council members and Associates are included in table 1.

When Council meetings are in London, members attend evening meals with members of the Executive and those meals are considered to be a taxable benefit in kind. The NMC pays the income tax arising through a PAYE settlement agreement with HMRC. The value of the benefit is shown gross, including the attributable income tax.

Method used to assess performance

The Council regularly reviews its own effectiveness. It also has an agreed policy and process in place for reviewing performance of Council, Associates and Partner members. The performance review of the Chair of the Council is undertaken by the Vice-Chairs and includes a self-assessment by the Chair, peer assessment by Council colleagues and input from the Executive. A similar process is in place for individual Council and Associate members led by the Chair, and by the Committee Chair for Partner members.

Diversity of our Council members, Associates and Partner members

Diversity data, on 31 March 2023, for our Council members, Associates and Partner members is shown below. In total there were 12 Council members, two Associates and six Partner members (31 March 2022: 11 Council members (one vacancy), two Associates, seven Partner members).

Gender

Female	Male
14	6

(2021–2022: 14 Female, 6 Male)

Ethnicity

White British	African	Black Caribbean	Indian	Irish	White British/Irish
15	1	1	1	1	1

(2021–2022: 16 White British, 2 Black African, 1 Black Caribbean, 1 White British/Irish)

Disability

No disability	Declared disability	Preferred not to answer
18	1	1

(2021–2022: 18 No disability, 1 declared a disability, 1 preferred not to answer)

More EDI data on Council members, Associates and Partner members can be found in our **EDI data tables.**

Table 1

Council allowances and expenses (subject to audit by the NAO)

	2022–2023				2021–2022			
	Allowance (bands of £5,000) £'000	Taxable expenses (to nearest £100)	Total remuneration (bands of £5,000) £'000	Other expenses (to nearest £100)	Allowance (bands of £5,000) £'000	Taxable expenses (to nearest £100)	Total remuneration (bands of £5,000) £'000	Other expenses (to nearest £100)
Sir David Warren (Chair) (from 21 June 2021)	75–80	1,000	75–80	1,700	60–65	100	60–65	0
Professor Karen Cox (Deputy (Acting) Chair from 5 October 2020 to 20 June 2021)[1]	15–20	4,000	15–20	300	10–15	300	15–20	0
Sir Hugh Bayley	15–20	1,800	15–20	600	10–15	600	15–20	0
Justine Craig (from 1 May 2021 to 31 December 2021)	0	0	0	0	5–10	0	5–10	0
Claire Johnston	15–20	2,700	15–20	300	10–15	400	15–20	0
Eileen McEneaney MBE	15–20	7,800	20–25	0	10–15	600	15–20	0
Dr Margaret McGuire OBE (from 1 May 2022)	10–15	7,400	20–25	400	0	0	0	0
Robert Parry (to 30 April 2021)	0	0	0	0	0–5	0	0–5	0
Marta Phillips OBE	15–20	1,300	15–20	300	10–15	100	10–15	0
Derek Pretty	15–20	5,300	20–25	800	10–15	500	15–20	0
Anna Walker CB	15–20	700	15–20	300	10–15	0	10–15	0
Ruth Walker MBE	15–20	9,500	20–25	700	10–15	1,400	15–20	0
Sue Whelan Tracy	15–20	3,200	15–20	0	10–15	1,700	15–20	0
Dr Lynne Wigens OBE	15–20	2,500	15–20	300	10–15	1,200	15–20	0
Associates								
Jabulani Chikore (from 1 March 2023)	0–5	0	0–5	0	0	0	0	0
Tracey MacCormack (until 31 December 2022)	5–10	400	5–10	300	10–15	0	10–15	100
Dr Gloria Rowland MBE (until 31 December 2022)	5–10	400	5–10	200	10–15	0	10–15	0
Navjot Kaur Virk (from 1 March 2023)	0–5	500	0–5	0	0	0	0	0
Total	**261.2**	**48,700**	**309.9**	**6,100**	**239.5**	**6,900**	**246.4**	**100**

1. Professor Karen Cox declined to accept any additional allowance during the period she was Acting Chair of the Council (5 Oct 2020 to 21 June 2021).
2. In 2021–2022, one new Council member was reimbursed for time spent engaging in induction activities before her formal term of office began. These payments have been included in the allowances total for the individual. Payments were made using equivalent daily rates of £409 for Council members and £286 for Associates.
3. Totals subject to rounding.

Senior management team remuneration and performance assessment

The Executive is the senior management team and comprises the Chief Executive and Registrar (Chief Executive) and Executive Directors, including those in acting or interim roles. All Executive Directors report directly to the Chief Executive. No Executive Directors are members of the Council or trustees of the NMC. Remuneration details are disclosed in full for all these individuals in table 2.

The Chief Executive and Registrar is the only employee appointed directly by and accountable to the Council. The Council has delegated authority to the Chief Executive to the extent described in the Scheme of Delegation (Annexe 1 to Standing Orders, paragraphs 6–11) and reflected in the annual governance statement later in this report.

Executive performance assessment

The Remuneration Committee reviews the performance of all members of the Executive annually. The Committee reviews reports from the Chair on the performance of the Chief Executive and Registrar. The Committee also reviews reports from the Chief Executive and Registrar on the performance of the Executive Directors.

Executive remuneration

The remuneration of the Executive is approved by the Remuneration Committee annually in line with the Executive pay framework approved in 2016 and updated in 2020 to reflect the new organisational structure and Executive Director roles within this.

The Executive's remuneration for 2022–2023 was agreed by the Remuneration Committee in February 2022. In line with advice from independent executive pay advisers, the Remuneration Committee concluded that for 2022–2023 the Executive should receive a two percent pay award. This was a lower pay award than for other employees, which was three percent. The Committee agreed the Chief Executive and Registrar's request not to receive a pay award.

Andrea Sutcliffe was appointed Chief Executive and Registrar of the NMC on 14 January 2019. Her remuneration package for 2022–2023 included a base salary of £175,000, employer contributions to the NMC defined contribution pension scheme of £14,000 and benefits in kind of £818, giving rise to a total remuneration figure of £189,818.

The remuneration of the Executive team is set out in table 2. In total the Executive team (including interim Executive Directors and acting Executive Directors) were paid £1.313 million in 2022–2023 (2021–2022 £1.615 million).

When Council meetings are in London, members of the Executive team attend evening meals with Council and those meals are considered to be a taxable benefit in kind. The NMC pays the income tax arising through a PAYE settlement agreement with HMRC, and the value of the benefit is shown gross including the attributable income tax. The Executive team does not receive any other taxable benefits. In line with the limits and processes outlined in our Expenses Policy for Staff and Other Workers, Executive members can claim travel, accommodation and subsistence when undertaking business trips.

The NMC does not operate any performance-related pay or bonus arrangements. None of the Executive therefore received any performance bonuses.

Andrea Sutcliffe's employment contract requires notice of six months to be given by either party to terminate the contract. For Executive Directors the period is three months.

Table 2

Executive team remuneration (subject to audit by the NAO)

	2022–2023					2021–2022				
	Salary (bands of £5,000) £'000	Taxable expenses (to nearest £100)	Pension benefits (to nearest £'000)	Total remuneration (bands of £5,000) £'000	Other expenses (to nearest £100)	Salary (bands of £5,000) £'000	Taxable expenses (to nearest £100)	Pension benefits (to nearest £'000)	Total remuneration (bands of £5,000) £'000	Other expenses (to nearest £100)
Andrea Sutcliffe Chief Executive and Registrar	175–180	800	14,000	185–190	3,100	175–180	100	14,000	185–190	1,100
Ruth Bailey[1] Executive Director of People and Organisational Effectiveness (job share) from 7 November 2022	35–40 FYE 85–90	200	1,000	35–40	0	0	0	0	0	0
Lise-Anne Boissiere[1] Executive Director of People and Organisational Effectiveness (job share) from 7 November 2022	35–40 FYE 85–90	100	5,000	40–45	300	0	0	0	0	0
Emma Broadbent[2] Executive Director of Professional Regulation 2020-2021 Executive Director April 2021 to 23 Jan 2022 Acting Executive Director of People and Organisational Effectiveness from 24 January 2022 to 30 September 2022	75–80 FYE 150–155	300	11,000	85–90	200	150–155	100	21,000	170–175	0
Sam Foster Executive Director of Professional Practice from 27 March 2023	0–5 FYE 175–180	100	0	0–5	0	0	0	0	0	0
Andrew Gillies Executive Director of Resources and Technology Services to 31 July 2021	0	0	0	0	0	45–50 FYE 130–135	0	6,000	50–55	0
Helen Herniman Interim Executive Director from 21 July to 31 August 2021 Executive Director of Resources and Technology Services from 1 September 2021	155–160 FYE 150–155	800	22,000	175–180	1,000	95–100 FYE 135–140	100	9,000	105–110	200
Lesley Maslen Executive Director of Professional Regulation from 8 August 2022	95–100 FYE 150–155	500	14,000	110–115	600	0	0	0	0	0
Matthew McClelland[3] Executive Director of Strategy and Insight	140–145	700	35,000	175–180	1,500	140–145	100	32,000	175–180	1,200
Ngozika Francesca Okosi[2&4] Executive Director of People and Organisational Effectiveness from 19 October 2020 to 28 February 2022	0	0	0	0	0	305-310	0	10,000	315–320	0
Tom Scott Interim Executive Director of Professional Regulation from 8 February 2021 to 6 May 2022	15–20 FYE 135–140	0	2,000	15–20	500	135–140	100	19,000	155–160	1,300
Jennifer Simnett Interim Executive Director of People and Organisational Effectiveness from 5 September 2022 to 31 December 2022	45–50 FYE 150–155	300	0	45–50	0	0	0	0	0	0

	2022–2023					2021–2022				
	Salary (bands of £5,000) £'000	**Taxable expenses (to nearest £100)**	**Pension benefits (to nearest £'000)**	**Total remuneration (bands of £5,000) £'000**	**Other expenses (to nearest £100)**	**Salary (bands of £5,000) £'000**	**Taxable expenses (to nearest £100)**	**Pension benefits (to nearest £'000)**	**Total remuneration (bands of £5,000) £'000**	**Other expenses (to nearest £100)**
Miles Wallace[5] Acting Executive Director of Communications and Engagement from 13 December 2021	120–125	700	12,000	135–140	1,900	95–100 FYE 120–125	100	8,000	100–105	0
Geraldine Walters Executive Director of Professional Practice to 2 December 2022	115–120 FYE 165–170	400	9,000	125–130	2,100	160–165	100	13,000	175–180	800
Edward Welsh Executive Director of Communications and Engagement	130–135 FYE 150–155	200	17,000	150–155	0	145–150	0	19,000	165–170	0
Total	**1,166**	**5,331**	**141,103**	**1,313**	**11,200**	**1,463**	**726**	**150,671**	**1,615**	**4,600**

1. Ruth Bailey and Lise-Anne Boissiere have job-shared the role of Executive Director of People and Organisational Effectiveness since joining the NMC on 7 November 2022, both working 0.6FTE. Lise-Anne Boissiere is on secondment from the Department for Levelling Up, Housing and Communities until 6 November 2025.

2. For the reasons outlined in last year's report, Tom Scott was engaged as interim Executive Director of Professional Regulation to cover Emma Broadbent's absence. On her return, Emma Broadbent continued as Executive Director without portfolio, overseeing a change programme, while Tom Scott continued as interim Executive Director of Professional Regulation. Emma Broadbent assumed the role of Acting Executive Director of People and Organisational Effectiveness to cover Ngozika Francesca Okosi's absence from 24 January 2022 and continued in this role after Ngozika Francesca Okosi's departure on 28 February 2022.

3. Matthew McClelland is a deferred member of the defined benefit scheme, and details of the value of his pension benefits in 2022–2023, including 50 percent (£15,402) of an agreed transitional payment of £30,804 on the closure of the defined benefit scheme to future accruals, are shown in table 2. The transitional payment was made as a contribution to the defined contribution pension scheme and the Remuneration Committee agreed that 50 percent of the payment could be made in 2021–2022 and 50 percent in 2022–2023. Matthew McClelland's pension benefits shown above represent employer contributions to the defined contribution pension scheme.

4. Ngozika Francesca Okosi was Executive Director of People and Organisational Effectiveness until 28 February 2022, when she left the NMC. Her remuneration of £305–310k includes salary of £135–140k for the period 01 April 2021 to 28 February 2022 and an exit package of £170–180k. Her exit package is also disclosed in table 4.

5. Miles Wallace was appointed Acting Executive Director of Communications and Engagement from 13 December 2021 to cover Edward Welsh's leave due to ill health. Edward returned to work in December 2022 on a phased return to work.

6. Where salary bands are higher than the full year equivalent it is due to backdated pay rises or selling annual leave days.

7. Current directors are members of the defined contribution pension scheme, except for Sam Foster, who joined the NMC on 27 March 2023 and has not joined or been auto enrolled into the scheme as yet; Ruth Bailey, who has opted out; and Lise-Anne Boissiere, whose pension is with the Department for Levelling Up, Housing & Communities. The value of their pension benefits are the employer contributions made by the NMC into their pension funds.

8. Totals subject to rounding.

Executive remuneration for 2023–2024

The Remuneration Committee considered Executive remuneration for 2023–2024 in February 2023. The Committee's consideration was informed by external benchmarking evidence and overall affordability. The Committee made the following decisions:

- The Committee approved a four percent increase for each Executive Director, including acting Executive Directors and interim Executive Directors, with effect from 1 April 2023, which was slightly lower than the five percent recommended for employees.
- The Committee agreed to an additional increase for the Chief Executive and Registrar as their salary had fallen behind the market rate for the role as the holder had previously rejected their annual increase for four years. The Committee also agreed to an additional increase for the Executive Director of Strategy and Insight to ensure that their salary was in line with all other Executive Directors.
- The Committee agreed to align the annual leave entitlements of all staff. During 2022–2023, there were three members of the Executive team who were entitled to thirty-three days of annual leave; compared to the rest of the organisation and Executive team who were entitled to thirty days. In aligning their annual leave entitlement with the rest of the organisation, as a compensation agreement for these three individuals, the Committee agreed to a one-off transition payment of the individuals' day rate for 3 days.

Off payroll engagements and exit packages

In line with HM Treasury requirements, information must be published on highly paid and/or senior off payroll engagements at the year end, and the number and cost of exit packages agreed and paid during the year and the prior year. None of the Council or the Executive team are engaged off payroll. All off payroll engagements are assessed using the Government's employment status for tax calculator to identify the correct method of engagement.

Table 3

Off payroll engagements

Off payroll engagements as of 31 March 2023, for more than £245 per day and that last for longer than six months	
Number of existing engagements as of 31 March 2023	0
Of which:	
Number that have existed for less than one year at time of reporting	0
Number that have existed for between one and two years at time of reporting	0
Number that have existed for between two and three years at time of reporting	0
Number that have existed for between three and four years at time of reporting	0
For all new off payroll engagements, or those that reached six months in duration, between 1 April 2022 and 31 March 2023, for more than £245 per day and that last for longer than six months	
Number of new engagements, or those that reached six months in duration, between 1 April 2022 and 31 March 2023	2
Of which:	
Number assessed as within IR35	1
Number assessed as outside IR35	1
Number engaged directly and are on the payroll	0
Number of engagements reassessed for consistency/assurance purposes during the year	1
Number of engagements that saw a change to IR35 status following the consistency review	1

Exit packages (subject to audit by the NAO)

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Number of departures where special payments have been made	
	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
Less than £10,000	5	2	-	-	5	2	-	-
£10,001 – £25,000	2	1	2	-	4	1	1	-
£25,001 – £50,000	1	1	-	-	1	1	-	-
£50,001 – £100,000	1	-	-	2	1	2	-	1
£100,000 – £150,000	-	-	-	-	-	-	-	-
Greater than £150,000	-	-	-	1	-	1	-	1
Total number of exit packages	**9**	**4**	**2**	**3**	**11**	**7**	**1**	**2**
Total cost £	**137,761**	**63,280**	**39,641**	**316,906**	**177,402**	**380,186**	**23,500**	**182,804**

As noted in table 4, one special payment was made to a colleague departing the organisation in 2022–2023. Special payments refer to special severance payments paid to employees and others that are above normal statutory or contractual requirements when leaving employment, whether they resign, are dismissed or reach an agreed termination of contract. In accordance with governance arrangements approved by the Council, the Remuneration Committee is responsible for approving such payments in accordance with criteria agreed by the Council.

On the basis of the information provided by the Executive, the Remuneration Committee was satisfied that, in the exceptional circumstances presented, approval was justified and defensible.

Remuneration and performance assessment of other employees

All employees have a six-month probation period on commencing employment and a notice period of one to three months, depending on their grade.

The remuneration of all employees is reviewed annually taking into account a range of information including employee turnover, recruitment activity and retention trends, benchmarking data and overall affordability. Based on this information, the Council approved a standard rate increase in pay for all eligible employees of three percent with effect from 1 April 2022.

In November 2022 the Council agreed to make a one-off payment to all eligible employees (excluding executives) to address the rapidly rising cost of living. This equated to a £750 non-consolidated payment.

For 2023–2024, the Council approved a standard rate increase in pay for all eligible employees of five percent with effect from 1 April 2023. This increase has also been applied to the minimum and maximum values of each of the staff pay grades introduced in October 2019. The Council approved this investment as evidence from benchmarking and reward consultants had confirmed that our pay ranges had fallen behind comparative organisations.

As part of the People Plan and total reward project, we have also conducted a review of our total reward offering using external consultants. Following their recommendations, we have implemented some changes from April 2023 to our pay scales including narrowing the ranges and introducing a pay progression methodology for employees to progress through their pay range which is being achieved through the introduction of pay increments. This will ensure that even the lower end of our pay ranges remain competitive to the external market, address colleagues' current concerns around the lack of pay progression and reduce the possibility of any equal pay issues occurring in future years. This work will cost an additional 2.3 percent of current salary budget and was implemented in April 2023.

Our performance and development review process operated as in previous years, with annual objectives set for the coming year in May with a mid-year review and appraisal at year end. This process is not currently linked to pay however we are planning to link them to pay from April 2024.

In October 2022, we recognised UNISON as the trade union with which we will engage on agreed matters, including pay, terms and conditions of employment and ways of working.

Pension arrangements

Up until 30 June 2021, we had two active pension schemes: a defined benefit pension scheme and a defined contribution scheme.

Employees who joined the NMC before November 2013 were able to join the defined benefit pension scheme. The scheme was closed to employees joining the NMC after 1 November 2013. On 23 March 2021, following a consultation, the Council approved closure of the defined benefit scheme to future accrual of benefits with effect from 1 July 2021. This achieved the objectives of harmonising benefits for all colleagues, reducing the NMC's exposure to financial risk and enabling costs to be redirected to other expenditure.

Our current active pension scheme is a defined contribution pension scheme. Employees can opt to contribute to this scheme by salary sacrifice. Employees in the scheme contribute a minimum one percent of their salary which is matched by the NMC contributing eight percent (2021–2022: eight percent). From 1 April 2021, the NMC matched additional employee contributions up to a maximum total employer contribution of 14 percent. To receive an employer contribution of 14 percent, an employee would need to contribute at least seven percent. We encourage and support colleagues to reflect on how to best plan for their retirement and ensure they are taking full advantage of our pension scheme. At 31 March 2023, 1,022 employees (94.2 percent) were members of the defined contribution scheme (31 March 2022: 990, 92.9 percent).

Further information about remuneration and pensions is contained in notes 9 and 19 to the accounts.

NMC grading structure and pay differentials

Table 5

Employees by grade and gender on 31 March 2023

Pay Level	Male		Female	
	Percentage of colleagues	Number of colleagues	Percentage of colleagues	Number of colleagues
1–4	12.3	133	34.4	373
5–7	15.1	163	26.3	285
8–11	3.7	40	7.5	81
Executive Directors, including interim/ acting	0.3	3	0.4	4
Chief Executive and Registrar (CE & R)	0.0	0	0.1	1
Total employees	**31.3**	**339**	**68.7**	**744**

Table 6

Employees by grade and ethnicity on 31 March 2023

Pay Level	White		BME		Undisclosed or prefer not to answer	
	Percentage of colleagues	Number of colleagues	Percentage of colleagues	Number of colleagues	Percentage of colleagues	Number of colleagues
1–4	15.9	172	24.7	268	6.1	66
5–7	23.5	254	13.1	142	4.8	52
8–11	8.5	92	1.9	21	0.7	8
Executive Directors, including interim/ acting	0.5	5	0	0	0.2	2
CE & R	0.1	1	0	0	0	0
Total employees	**48.4**	**524**	**39.8**	**431**	**11.8**	**128**

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Fair pay disclosures (subject to audit by the NAO)

Remuneration in the following calculation is based on annualised, full-time equivalent salary of all staff (not including contractor and agency staff) as at the reporting date. It does not include paid annual leave, employer pension contributions, taxable expenses or the cash equivalent transfer value of pensions.

The highest paid permanent employee in the NMC on 31 March 2023 is the Executive Director of Professional Practice, Sam Foster, and we have used her salary as the comparator when calculating the differential to the lower quartile, median and upper quartile remuneration of NMC employees.

- The highest salary in 2022–2023 (Sam Foster: £176,000) was £1,000 more than the highest salary in 2021–2022 (Andrea Sutcliffe, Chief Executive and Registrar: £175,000). When taking employees of the entity as a whole (excluding the highest paid director), the change in average salary from 2022–2023 to 2021–2022 was an increase of 5.17 percent due to the salary increase for all eligible employees - as part of the April 2022 pay review, where the average increase was 4.3 percent - and the increased demand in salaries from external candidates due to the more competitive recruitment market. No employees received performance pay or bonuses in either the current or previous financial year. On 31 March 2023, the range of remuneration at the NMC was £20,395 to £176,000 (on 31 March 2022: £19,000– £175,000).
- In 2022–2023, Sam Foster's remuneration was 4.37 times the median remuneration of NMC employees, which was £40,237. In 2021–2022, Andrea Sutcliffe's remuneration was 4.76 times the median remuneration of NMC employees, which was £36,792. This represents a 0.39 decrease in the median remuneration gap year on year. The median remuneration salary has increased since 2021–2022 as a result of the annual pay review and progression increase agreed in April 2022.
- In 2022–2023, Sam Foster's remuneration was 5.68 times the lower quartile remuneration of NMC employees, which was £31,000. In 2021–2022, Andrea Sutcliffe's remuneration was 5.85 times the lower quartile remuneration of NMC employees, which was £29,910. This is a 0.17 decrease in the lower quartile remuneration gap year on year. This was due to the focus on our lowest paid employees receiving the greatest increase in the April 2022 annual pay review.
- In 2022–2023, Sam Foster's remuneration was 3.07 times the upper quartile remuneration of NMC employees, which was £57,418. In 2021–2022, Andrea Sutcliffe's remuneration was 3.18 times the upper quartile remuneration of NMC employees, which was £55,000. This represents a 0.11 decrease in the upper quartile remuneration gap year on year. The upper quartile remuneration salary increased since 2021–2022 as the proportion of employees in higher grades has increased.

Pay gap reporting

Since 2017, legislation has required us to publish our gender pay gap data; in addition, since 2020 we have also voluntarily published our ethnicity and disability pay gap data. This data provides insight into where we need to improve in order to offer inclusive employment opportunities regardless of gender, ethnicity and disability. We have used the same methodology used for gender pay calculations to calculate both our ethnicity and disability pay gaps.

Our 2023 pay gap data is shown in the table below with 2022 data for comparison. A copy of our 2022 results can also be found in the **Pay Gap Report 2022**.

Pay gap	As at 5 April 2023	As at 5 April 2022	UK average for 2022[1]
Gender - Mean	8.1%	6.2%	11.8%
Gender - Median	14.6%	12.7%	11.8%
Ethnicity - Mean	27.5%	25.5%	Insufficient declarations to calculate accurate figures.
Ethnicity - Median	39.7%	27.1%	
Disability - Mean	-6.1%	-4.4%	
Disability - Median	-7.8%	-11.8%	

Our pay gap data tells us that in 2022–2023 we have appointed more females and colleagues from a minority ethnic background in lower graded roles without increasing the representation of females and colleagues from a minority ethnic background in senior roles and this has widened our gender and ethnicity pay gaps. A detailed narrative on NMC pay gaps for 2023 and the actions we plan to take to address them will be published in our pay gap reports. These will be considered by Council in September 2023, ahead of publication.

2022–2023 has seen initiatives such as the development of a comprehensive management training programme with EDI embedded throughout, inclusive recruitment training, a new anonymised recruitment system and a remodelling of our pay and rewards. This will lay the foundations to close these gaps. We are also refreshing our People Plan to ensure there is stronger alignment between our commitments to reduce our pay gaps and our people-related improvement priorities.

[1] Ethnicity pay reporting: guidance for employers - GOV.UK (www.gov.uk)

Gender pay gap

Our mean gender pay gap at 5 April 2022 was 6.2 percent. At 5 April 2023 this had increased to 8.1 percent. This is a result of organisational growth and recruitment in 2022–2023 which has seen an overall increase in the proportion of female colleagues in lower graded roles.

Our People Plan launched in April 2022 and our EDI Plan was published in September 2022. Both set out how we will improve our processes where there is evidence of bias or unequal outcomes. This includes embedding EDI into our Management development programme and a focus on inclusive recruitment. In autumn 2022 we launched a hybrid working policy. Using insights from our data we know that the majority of parents and carers are female. The hybrid working policy enables colleagues to work in a more flexible way which we hope will support career progression.

Ethnicity pay gap

Our mean ethnicity pay gap (calculated in line with the recently published BEIS guidance for employers[2]) at 5 April 2022 was 25.5 percent. Our 2023 figures show that this has increased to 27.5 percent. Our analysis shows that as we have grown as an organisation, we have recruited more candidates from a Black and minority ethnic background to roles in our lower grades without increasing representation in more senior roles, therefore increasing our pay gap.

We are committed to taking meaningful action and have already taken some important steps based on what we have learned. One such action is through our Rising Together mentoring programme. Rising Together is designed to build a culture encouraging collaboration, fairness, and inclusivity to enable all colleagues to realise their potential. It creates an opportunity for colleagues to receive mentoring support, thereby enabling them to progress in their careers and achieve professional growth. The programme aims to support colleagues to understand the importance of embedding diversity and inclusion in processes and ways of working. It also aims to equip our leaders and managers with the ability to improve the experience of colleagues and be accountable for achieving positive results. The programme is now in its third year and has seen participant numbers increase year on year. 41 percent of mentees and 11 percent of mentors on the 2022-2023 programme have moved into an internal secondment or promotion.

We have also implemented a new recruitment applicant tracking system which is enabling us to better identify where barriers and areas for improvement might exist in our current recruitment process. This has been supported by the development of inclusive recruitment training and forthcoming targeted training and support for colleagues on building their career and completing job applications.

[2] Ethnicity pay reporting: guidance for employers - GOV.UK (www.gov.uk)

Disability pay gap

Our mean disability pay gap at 5 April 2022 was -4.4 percent, and as at 5 April 2023, it stands at -6.1 percent. This means that colleagues who have told us they are disabled are on average paid more than people who have not. We recognise that under-reporting of disability in the workforce may be a cause of the inverse disability pay gap here, as our data shows that people in our top pay quartile are almost twice as likely to tell us they are disabled as colleagues in our bottom pay quartile.

21 percent of our lowest paid colleagues have not shared any monitoring data about whether they are disabled or not, compared to 8 percent of our highest paid colleagues. We have taken steps, with the support of our Workaround network, to increase the number of colleagues sharing diversity monitoring data, with a particular focus on disability. This has increased the proportion of colleagues who have told us they are disabled from 7.7 percent to 9.8 percent. We will continue to take steps to ensure that all colleagues feel confident to share this information.

Sir David Warren
Chair
10 July 2023

Andrea Sutcliffe
Chief Executive
and Registrar
10 July 2023

Statement of the responsibilities of the Council and of the Chief Executive and Registrar in respect of the accounts

The Nursing and Midwifery Order 2001 requires that annual accounts are prepared and audited. The Council and its Chief Executive and Registrar (as Accounting Officer) handle the preparation and approval of the accounts.

The accounts are prepared following the determination received from the Privy Council which requires the accounts to be prepared in accordance with the Charities Statement of Recommended Practice Accounting and Reporting (SORP) revised 2019 and that the accounts also comply with the applicable law and accounting standards issued (Appendix 1).

The law applicable to charities registered in England and Wales and Scotland requires the Council to prepare financial statements for each financial year which give a true and fair view of the state of the charity's affairs and of its net movement in funds for that period. In preparing these accounts they must:

- observe the applicable accounts determination issued by the Privy Council
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates on a reasonable basis
- prepare the accounts on a going concern basis unless it is inappropriate to presume the Council will continue in operation
- state whether applicable accounting standards have been followed and disclose and explain any material departures in the financial statements.

The Council and its Chief Executive and Registrar are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Council and enable them to ensure that the accounts comply with the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the Nursing and Midwifery Order 2001. They are also responsible for safeguarding the assets of the Council and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Privy Council has appointed the Chief Executive and Registrar as Accounting Officer for the Nursing and Midwifery Council. In her capacity as Accounting Officer, she is responsible for the execution of the Council's obligations under section 52 of the Nursing and Midwifery Order (as amended). In doing so, she is asked to consider the principles set out in Chapter 3 relating to the responsibilities of Accounting Officers and wider guidance contained in Managing Public Money (HM Treasury, 2013, with annexes revised March 2018).

So far as we know, there is no relevant audit information of which the NMC's auditors are unaware. We have taken all steps that we ought to have taken to make ourselves aware of any relevant audit information and to establish that the NMC's auditors are aware of that information. The Accounting Officer confirms that the annual report and accounts is fair, balanced and understandable and takes personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

Principal place of business

The NMC works across England, Northern Ireland, Scotland, and Wales. Its principal place of business is:

23 Portland Place
London, W1B 1PZ

Advisers

Independent External Auditor:

HW Fisher LLP, Acre House,
11–15 William Road,
London NW1 3ER

Bankers:

HSBC Bank Plc Space One, Floor 2
1 Beadon Road,
London W6 0EA

Statutory Auditor:

Comptroller and Auditor General,
National Audit Office,
157–197 Buckingham Palace Road,
Victoria, London SW1W 9SP

Investment Managers:

Sarasin & Partners LLP, Juxon House,
100 St Paul's Churchyard, London
EC4M 8BU

Internal Auditor:

RSM Risk Assurance Services LLP,
25 Farringdon Street,
London EC4A 4AB

Solicitors:

Capsticks Solicitors LLP,
1 St Georges Road,
London SW19 4DR

Mills & Reeve LLP,
24 King William Street,
London EC4R 9AT

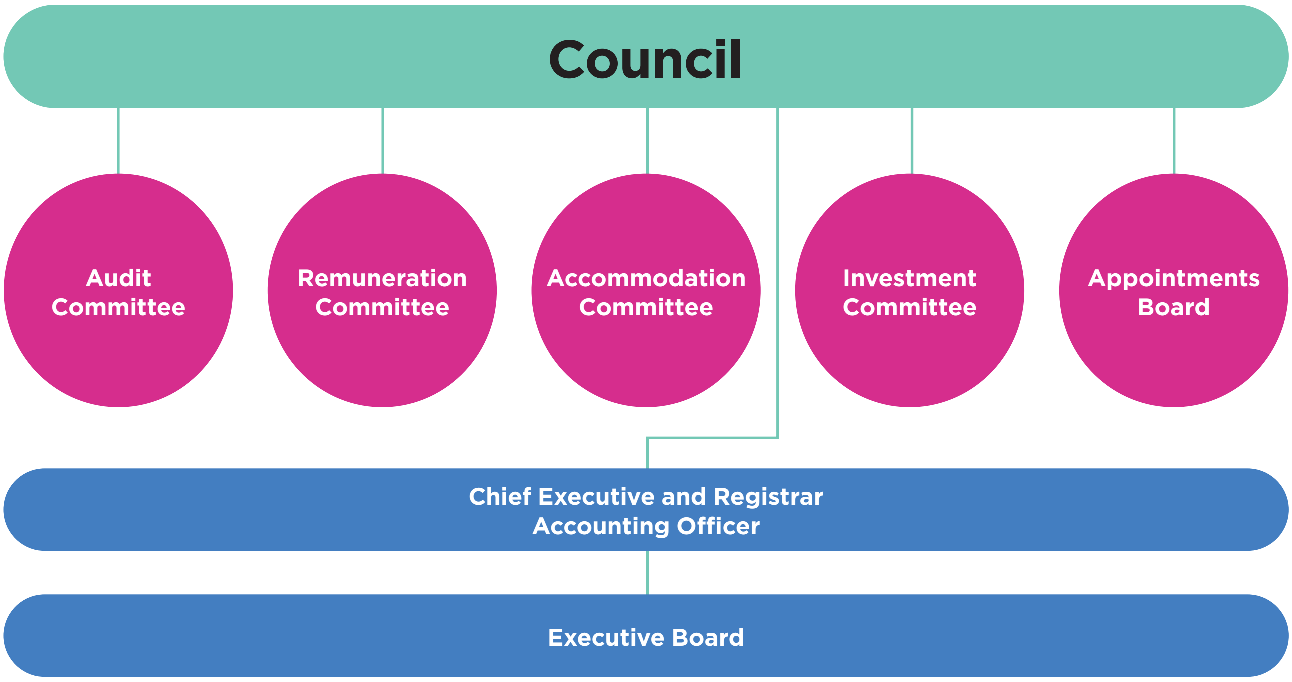
Addleshaw Goddard LLP,
60 Chiswell Street,
London EC1Y 4AG

Trowers & Hamlins LLP,
3 Bunhill Row,
London EC1Y 8YZ

Annual governance statement

We are an independent statutory body. Our statutory objectives and responsibilities are set out in the Nursing and Midwifery Order 2001, as amended (SI 2002/253), (the Order).

We are also a registered charity; registered in England and Wales (1091434) and in Scotland (SC038362). Our charitable object reflects our overarching statutory objective: to protect and safeguard the health and wellbeing of the public. The Council takes account of Charity Commission (CC) and Office of the Scottish Charity Regulator (OSCR) guidance in making decisions; throughout this report we explain how our work demonstrates public benefit.



The Council

The Council is our governing body and the Council members are the charity trustees. Members of the Council are collectively responsible for ensuring that the NMC is well-run, solvent and delivers public benefit.

The Council's remit is to (a) set our strategic direction and corporate objectives, in line with our core purpose; (b) ensure effective systems are in place for managing performance and risk; and (c) maintain probity in, and public accountability for, the exercise of our functions and the use of funds. Our Scheme of Delegation sets out which matters can only be decided by the Council.

The Council is made up of 12 members of which half must be professionals on our register and half must be lay members, as set out in the **Nursing and Midwifery Council (Constitution) (Amendment) Order 2008 (SI 2008/2553)**. Lay members are people who have never been a registered nurse, midwife or nursing associate. As a UK-wide regulator, the Council's membership must include at least one member who lives or works wholly or mainly in each of England, Wales, Scotland and Northern Ireland.

As noted in the performance review section, regulatory reform is likely to result in significant changes to the composition of Council, as well as supporting policies and processes.

All changes will form part of the Department of Health and Social Care's reform programme and will be subject to consultation, and are not expected to take effect until April 2025 at the earliest. To ensure we are well prepared for the changes, during 2022–2023 we have progressed preparatory work to ensure potential changes to our governance structure and Council composition can be implemented effectively.

The Chair and members of the Council are appointed by the Privy Council, following open and competitive selection processes. The Privy Council receives assurance from the Professional Standards Authority for Health and Social Care (PSA) on the robustness of our appointment or reappointment processes.

During 2022–2023, the following appointments or reappointments took place:

- Dr Margaret McGuire took office as the Scotland Council member on 1 May 2022, replacing Justine Craig who stepped down from her role on 31 December 2021 following her appointment as Chief Midwifery Officer for Scotland.
- Claire Johnston was reappointed for a second term from 1 May 2022.
- Sir Hugh Bayley, Marta Phillips and Professor Karen Cox left the Council when their second terms ended on 30 April 2023. Lindsay Foyster and Nadine Pemberton Jn Baptiste took office on 1 May 2023. The selection process for a registrant Council member did not result in a recommendation for appointment. The process will be re-run in 2023.
- Ruth Walker was appointed as Vice-Chair (registrant), following Professor Karen Cox's departure. Derek Pretty remains Vice-Chair (lay).

Council Associate scheme

The Council established an Associate scheme in July 2020 (Standing Orders, paragraph 3.7) to provide opportunities for individuals with the potential to develop the skills and expertise needed to be Non-Executive Directors. Associates are involved in all aspects of the Council's work in a similar way to appointed Council members but are not trustees. The majority of Council decisions are made by consensus but on the rare occasion of a decision by formal vote, Associates do not participate.

To assess its effectiveness and identify learning we undertook a phased evaluation of the first iteration of the scheme. The Remuneration Committee considered the findings from the second phase of the evaluation in February 2023, which concluded that overall the scheme was operating well with some learning points which are being actioned.

The terms of the first two Associates, Dr Gloria Rowland and Tracey MacCormack ended on 31 December 2022. Following an open and competitive appointment process, Jabulani Chikore and Navjot Kaur Virk took office as Associates from 1 March 2023 for a two-year period.

Council member and Associate attendance 1 April 2022 to 31 March 2023

Council and Associate membership and attendance during 2022–2023 is set out below.

Member	Number of sessions attended*	Number of sessions eligible to attend*	% of sessions attended
Sir David Warren (Chair)	14	14	100
Sir Hugh Bayley	12	14	86
Professor Karen Cox	10	14	71
Claire Johnston	13	14	93
Dr Margaret McGuire OBE (from 1 May 2022)	14	14	100
Eileen McEneaney MBE	11	14	79
Derek Pretty	14	14	100
Marta Phillips OBE	9	14	64
Anna Walker CB	14	14	100
Ruth Walker MBE	14	14	100
Sue Whelan Tracy	13	14	93
Dr Lynne Wigens OBE	12	14	86
Associate			
Jabulani Chikore[3] (from 1 March 2023)	0	2	0
Tracey MacCormack (until 31 December 2022)	9	10	90
Dr Gloria Rowland MBE (until 31 December 2022)	8	10	80
Navjot Kaur Virk (from 1 March 2023)	2	2	100

**Includes Open and Confidential meetings*

[3] Jabulani Chikore was not able to attend his first meeting due to a preexisting engagement which was declared prior to appointment.

The Council is committed to openness and transparency and seeks to conduct as much business as possible at Open meetings which members of the public can attend. Matters can only be considered in Confidential meetings if they fall within an exemption set out in the Council's Standing Orders (paragraph 5.2.5).

Due to the Covid-19 pandemic, all Council seminars and meetings between March 2020 and February 2022 were held virtually, as allowed for under Standing Orders. Since March 2022, we were pleased to be able to resume in person Council meetings. We recognise that working virtually brought benefits as observers could attend remotely and we are looking to see how we can make Open meetings as accessible as possible for members of the public across the UK.

In addition to formal meetings, Council members and Associates attend monthly seminars, hold videoconferences and participate in a wide range of other activities. These include attending various Task Groups, briefings and webinars with people using health and social care services, professionals and NMC colleagues. These activities help ensure Council members have the insight they need to hold the Executive to account and make informed decisions.

Effectiveness of governance

The Council is committed to maintaining the highest standards of governance. Our practice complies with the Cabinet Office Corporate Governance Code of Good Practice for central government departments to the extent that it is applicable. We also strive to meet the principles and recommended practice contained in the Charity Governance Code and the National Council for Voluntary Organisations Charity Ethical Principles. The Council conducts its business in accordance with our organisational values – fair, kind, ambitious and collaborative – and the seven principles of public life: selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

Council members and Associates receive a full induction on appointment and undertake individual appraisals annually. These inform future individual and collective development, as well as consideration of reappointments.

In accordance with good governance, the Council undertakes regular reviews of its own effectiveness, including externally facilitated reviews. During 2022–2023, Campbell Tickell were commissioned to undertake an external review of our governance arrangements following a competitive tendering process. We expect their findings to be reported to Council in July 2023. A key area of the review is to identify how we can best prepare ourselves for the impact of regulatory reform, in particular the potential move to a unitary board model.

Council committees

The Council continues to have an Audit Committee, a Remuneration Committee, an Appointments Board, an Investment Committee and an Accommodation Committee.

Appointment of Council members to the Audit, Remuneration, Investment and Accommodation Committees is governed by the Council's Standing Orders and Scheme of Delegation, together with a set of principles adopted by the Council in 2015. Council Committee membership is reviewed regularly. The Chair is an ex-officio member of all the Council Committees, except Audit Committee and Appointments Board.

The remit, membership and attendance record for each Committee is set out on the following pages. Committees also made a number of decisions by correspondence outside of the meetings identified below, where necessary and in accordance with Standing Orders.

Audit Committee

The remit of the Audit Committee is to support the Council and management by reviewing the comprehensiveness and reliability of assurances on governance, risk management, the control environment and the integrity of financial statements and the annual report.

The Committee has welcomed the attendance of the Chief Executive and Registrar, Internal Auditors, the External Auditors and the National Audit Office (NAO) at its meetings. In keeping with good practice, the Committee has held private meetings with the auditors at appropriate junctures during the year.

The Committee's key activities in 2022–2023 are summarised below.

- Reviewing the Annual Report and Accounts and the Annual Fitness to Practise Report and recommending to the Council the approval of those reports. The Committee also reviewed the reports from the External Auditors and NAO, and the Executive's responses to recommendations made by the auditors.
- Reviewing the accounting policies for the year to 31 March 2023.
- Reviewing risk management and assurance arrangements, including undertaking comprehensive reviews of the risks, mitigations and sources of assurance about core work. Approving the internal audit work plan for 2022–2023, reviewing internal audit report outcomes and overseeing action to progress closure of outstanding internal audit recommendations.

- Reviewing serious events and data breaches, to ensure organisational sharing and implementing learning to prevent recurrence.
- Reviewing single tender actions and seeking assurance that proper procurement processes are being adhered to by the Executive and that any single tender actions are justifiable.
- Monitoring the implementation and use of the internal Whistleblowing and Anti-Fraud, Modern Slavery, Bribery, and Corruption policies to be assured that any issues raised are comprehensively investigated and any action and learning is taken forward. As part of this work, they also review the Modern Slavery Statement.

The membership of the Committee and attendance for the period 1 April 2022 to 31 March 2023 were as follows:

Member	Number of sessions attended	Number of sessions eligible to attend	% of sessions attended
Marta Phillips OBE (Chair)	5	5	100
Derek Pretty	5	5	100
Eileen McEneaney MBE	5	5	100
Sue Whelan Tracy	4	5	80

Remuneration Committee

The remit of the Remuneration Committee is to ensure that there are appropriate systems in place for remuneration and succession planning. In 2022–2023, key activities included:

- approving selection processes for three new Council members, two new Associates and a new member of the Appointments Board
- agreeing to recommend to Council the annual pay award for 2023–2024 and reviewing the total reward proposal
- reviewing the findings of the Independent Panel on Council allowances
- reviewing the effectiveness of the Associate scheme
- agreeing to recommend to Council a one-off pay award to reflect the increased cost of living
- reviewing Executive reward
- reviewing progress on the People Plan and internal aspects of the EDI Plan.

The membership of the Committee and attendance for the period 1 April 2022 to 31 March 2023 were as follows:

Member	Number of sessions attended	Number of sessions eligible to attend	% of sessions attended
Ruth Walker MBE (Chair)	7	7	100
Sir Hugh Bayley	7	7	100
Dr Lynne Wigens OBE	5	7	71
Anna Walker CB	7	7	100

Investment Committee

The remit of the Investment Committee is to oversee implementation of the Council's investment strategy and monitor the Council's investment portfolio. In 2022–2023, key activities included reviewing the investment policy, scrutinising the investment managers' response to global economic volatility, and working with our investment managers to ensure environmental, social and governance issues are appropriately considered when managing the portfolio.

The membership of the Committee and attendance for the period 1 April 2022 to 31 March 2023 were as follows:

Member	Number of sessions attended	Number of sessions eligible to attend	% of sessions attended
Derek Pretty (Chair)	2	2	100
Thomasina Findlay (Partner member)	2	2	100
Nick McLeod-Clarke (Partner member)	2	2	100
Claire Johnston	2	2	100
Sue Whelan Tracy	1	2	50

Accommodation Committee

The Accommodation Committee was established by Council in May 2020 to oversee implementation of the Council's Accommodation Plan within the financial and other parameters set by the Council.

The Committee meets as and when necessary. In 2022–2023, the Committee met once to consider the final account for our new office in Edinburgh and to receive an update on the project to refurbish 23 Portland Place.

The membership of the Committee for the period 1 April 2022 to 31 March 2023 was as follows:

Member	Number of sessions attended	Number of sessions eligible to attend	% of sessions attended
Derek Pretty (Chair)	1	1	100
Anna Walker CB	1	1	100
Dr Lynne Wigens OBE	1	1	100

Appointments Board

The Appointments Board is made up entirely of non-Council (Partner) members, appointed following open competitive recruitment processes.

The remit of the Appointments Board is to assist the Council in connection with the exercise of any function relating to the appointment of Fitness to Practise panel Chairs and members and Legal Assessors to the Practice Committees (the Investigating Committee and the Fitness to Practise Committee) and the appointment of Fitness to Practise panel members to the Registration Appeals panel.

Key activities in 2022–2023 included: the appointment of new Panel Chairs following a selection process open to external applicants; oversight of induction and training for new Panel Chairs; the reappointment of Panel Members and Legal Assessors; approval of the Panel Member training programme for 2023; and preparation for a selection process for new Panel Members and Legal Assessors to commence in 2023.

The membership of the Committee and attendance for the period 1 April 2022 to 31 March 2023 is set out on the following page.

Member	Number of sessions attended	Number of sessions eligible to attend	% of sessions attended
Jane Slatter (Chair)	4	4	100
Robert Allan	4	4	100
Angie Loveless	4	4	100
Frederick Psyk (until 31 August 2022)	2	2	100
Clare Salters	4	4	100

Role of the Executive

The Chief Executive and Registrar is appointed by, and accountable to, the Council. The Chief Executive and Registrar's role is to lead and manage the NMC's regulatory, professional, business and financial affairs within the strategic framework established by the Council.

As the Accounting Officer, the Chief Executive and Registrar has personal responsibility for matters relating to financial propriety and regularity; keeping proper account of financial affairs; avoidance of waste and extravagance; and the effective use of resources.

The Executive Board is the key management decision-making body. The Board's membership comprises the Chief Executive and Registrar and all Executive Directors. General Counsel also attends. The Board works with the Chief Executive and Registrar to develop and implement strategies, policies, business plans and budgets; ensure effective and efficient use of resources, finance and people; and identify and manage risk.

The Board advises or makes recommendations to Council on those matters which are ultimately for the Council to decide. In doing so, the Board and Council work together in a spirit of collaboration, honesty and openness.

The Executive Board regularly reflects on its own operation and how business is conducted; during 2022–2023 it met weekly.

Professional Standards Authority oversight

The Professional Standards Authority (PSA) oversees and reports to Parliament on our work, as well as that of the other health and social care professional regulators. In September 2022 the PSA published its annual review of our performance for 2021–2022, covering the period April 2021 to June 2022. It found that we had met 17 of the 18 Standards of Good Regulation, but had not met Standard 15 requiring us to deal with fitness to practise cases as quickly as is consistent with a fair resolution of the case.

Under its performance review process, the PSA initiated its escalation process for regulators who fail to meet the same Standard for three consecutive cycles and accordingly wrote to the Secretary of State and ministers in the devolved administrations to highlight this. We had been regularly briefing relevant ministers and government officials and provided a further update in relation to ongoing work to address the fitness to practise caseload. As outlined in the performance review section of this report, our number one corporate priority continues to be reducing the fitness to practise caseload swiftly and safely. Progress is being made through a number of initiatives - including a dedicated Fitness to Practise Improvement programme, external support to streamline a number of our key processes and an uplift in resources. Assuming that incoming referrals do not increase, we anticipate that delivering the initiatives outlined will see the caseload reduce to 4,000 cases by March 2024 and new referrals will be handled at pre-pandemic levels. We expect to be achieving optimal levels of caseload and timeliness across the fitness to practise process by March 2026.

The PSA recognised the improvements made since the last performance review. The report also included positive feedback on the NMC's Equality, Diversion and Inclusion (EDI) action plan for 2022–2025, our stakeholder engagement, noting the launch of our Public Voice Forum, the review of our pre-registration education standards and the steps we have taken to improve the transparency of our registration appeals process. The Executive Board reviews progress on implementation of learning from PSA reviews regularly.

Performance monitoring and data quality

The Council monitors our progress against our strategy, corporate plan and budget through quarterly performance reports presented at public meetings. These provide updates against our 22 corporate commitments, key performance indicators (KPIs), our budget and investments, and corporate risk exposure. In collaboration with the Executive team, the Council decides what performance information and data it wants to review so it can make effective decisions about our performance and risk exposure. The Council considers the quality and content of performance reporting annually through business planning.

During 2022–2023 we strengthened our monthly reporting to the Executive Board including the existing reports on budgets, key performance indicators, and risk monitoring. We introduced a new holistic report which is reviewed monthly, including a new corporate performance scorecard which focuses on key issues which require decisions and actions from the Executive Board.

Risk management and internal control

The Council is responsible for establishing and maintaining a sound system of risk management and internal control. Our system of internal control is designed to manage rather than eliminate risk and provide reasonable assurance of effectiveness. The Audit Committee provides assurance to the Council about the operation of the system of internal control and risk management. The Council considers corporate risk exposure at Open meetings on a quarterly basis and the full corporate risk register once a year.

The Chief Executive and Registrar is responsible for enabling an effective system of risk management and internal control, and together with the Executive Directors, for ensuring that the system is in place and effective across the organisation. The Executive is responsible for identifying and evaluating risks, putting in place appropriate mitigations, and monitoring and reporting progress. The Executive Board reviews corporate risk exposure monthly.

The Council approved and updated the risk management framework in 2021. We have continued to embed the framework throughout 2022–2023 using organisation-wide and bespoke training sessions and tailored workshops, and monthly engagement between risk coordinators and the corporate risk and performance team. Our internal auditors reviewed our risk maturity level during 2022–2023 and deemed that we had progressed in several areas. This moved us from 'developing' towards a 'maturing' assessment, demonstrating that risk management is built into normal business practice.

Assurance

Our system of internal control includes these elements:

- Training (bespoke and mandatory), induction (corporate and local), appraisals and coaching to help equip our colleagues with appropriate skills and experience for their roles.
- Strategic relationships between corporate services and business leaders that foster collaboration, best practice, and supportive challenge. Business partners are in place for People Services (human resources, recruitment, learning and development), finance, risk and performance, technology, and procurement.
- Internal control and planning mechanisms, such as detailed schemes of delegation for decision making, documented policies and standard operating procedures, service level agreements, restricted access to systems, segregated duties, incident reporting, business continuity planning, business planning, business cases with options appraisal, programme and project frameworks, the setting of personal objectives and improvement plans.
- Widespread monitoring and reporting to track our performance and key performance indicators, financial management (budgets, forecasting, monthly reporting), risk exposure, quality, data and insights, operational management information and people management.

- Centralised assurance management includes internal and external audits, independent reviews and health checks, serious event review (SER), legal horizon scanning, learning from customer feedback, and our new Change and Continuous Improvement team who support making improvements to our processes. The Audit Committee undertakes regular targeted comprehensive assurance reviews to delve deeper into specific risk problems or assurance mechanisms.
- A Change Board, which provides oversight of our change projects and programmes.

The Executive Board is responsible for:

- ensuring that the annual internal audit work plan and other internal quality assurance work are complementary and focused on areas of potential internal control weakness
- reviewing the performance of our strategic change portfolio alongside our corporate risk register every month
- undertaking an annual assessment of the effectiveness of risk management and internal control arrangements for each directorate.

We undertake an annual review of the effectiveness of our internal control environment and risk management. The 2022–2023 review concluded that we have reasonable assurance that our internal control environment operates adequately at corporate and directorate level.

We assessed each directorate against a set of key criteria and reviewed sample evidence to ensure our internal control environment reflected the standards set out in our policy and guidance. There are a small number of areas where action is required which we will take forward during 2023–2024.

Our risk management maturity has continued to improve during 2022–2023, with all directorates able to demonstrate that they have:

- directorate risk coordinators who have monthly engagement with the corporate risk and performance team about directorate and corporate level risks
- risk management embedded within significant programmes and projects of work that they are leading
- better consideration of management controls.

Four out of six directorates were also able to demonstrate regular risk discussions and up to date registers. Two directorates have started work to update their risk registers which we expect to complete in the first part of 2023–2024.

We also have:

- oversight of technology risks from the Chief Information Officer
- oversight of finance risks from the Executive Director of Resources and Technology Services
- oversight from the Change Board of change projects and programmes to ensure that we focus holistically on the highest priority areas to deliver our 2020–2025 strategy.

Internal control mechanisms remain comparable to 2021–2022. All directorates adhere to expected requirements for planning including budgets and key performance indicators. Agreed business plans and budgets, projects and programmes undergo business case approval and adhere to delegated approval levels. We continue to incorporate significant levels of cash realising savings into budgets and anticipate further savings as we develop business cases for technology developments. Our internal auditors have highlighted some areas for improvement which have informed our Internal Audit Work Plan for 2023–2024.

Key issues and risks

Fitness to practise caseload

Our greatest challenge continues to be managing a high fitness to practise caseload which has grown due to challenges progressing cases in a timely manner, in part caused by the impact of the pandemic. Delays are distressing to everyone involved with fitness to practise cases and we must improve how long it takes to process a case to a safe conclusion.

During 2022–2023, we reduced the caseload by 14 percent to 5,577, with the reduction accelerating in the latter half of the year as improvement initiatives were delivered. However, our progress was slower than we would have wished and we were unable to reach our target of an overall caseload of 5,000 cases by March 2023.

Mitigation in 2023–2024

In 2023–2024, we will:

- build on the improvements we made last year within the screening stage to improve our processing capacity, processing cases more efficiently and closing cases at the earliest appropriate opportunity
- increase our capacity at key stages to increase our output
- continue to build knowledge in the sector to reduce the number of referrals we receive that do not meet our threshold.

Through these actions we aim to reduce the caseload safely and swiftly to a target of 4,000 by March 2024 and will continue to provide transparent reporting on our progress at Open Council meetings.

Managing economic, political and climate challenges

Like all organisations, we continue to operate in a difficult environment with many factors to consider. Inflation remains at its highest for many years which puts pressure on our costs; the residual impact of the pandemic and Brexit on the global supply chain, and the conflict in Ukraine over the past 16 months continue to put pressure on food and energy supplies; and the threat of cyber-attacks grows as attacks become more sophisticated. We also need to play our part in mitigating the impacts of climate change.

Mitigation for 2023–2024

In 2023–2024, we will:

- account for extra costs within our plan and budget for 2023–2026 using analysis and take a cautious approach to financial management, supported by an increased focus on effective cost management
- release funding for major programmes and projects in phases and keep budgets under continual review. We have specific controls to manage additional spending within fitness to practise to reduce the caseload
- use insight from an independent review of cyber security to strengthen precautions where possible
- continue to monitor the external environment and adjust as required. Using external expertise, we will begin work to develop our sustainability and environmental plans.

Concerns relating to maternity care

Our focus on maternity safety continues, informed by our own insight and published external reports. The findings from the independent investigation into maternity and neonatal services at East Kent Hospitals University NHS Foundation Trust highlighted systemic weaknesses in maternity care. Independent reports from Birthrights, Healthwatch England and Muslim Women's Network highlighted in particular the racial inequality that exists in maternity services. This is in addition to the concerns raised in 2022 through the Ockenden report in March and the report from the Health and Social Care Committee in July.

Key themes arising from these reports include leadership, listening to women, multidisciplinary working, and workplace cultures that support speaking up.

In the last year we have worked to strengthen the link between our standards of proficiency and revalidation, made improvements to the way student midwives are educated, and sought to better understand the experiences of students through our quality assurance work.

Mitigation in 2023–2024

In 2023–2024, we will:

- plan to commission an external, independent review of our standards, following the publication of the Independent Review into Maternity Services at the Nottingham University Hospitals NHS Trust
- continue to utilise the insight of our Midwifery Panel on how we can further support safety in maternity services
- explore how we can gain better insight directly from midwifery students to inform our quality assurance and insight
- continue to work in partnership with other regulators and system leaders to support improvements in maternity services
- continue to ensure that midwifery education programmes meet our education standards and are suitably preparing students for joining the NMC register and providing quality care to the public.

In relation to concerns at Canterbury Christ Church University we met the university on 2 May 2023 to inform it of our final decision to withdraw approval for its midwifery degree programme. Our concerns were that the university, in partnership with the NHS trusts that provide placements for its students, was not equipping midwifery students to meet our standards. That means we were concerned that students might graduate without being able to deliver safe midwifery care to women, babies and families. We are working with the university and NHS England on plans to support the affected students to continue their education.

Recruitment and retention

We experienced some improvement in this area over the course of 2022–2023. However, there was an increase in our turnover rate from 11.8 percent in March 2022 to 12.8 percent in March 2023 taking it just above our 2022–2023 target of 12.5 percent. While some challenges in attracting and retaining talent continued during 2022–2023, particularly in areas such as screening and investigations, we are continuing to take action to reduce workforce capacity gaps in 2023–2024.

Mitigation in 2023–2024

In 2023–2024, we will:

- following engagement with colleagues and consultation with our recognised trade union UNISON, implement our pay and grading proposals with the aim of improving transparency and consistency in our pay structure and pay progression
- raise awareness of our total reward package to demonstrate both pay and benefits to retain and attract new colleagues such as flexible working, family policies, and pension benefits
- continue to embed our applicant recruitment and selection technology to improve the candidate experience, promote equality and fairness in sourcing and selecting candidates and monitor the diversity of candidates
- continue targeted actions within our Professional Regulation directorate to fill roles we have found hard to recruit
- change our approach to recruitment, implementing a list of managed suppliers who act as sector specialist partners and help to ensure we recruit high calibre colleagues with the right skills and experience
- implement our new management essentials training, ambitious appraisals, and continue to grow our Rising Together mentoring scheme.

Regulatory reform

Modern and flexible legislation will enable us to deliver proportionate and safer regulation for the public and better support the professionals on our register. During 2022–2023 we continued our preparations for regulatory reform by undertaking detailed planning about the scale of what will be required and preparing draft legislation for consultation.

We continue to manage uncertainty around the timeline for reform, which is set by the Department of Health and Social Care (DHSC) and could be subject to change within the context of the wider programme of reform and other legislative pressures.

Mitigation in 2023–2024

To ensure we can influence reforms to our legislation as effectively as possible, we will continue to proactively engage with the DHSC and the devolved administrations and work closely with our stakeholders to identify the changes we want to make.

We will continue to manage uncertainties – for example dependencies with other major internal programmes (such as modernising our technology services) and engagement and communications with stakeholders - through detailed planning that involves internal subject matter experts.

Technology

We continue to improve our technology to deliver tools that will increase the efficiency and productivity of colleagues. We first began our Modernisation of Technology Services programme in 2018 and experienced challenges in progressing the improvements as quickly as we had hoped.

Since 2020, we have established ongoing external review of the programme. This, coupled with a review of resources allocated, has enabled us to continually tune our delivery approach, and the programme is now progressing and delivering benefits in line with our revised plan.

While we deliver significant change programmes driven by technology, we manage several risks related to legacy systems, building capability and capacity for the future, and managing the dual running of systems while we safely migrate across our core processes.

We expect to carry this risk for several years while we deliver multi-year programmes to improve our technology infrastructure; deliver new hardware and remove legacy systems; update our data capabilities; and deliver technology that will support regulatory reform.

Mitigation in 2023–2024

We will continue to invest in improving our technology by delivering our two major technology programmes.

We have introduced ongoing external assurance of our Modernisation of Technology Services programme which will continue through to the end of the third major phase of the programme.

We will continue building our in-house capability in change management, data, architecture, and IT development to build our own capacity and reduce reliance on outside suppliers.

Pressures in the health and social sector

A number of pressures continued to affect the health and social care sector: Covid-19 recovery; workforce pressures such as vacancies, retention, industrial action by some professionals on our register and others regarding pay and working conditions; and increased pressure due to growing waiting lists.This led us to take the decision to tailor our communications to prevent overburdening professionals and stakeholders.

In May 2022, we surveyed five key audiences from within the sector who each echoed the pressures in health and care. We decided to focus our communications on crisis issues rather than business as usual. We carefully considered these issues within our corporate plan, monitored who we needed to collaborate with, and changed our plans to prevent overloading particular groups of stakeholders.

Mitigation in 2023–2024

We will continue to monitor the sector landscape and consider the pressures throughout the year. We will consider our internal pressure points and, where we can, move deadlines to prevent adding stress and work to the sector. We will continue to support nurses, midwives, nursing associates and students who are facing challenges, and look at how we can manage within the increasingly complex social and economic environment that we operate in.

Public interest (whistleblowing)

Our Whistleblowing policy encourages colleagues and others who work for, or with us, to speak up if they see something wrong. We review the policy regularly and have continued to raise awareness of the policy and associated guidance by promoting it through the Chief Executive and Registrar's weekly message and other internal communications.

In October 2022, we ran an internal engagement exercise as part of Speak Up month – an initiative in England to promote the importance of whistleblowing and encouraging everyone to speak up. This was an opportunity to remind all our colleagues, wherever they are based, about our Whistleblowing policy and guidance, share examples of when it might be appropriate to raise concerns, and outline what actions they could expect to be taken as a result.

The Audit Committee receives a report on whistleblowing at every meeting. There was one occasion when people used the Whistleblowing policy to raise concerns in 2022–2023 (2021–2022: three). This concern is currently under investigation. To date we have received one whistleblowing concern in 2023–2024 which is currently under investigation.

Safeguarding and protecting people

Through our work we engage with a wide range of people, including those involved with our regulatory processes, our stakeholders, and our colleagues. We recognise that many people engaging with us may have complex needs or be at risk of harm. We are committed to ensuring that we protect people from harm and follow the appropriate safeguarding procedures when someone may need support. Our Safeguarding and Protecting People from Harm policy sets out our responsibilities and the actions we will take when we identify a safeguarding concern, including establishing a tailored approach to support the individual concerned.

In October 2022, we recruited a Strategic Safeguarding Lead, whose role is to embed safeguarding and duty of care responsibilities into the organisation. Since their recruitment, we have seen a significant increase in the number of recorded safeguarding concerns, with a total of 144 safeguarding concerns logged in 2022–2023. This is 132 percent (82 concerns) more than reported in 2021–2022, when 62 concerns were recorded. We believe this increase is primarily due to our awareness raising work with colleagues, which has led to colleagues logging more concerns. Where a person has enhanced needs, we will need to make a referral to an external agency. In total, there were 30 referrals to external agencies, including referrals to the police, mental health teams and safeguarding.

As a registered charity we have an obligation to make reports to the Charity Commission where an incident has resulted in or risked serious harm. This year we made two referrals relating to safeguarding to the Charity Commission. In April 2023 we informed the Charity Commission of one further serious incident arising from safeguarding matters. Our internal investigation into one of the cases has recently concluded and the outcome has been provided to the Commission, which they have noted. The Charity Commission was satisfied that the other cases had been dealt with appropriately and responsibly. As we are registered with the Charity Commission we are not required to report incidents to the Office of Scottish Charity Regulator (OSCR). However, in line with our commitment to four country accountability, we report all incidents to the OSCR as well.

During 2022–2023, we have worked to ensure that safeguarding is strategically embedded across the whole of the NMC. Some of the actions that we have taken are outlined below.

- We refreshed our suicide and self-harm protocol and delivered training to raise awareness on how to recognise and support people who experience suicidal ideation.
- We reviewed safeguarding risks across the whole of the NMC and began implementing a plan to address these risks.
- We adopted a safeguarding process for our referral helpline to support colleagues to raise safeguarding concerns.
- We embedded safeguarding into our external communications processes.
- We undertook a quality assurance review of our support of vulnerable witnesses.

We will continue to strengthen our approach to safeguarding in 2023–2024, including embedding bespoke safeguarding processes into our fitness to practise case management system to help ensure we are identifying safeguarding support at the earliest possible stage.

Information governance and lapses in protective security

During 2022–2023, we continued to align our information security management to ISO 27001, the international information security standard.

Incidents are reported, managed and investigated in line with our Serious Event Reporting (SER) process through which learning and recommendations for improvement are identified.

The table below provides a breakdown of the number of information security incidents reported internally in 2022–2023, with 2021–2022 figures shown for comparison. Of the 82 information security incidents recorded in 2022–2023 (83 in 2021–2022), 53 (65 percent) were unauthorised disclosure of data (data breaches).

	2022–2023	2021–2022
Critical	0	0
Major	7	1
Moderate	20	23
Minor	55	59
Total	**82**	**83**

In 2022–2023 we reported two personal data breaches to the Information Commissioner's Office (ICO) (one in 2021–2022). It has not taken any regulatory action in relation to the breaches.

Anti-fraud, bribery and corruption

No instances of actual or suspected fraud, bribery or corruption were detected in 2022–2023 (2021–2022: none). One case of suspected fraud has been detected in 2023-2024, this relates to the operation of the computer-based test element of our Test of Competence. Further information on the case and action taken in response can be found in the performance review section of this report. Anti-fraud and bribery training is mandatory for all new employees. Refresher training is undertaken by all colleagues every two years.

In 2022–2023 we continued to embed our Personal Interests and Outside Appointments policy for colleagues which explains how we deal with conflicts of interest and requires all colleagues to declare any interests outside the NMC.

All potential conflicts of interest are subject to review by line managers who will consult with appropriate expert colleagues where required.

A Gifts and Hospitality policy is in place for Council members, Associates, Partner members and colleagues, which supports good practice in this area. The policy is periodically reviewed to ensure it reflects good practice and was most recently reviewed and approved by Council in November 2021. Regular reminders are issued about the importance of adhering to the policy. A register of all gifts and hospitality accepted or declined is maintained.

Modern slavery

No modern slavery issues have been identified during the year to date (2021–2022: none).

In accordance with the Modern Slavery Act 2015, we updated and published our Modern Slavery Statement in June 2022 and this year's statement will be published following approval in June 2023.

All colleagues have access to our modern slavery e-learning module, which raises awareness and understanding throughout the organisation.

We continue to embed our procurement policy, which requires us to make use of well-established national framework agreements wherever possible. Suppliers on these frameworks have been subject to rigorous due diligence checks. In addition, we have our own supplier assurance process in place which requires our suppliers to provide information related to their modern slavery position and which is risk assessed accordingly.

While we did not identify any modern slavery in our own organisation, through our regulatory processes we were made aware of three modern slavery concerns outside of the NMC. We shared information on these cases with appropriate bodies, including the Gangmasters and Labour Abuse Authority, the immigration department of the Home Office and the Employment Agency Standards Inspectorate.

Serious event reviews

As a regulator of professionals delivering health and social care, and because of the activities that we undertake to deliver our responsibilities, we would expect to see reporting of incidents or near misses. All of these incidents provide opportunities to learn and are investigated under our Serious Event Review (SER) process. Typically, the learning identifies actions to improve our processes and prevent a recurrence. Under our incident reporting process, we distinguish between Adverse Incidents (AIs) and Serious Events (SEs) based on the severity of the incident. Incidents are classified as AIs when they have minimal impact on our organisation and our work, although they still provide valuable learning. SEs are incidents that impact, actually or potentially, more seriously our organisation and our work. Themes and learning from SERs are reported to the Executive Board and Audit Committee every six months.

During 2022–2023, a total of 160 corporate incidents and near-misses were reported compared with 172 for 2021–2022. Of the 160 corporate incidents reported in 2022–2023, 65 were classified as SEs (compared with 54 in 2021–2022), and the remaining 95 were AIs (compared with 118 in 2021–2022). The majority of Serious Events (89 percent for 2022–2023) occurred within the Professional Regulation Directorate. A driver of the increase in Serious Events was the number of information security related incidents which increased from 21 in 2021–2022 to 27 in 2022–2023. We are piloting a new approach to corporate learning and a key priority of this work is information security.

Reporting of SERs and learning from them is key to improving our performance as a regulator. We want to strengthen our culture to one of learning and openness, and encourage reporting at all levels in the organisation. Over the course of 2023–2024, we will be refreshing our SER policy, and promoting reporting and learning, including by making it easier to report incidents through our new database (launched February 2023), analyse trends and track actions taken to prevent a recurrence. This builds on recommendations from an internal audit of our SER process in October 2022, which provided an outcome of partial assurance. As the volume of activity underway to reduce our fitness to practise caseload increases, we will expect the number of corporate incidents to rise. Within that, we would like to see an increase in lower impact Adverse Incident reporting to enable learning to prevent Serious Events occurring.

Serious incident/ notifiable event reporting

Issues which require reporting to the Charity Commission are identified through several routes, including the Serious Event Review policy and process, and through the Whistleblowing; Anti-Fraud, Bribery and Corruption; and Safeguarding policies and processes. In accordance with guidance from the Charity Commission (CC) and the Office of the Scottish Charity Register (OSCR), where we identify an issue, permission is sought from the Council, as trustees, to report to the Charity Commission.

If more urgent reporting is needed, we seek permission from the Chair and Council is informed at the earliest opportunity.

During 2022–2023, we informed the Charity Commission of two serious incidents arising from safeguarding matters. In April 2023 we informed the Charity Commission of one serious incident arising from safeguarding matters. Our internal investigation into one of the cases has recently concluded and the outcome has been provided to the Commission, which they have noted. The Charity Commission was satisfied that the other cases had been dealt with appropriately and responsibly.
As noted in the safeguarding section of this report, we are taking forward action to further strengthen our approach to safeguarding, led by our Strategic Safeguarding Lead whom we recruited in October 2022.

In May 2023 we informed the Charity Commission of an incident relating to the operation of the computer-based test element of our Test of Competence.

In response, we have taken action to maintain the integrity of the register, including ceasing testing at the centre where the anomalous data was found. Further information on actions we have taken can be found in the performance review section. The Charity Commission was satisfied that the case was being dealt with appropriately and responsibly.

As we are registered with the Charity Commission, we are not required to report incidents to the Office of Scottish Charity Regulator (OSCR) as well. However, in line with our commitment to four country accountability, we report all incidents to both the OSCR and the Charity Commission.

Internal audit annual opinion 2022–2023

Our annual internal audit programme is agreed and overseen by our Audit Committee. The programme for 2022–2023 consisted of nine internal audits which were all completed by the end of the financial year.

Internal Audit Assignment	Assessment
Consultations	Substantial Assurance
Council and Executive Board Information	Reasonable Assurance
Core Financial Systems	Reasonable Assurance
Projects and Programmes – Outcome and Realisation	Reasonable Assurance
Appraisals	Reasonable Assurance
Procurement	Reasonable Assurance
Complaints and Serious Events Reviews	Partial Assurance
Direct Procurement Award – Embedding the actions	N/A as the assignment was advisory
Risk Maturity Review	N/A as the assignment was advisory

The audit of Complaints and Serious Event Reviews (SER) identified that we could be identifying and embedding learning more effectively across the organisation. As noted in the SER section of this report, we are taking forward actions to improve these areas.

Our internal auditors review the implementation of audit recommendations and provide regular updates to the Audit Committee. Last year we reported that there had been delays in implementing nine internal audit recommendations in our People Services function. These were in the areas of starters, onboarding and retention.

These delays were due to challenges arising from changes in senior leadership, systems deficits and an equally challenging recruitment market in resourcing. These actions were prioritised and all but two have now been completed. All other recommendations from audits, where action has fallen due in the period, have been implemented.

The Head of Internal Audit's annual opinion is that:

"The organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective."

Overall assessment of effectiveness of governance and assurance

As Chair of the Council and Accounting Officer, we have reviewed the effectiveness of governance, risk management and internal controls.

In reaching our assessment, we have relied upon a range of evidence, including the opinion and report of the Head of Internal Audit, the corporate assessment of the quality of controls and assurance in place in directorates and the annual review of the effectiveness of risk management.

We have also relied on the Opinion and Audit Findings Report of our external auditors; and the Audit Completion Report and Management Letter of the National Audit Office.

Overall, we consider that there is reasonable assurance that there are adequate arrangements in place for governance, risk management and control. We recognise the need to maintain a high level of scrutiny over the recovery of our fitness to practise caseload and the progression of the Modernisation of Technology Services programme and the improvements that will bring through more effective IT systems and a greater use of automated systems.

Sir David Warren
Chair
10 July 2023

Andrea Sutcliffe
Chief Executive and Registrar
10 July 2023

Independent auditor's report to the trustees of the Nursing and Midwifery Council

Opinion

We have audited the financial statements of the Nursing and Midwifery Council (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity'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.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of responsibilities of the Council, Council (being the trustees) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity'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 trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our 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 an auditor's report that includes our 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.

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

As part of our planning process:

- We enquired of management the systems and controls the charity has in place, the areas of the financial statements that are most susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The charity did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the charity. We determined that the following were most relevant: the Charity SORP, FRS 102, Charities Act 2011, the Nursing and Midwifery Order 2001 and the determination of the Privy Council issued thereunder and the requirements of the Professional Standards Authority for Health and Social Care.
- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the charity, together with the discussions held with the charity at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates, in particular in relation to the defined benefit pension obligation and the panellist provision.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key income lines, in particular cut-off, for evidence of management bias.
- Assessing the validity of the classification of income, expenditure, assets and liabilities between unrestricted and restricted funds.
- Performing a physical verification of key assets.
- Obtaining third-party confirmation of material bank and investment balances.
- Documenting and verifying all significant related party balances and transactions.
- Reviewing documentation such as the charity board minutes for discussions of irregularities including fraud.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the trustees of the charity.

A further description of our responsibilities is available on the Financial Reporting Council's website at: **www.frc.org.uk/auditorsresponsibilities**. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

HW Fisher LLP
Chartered Accountants
Statutory Auditor
10 July 2023

Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

The Certificate and Report of the Comptroller and Auditor General to the trustees of the Nursing and Midwifery Council and the Houses of Parliament

Opinion on financial statements

I certify that I have audited the financial statements of the Nursing and Midwifery Council for the year ended 31 March 2023 under the Nursing and Midwifery Order 2001.

The financial statements comprise: the Nursing and Midwifery Council's:

- Balance Sheet as at 31 March 2023;
- Statement of Financial Activities and Statement of Cash Flows 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 United Kingdom accounting standards including Financial Reporting Standards (FRS) 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion, the financial statements:

- give a true and fair view of the state of the Nursing and Midwifery Council's affairs as at 31 March 2023 and its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been properly prepared in accordance with the Nursing and Midwifery Order 2001 and the determination of the Privy Council issued thereunder; and
- have been properly prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

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 (2022)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

These standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I am independent of the Nursing and Midwifery Council in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK. My staff and I have fulfilled my 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 Nursing and Midwifery Council'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 Nursing and Midwifery Council'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 Council and of the Chief Executive and Registrar with respect to going concern are described in the relevant sections of this certificate.

Other Information

The other information comprises the information included in the Annual Report other than the financial statements and my auditor's certificate thereon. The Council and the Chief Executive and Registrar are responsible for the other information contained within the Annual Report.

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, based on the work undertaken in the course of the audit:

- the parts of the Remuneration Report subject to audit have been properly prepared in accordance with the determination made by the Privy Council under the Nursing and Midwifery Order 2001; 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 Nursing and Midwifery Council and its environment obtained in the course of the audit, I have not identified material misstatements in the Annual Report.

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

- the information given in the financial statements is inconsistent in any material respect with the Annual Report; or
- sufficient and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- certain disclosures of remuneration specified by the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) or the Charities Act 2011, or as required by the determination made by the Privy Council under the Nursing and Midwifery Order 2001 have not been made or parts of the Remuneration Report to be audited is not in agreement with the accounting records and returns; or
- the Annual Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Council and of the Chief Executive and Registrar for the financial statements

As explained more fully in the Statement of the Responsibilities of the Council and of the Chief Executive and Registrar in respect of the accounts, the Council and its Chief Executive and Registrar are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Council are responsible for assessing the Nursing and Midwifery Council'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 Council either intend to cease operations, or have no realistic alternative but to do so.

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 Nursing and Midwifery Order 2001.

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.

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

As part of my planning process:

- I enquired of management the systems and controls the charity has in place, the areas of the financial statements that are most susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The charity did not inform me of any known, suspected or alleged fraud.
- I obtained an understanding of the legal and regulatory frameworks applicable to the charity. I determined that the following were most relevant: the Charity SORP, FRS 102, Charities Act 2011, the Nursing and Midwifery Order 2001 and the determination of the Privy Council issued thereunder and the requirements of the Professional Standards Authority for Health and Social Care.
- I considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored my risk assessment accordingly.
- Using my knowledge of the charity, together with the discussions held with the charity at the planning stage, I formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored my procedures according to this risk assessment.

I also obtained an understanding of the Nursing and Midwifery Council's framework of authority and other legal and regulatory frameworks in which the Nursing and Midwifery Council 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 Nursing and Midwifery Council. The key laws and regulations I considered in this context included the Nursing and Midwifery Order 2001, the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities and Trustee Investment (Scotland) Act 2005.

The key procedures I undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates, in particular in relation to the defined benefit pension obligation and the panellist provision.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key income lines, in particular cut-off, for evidence of management bias.
- Assessing the validity of the classification of income, expenditure, assets and liabilities between unrestricted and restricted funds.
- Performing a physical verification of key assets.
- Obtaining third-party confirmation of material bank and investment balances.
- Documenting and verifying all significant related party balances and transactions.
- Reviewing documentation such as the charity board minutes for discussions of irregularities including fraud.
- In addressing my assurance over regularity, considering any special payments made in year, review of Council and Audit Committee papers and minutes and an overall comparative review of current year to prior year.

Owing to the inherent limitations of an audit, there is an unavoidable risk that I may not have detected some material misstatements in the financial statements even though I have properly planned and performed my audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the trustees of the charity.

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.

I am required to obtain evidence sufficient 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.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General
12 July 2023

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

Financial statements for the year ended 31 March 2023

Statement of financial activities for the year ended 31 March 2023	Note	Unrestricted Funds £'000	Restricted Funds £'000	Year ended 31 March 2023 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Year ended 31 March 2022 £'000
Income from:							
Charitable activities:							
Fees	2	100,433	-	100,433	96,787	-	96,787
Grants	3	-	199	199	-	2,609	2,609
Other income	3	172	-	172	79	-	79
Total		100,605	199	**100,804**	96,866	2,609	**99,475**
Investment income:	3	2,081	-	2,081	923	-	923
Total income		102,686	199	**102,885**	97,789	2,609	**100,398**
Expenditure on:							
Raising funds	4	(166)	-	(166)	(157)	-	(157)
Charitable activities	5	(97,736)	(199)	(97,935)	(90,165)	(2,609)	(92,774)
Total		(97,902)	(199)	**(98,101)**	(90,322)	(2,609)	**(92,931)**
Net income before net gains/(losses) on investments		4,784	-	**4,784**	7,467	-	**7,467**
Gain/(loss) on investments	14	(1,855)	-	(1,855)	1,024	-	1,024
Net income		2,929	-	**2,929**	8,491	-	**8,491**
Other recognised gains/(losses):							
Actuarial gain on defined benefit pension scheme and asset ceiling adjustment	19	(2,458)	-	(2,458)	(1,453)	-	(1,453)
Net movement in funds		471	-	**471**	7,038	-	**7,038**
Reconciliation of funds:							
Total funds brought forward		76,311	-	76,311	69,273	-	69,273
Total funds carried forward		76,782	-	**76,782**	76,311	-	**76,311**

All funds brought and carried forward are unrestricted in the current and previous financial years. All activities reflected in the above two periods were derived from continuing operations. All recognised gains and losses are included in the above statement.

The notes on pages 125 to 150 form part of these accounts.

Balance sheet as at 31 March 2023

	Note	As at 31 March 2023 £'000	As at 31 March 2022 £'000
Fixed assets			
Intangible assets	11	14,169	10,515
Tangible assets	12	18,152	18,163
Investments	14	34,676	32,838
Total fixed assets		**66,997**	**61,516**
Current assets			
Debtors	15	3,770	3,306
Investments	14	29,612	48,125
Cash at bank and in hand		37,631	21,881
Total current assets		**71,013**	**73,312**
Liabilities:			
Creditors: amounts falling due within one year	16	(58,006)	(55,173)
Total current liabilites		**(58,006)**	**(55,173)**
Net current assets		**13,007**	**18,139**
Total assets less current liabilities		**80,004**	**79,655**
Creditors: amounts falling due after more than one	17	(18)	(76)
Provisions for liabilities	18	(3,204)	(3,268)
Total net assets		**76,782**	**76,311**
The funds of the NMC			
Unrestricted funds		**76,782**	**76,311**
Total funds		**76,782**	**76,311**

The notes on pages 125 to 150 form part of these accounts.

The Council approved the accounts on 5 July 2023 and it is signed on their behalf by:

Sir David Warren
Chair
10 July 2023

Andrea Sutcliffe
Chief Executive and Registrar
10 July 2023

Statement of cash flows for the year ended 31 March 2023

	Note	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Cash flows from operating activities			
Net cash provided by operating activities		**5,821**	**8,317**
Cash flows from investing activities			
Interest earned from bank deposits	3	1,222	233
Cash (investment)/withdrawal - long-term deposits		18,513	(19,763)
Cash investment - fixed asset investments	14	(3,000)	-
Purchase of property, plant and equipment	11 & 12	(6,806)	(6,456)
Net cash provided by/ (used in) investing activities		**9,929**	**(25,986)**
Change in cash and cash equivalents in the reporting period		**15,750**	**(17,669)**
Cash and cash equivalents at the beginning of the year		**21,881**	**39,550**
Cash and cash equivalents at the end of the year		**37,631**	**21,881**

The notes on pages 125 to 150 form part of these accounts.

Reconciliation of net income to net cash flow from operating activities	Year ended 31 March 2023	Year ended 31 March 2022
	£'000	£'000
Net income from the reporting period (as per the statement of financial activities)	2,929	8,491
Interest earned from bank deposits	(1,222)	(233)
Dividends and interest earned on fixed investment portfolio	(859)	(690)
(Gain)/loss on investments	1,855	(1,024)
Investment management charge	166	157
Depreciation and amortisation charges	3,163	5,508
(Increase)/decrease in debtors	(464)	716
Increase in creditors and provisions	2,711	-
Change in pension scheme liability	-	(3,155)
Pension scheme adjustments	(2,458)	(1,453)
Net cash inflow from operating activities	**5,821**	**8,317**

Analysis of cash and cash equivalents	Year ended 31 March 2023	Year ended 31 March 2022
	£'000	£'000
Cash at bank and in hand	9,845	20,874
Short term investments[4]	27,786	1,007
	37,631	**21,881**

Analysis of changes in net debt

The Council had no debt during the year.

In accordance with the Charities SORP, FRS 102:

In the balance sheet, cash at bank and in hand means bank accounts with instant access or investments maturing within three months of the balance sheet date. Investments with maturities of between three and twelve months are classified as current asset investments.

In the above analysis of cash and cash equivalents, cash at bank and in hand means bank accounts with instant access while investments maturing within three months of the balance sheet date are classified as short-term investments.

In note 14, investments with maturities of between three and twelve months have been classified as short-term deposits.

The NMC does not hold any physical cash.

[4] See note 14 investments

Notes to the accounts

1. Basis of preparation and accounting policies

We prepare our accounts in accordance with the Charities SORP (FRS 102). As set out in our Accounts Direction from the Privy Council, which is reproduced at Appendix 1, we also have regard to the Government Financial Reporting Manual (FReM), to the extent that the requirements of the FReM clarify or build on the requirements of the Charities SORP.

We meet the definition of a public benefit entity under FRS 102.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are as follows:

a) Going concern

The accounts are prepared on the going concern basis.

Our objective is to protect the public by regulating nurses and midwives in England, Wales, Scotland and Northern Ireland, and nursing associates in England. We are funded by the registration fees paid by nurses, midwives and nursing associates. Taking into account our relatively secure source of income and our significant reserves, the Council has reviewed our circumstances, work plans, budgets, cash flow forecasts and our current and forecast reserves levels and is comfortable with deficit budgets in the medium-term (3–5 years) as we recover from the impact of Covid-19 and fund significant investment programmes.

The recent consultation by the Department of Health and Social Care on the UK model of regulation for healthcare professionals was clear on the presumption of the continued future need for our regulatory functions.

Given the continued need for our regulatory functions and our financial position outlined above, the Council considers that adequate resources continue to be available to fund our activities for the foreseeable future and there are no material uncertainties about the NMC's ability to continue as a going concern.

b) Accounting convention

We prepare our accounts under the historical cost convention. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated on the relevant accounting policy notes.

c) Critical accounting judgements and estimates and key sources of estimation uncertainty

In the application of these accounting policies, we are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. Estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes may ultimately differ from those estimates.

The significant areas subject to estimation and judgement are:

- Depreciation/Amortisation:

  The useful economic lives of fixed assets are based on management's judgement and experience.

- Pensions:

  The principal assumptions used to calculate the surplus in the defined benefit pension scheme are those as set out in note 19. An asset ceiling has been applied to bring the net position to nil, recognising that the NMC does not have an unconditional right to a surplus.

- Panellist provision:

  The provision for potential additional panellist costs reflects our prudent estimate of the possible wider impact of a single claim to an employment tribunal for additional sums by a fitness to practice panellist.

d) Income

All income is recognised once the NMC has entitlement to the income, it is probable that the income will be received and the amount can be reliably measured.

- Income from charitable activities:

  Nurses, midwives and nursing associates must pay an annual registration fee to be registered with the NMC and able to practise. Registration fees are paid either annually in advance or quarterly in advance. We recognise the fees as income on a monthly basis across the year to which the registration fee applies.

  The deferred income amount within our creditors is the value of fees that we have received at each balance sheet date that relate to a future financial year. Other fees including verification fees are credited to income on the day of receipt.

- Investment Income:

  Investment income is accounted for when receivable.

- Government Grants:

  Grant income is recognised once the NMC has entitlement to the income, it is probable that the income will be received and the amount can be reliably measured. For performance related grants, entitlement to the income includes meeting the performance related conditions.

e) Expenditure

- Charitable activities:

  Expenditure on charitable activities includes all expenditure related to the objects of the charity which comprise: standards promotion and policy development, education, maintaining the register, fitness to practise, and communication and public engagement. See note 5.

- Support costs:

  Support costs are the costs of our corporate functions including premises, IT, finance and human resources. They are apportioned to the regulatory functions on the basis of the employee numbers in the regulatory functions.

f) Fund accounting

All funds are currently unrestricted and reported as such in the financial statements. They are available for use at the discretion of the Council to support the general objectives of the NMC.

We have received restricted grant funding and these funds have been used in accordance with the specific restrictions imposed.

g) Leased assets

Rentals applicable to operating leases, where substantially all the benefits and risks of ownership remain with the lessor, are charged to the statement of financial activities in equal amounts over the periods of the leases.

h) Employee benefits

- Holiday pay:

  Holiday pay is recognised as an expense in the period in which the service is received.

- Termination benefits:

  Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

- Pension costs:

  Retirement benefits are provided by a defined benefit scheme and a defined contribution scheme. Payments are made to pension trusts, which are financially separate from the NMC.

The defined benefit scheme was closed to future accrual of benefits with effect from 1 July 2021 and, as a result of the triennial review as at 31 March 2022 showing a surplus, even under very cautious assumptions designed to ensure the scheme has 'low dependency' on the employer, no recovery plan payments are currently required.

The difference between the market value of the assets of the pension fund and the present value of accrued pension liabilities is shown as an asset or liability on the balance sheet, except that an asset is only recognised where the Charity has an unconditional right to that surplus. As the NMC does not have an unconditional right to a surplus, an asset ceiling adjustment has been applied to bring the net position on the balance sheet to nil, with the actuarial gain and the asset ceiling adjustment both charged to the Statement of Financial Activities (SoFA).

The service cost of pension provision relating to the period, together with the costs of any benefits relating to past service and the pension finance cost, which is a charge equal to the increase in the present value of the Pension Fund's liabilities at the previous year end, less a credit equivalent to the Pension Fund's long-term expected return on assets are allocated to the SoFA.

Payments to the defined contribution scheme are made on the basis of set percentage contributions by the NMC and employees, and the costs are charged to the Statement of Financial Activities (SoFA) as incurred.

i) Fixed assets

Expenditure is only capitalised where the cost of the asset or group of assets acquired exceeds £5,000. Depreciation/amortisation is provided on fixed assets to write them down to a nominal value of £1 over their estimated useful lives in equal instalments as follows:

Long Leasehold Premises - 23 Portland Place[5]	50 years
Office fit out and refurbishment	Period of the lease or the useful economic life of the asset
Furniture	10 years
IT Projects	3–10 years
Software	3–5 years
Equipment	3–5 years

We revalued 23 Portland Place during 2013–14 and on first adoption of FRS 102 opted to use this valuation as deemed cost going forward. During the year the estimated useful life of IT project assets was changed from 3–5 years to 3–10 years, to better reflect the time over which the assets are expected to be in use.

Fixed Assets are assessed at each reporting date for any indicators of impairment. If any such indication exists, the recoverable amount of the asset is estimated.

Internal costs directly incurred on software development are capitalised as part of the project they relate to.

j) Investments

Fixed asset investments are initially capitalised at cost and subsequently recognised at market value at the balance sheet date.

Gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their cost if acquired during the year, and are charged or credited to the statement of financial activities in the year of disposal.

The movement in market values during the year for assets held at the year-end is credited or charged to the statement of financial activities based on the market value at the year-end.

Current asset investments are investments with maturities of between three and twelve months.

k) Debtors

Debtors and accrued income are recognised at the amount due at year-end. Prepayments are valued at the amount prepaid.

l) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short-term highly liquid investments with a maturity of three months or less at the balance sheet date.

[5] See note 21.1

m) Creditors and provisions

Creditors and provisions are recognised where we have a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

n) Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost. Financial assets held at amortised cost consist of cash balances, investments, trade and other debtors. Investments in the stock market are held at market value. Financial liabilities held at amortised cost comprise trade creditors, other creditors and accruals.

2. Fee income

	Year ended 31 March 2023	Year ended 31 March 2022
	£'000	£'000
Registration fees	92,828	89,749
Other fees paid by registrants	7,605	7,038
Total	**100,433**	**96,787**

3. Investment, grant and other income

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Interest earned from bank deposits	1,222	233
Dividends and interest earned in our fixed asset investment portfolio	859	690
Investment income	**2,081**	**923**
Grant income	199	2,609
Other income	172	79
Total	**2,452**	**3,611**

£0.199 million of restricted grant income was received from the Department of Health and Social Care for work undertaken by the NMC to increase the speed of processing of international applications to join the register (2021–2022: £2.609 million). £0.195 million (2021–2022: £2.4 million) of this funding was passed directly to the test centre providing the tests for international applicants.

£0.110 million of other income was received under a contract with the Department of Health and Social Care for work undertaken by the NMC to set up a temporary register to support nursing resources in response to the Coronavirus pandemic (2021–2022: £0.062 million).

4. Analysis of expenditure on raising funds

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Investment management charge	166	157

5. Analysis of expenditure on charitable activities

Year ended 31 March 2023	Standards promotion and policy development £'000	Education £'000	Maintaining the register £'000	Fitness to practise £'000	Comms and public engagement £'000	Total 2022–2023 £'000
Activities undertaken directly						
Employee costs	6,188	1,053	5,124	28,525	2,637	43,527
Other costs	1,818	18	345	19,428	543	22,152
Support costs						
Employee costs	1,275	211	2,157	9,984	709	14,336
Other costs	1,305	217	2,209	13,463	726	17,920
Total	**10,586**	**1,499**	**9,835**	**71,400**	**4,615**	**97,935**

£0.199 million of restricted grant income was received from the Department of Health and Social Care for work undertaken by the NMC to increase the speed of processing of international applications to join the register (2021–2022: £2.609 million). £0.195 million (2021–2022: £2.4 million) of this funding was passed directly to the test centre providing the tests for international applicants.

Year ended 31 March 2022	Standards promotion and policy development £'000	Education £'000	Maintaining the register £'000	Fitness to practise £'000	Comms and public engagement £'000	Total 2021–2022 £'000
Activities undertaken directly						
Employee costs	5,430	889	5,757	26,864	2,408	41,348
Other costs	1,778	42	2,520	15,519	597	20,456
Support costs						
Employee costs	1,086	142	1,866	7,824	549	11,467
Other costs	1,590	207	2,730	14,172	804	19,503
Total	**9,884**	**1,280**	**12,873**	**64,379**	**4,358**	**92,774**

In order to aid comparison with the 31 March 2023 figures, which reflect the NMC's current structure, the figures above have been reanalysed. This has resulted in £0.6 million expenditure being transferred to Standards promotion and policy development from across the other headings (including £0.1 million from Maintaining the register and £0.5 million from Fitness to practise) for the year ended 31 March 2022.

6. Analysis of support costs

Year ended 31 March 2023	Standards promotion and policy development £'000	Education £'000	Maintaining the register £'000	Fitness to practise £'000	Comms and public engagement £'000	Total 2022–2023 £'000
Facilities	160	26	271	4,492	89	5,038
Finance and Procurement	274	45	464	2,148	153	3,084
HR	643	107	1,088	5,036	354	7,232
ICT	745	124	1,260	5,833	414	8,376
Governance	324	54	548	2,536	180	3,642
Legal	153	25	259	1,199	85	1,721
Depreciation	281	47	476	2,203	156	3,163
Pension Adjustment	-	-	-	-	-	-
Total	**2,580**	**428**	**4,366**	**23,447**	**1,435**	**32,256**

Year ended 31 March 2022	Standards promotion and policy development £'000	Education £'000	Maintaining the register £'000	Fitness to practise £'000	Comms and public engagement £'000	Total 2021–2022 £'000
Facilities	228	30	392	4,368	116	5,134
Finance and Procurement	298	39	512	2,149	151	3,149
HR	437	57	749	3,144	221	4,607
ICT	943	123	1,620	6,794	477	9,957
Governance	394	51	678	2,838	199	4,160
Legal	123	16	212	887	62	1,300
Depreciation	522	68	896	3,757	263	5,506
Pension Adjustment	(269)	(35)	(463)	(1,941)	(136)	(2,844)
Total	**2,676**	**349**	**4,596**	**21,996**	**1,353**	**30,970**

In order to aid comparison with the 31 March 2023 figures, which reflect the NMC's current structure, the figures above have been reanalysed. This has resulted in £0.7 million expenditure being transferred out of Support costs (including £498,000 from Fitness to practise) to Direct costs for the year ended 31 March 2022.

7. Governance costs

The breakdown of governance costs (included within support costs) is:

	Year ended 31 March 2023	Year ended 31 March 2022
	£'000	£'000
Council members' allowances, national insurance, travel and subsistence	400	300
Auditors' remuneration for audit services: HW Fisher LLP	73	46
Auditors' remuneration for audit services: NAO	17	13
Professional Standards Authority annual fee	1,998	1,982
Operating costs (including salaries)	1,154	1,819
Total	**3,642**	**4,160**

Of the £73,000 HW Fisher audit fee for the year ended 31 March 2023, £7,000 relates to an additional fee for the 2022 audit that was not accrued in the prior year.

Of the £17,000 NAO audit fee for the year ended 31 March 2023, £1,000 relates to an additional fee for the 2022 audit that was not accrued in the prior year.

8. Total resources expended by cost category

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Salaries and associated costs	57,393	52,815
Fitness to practise related costs	19,428	14,602
IT development and support	4,922	4,707
Professional fees	3,940	7,169
Rent payable on office leases	2,077	2,290
Other premises costs	2,009	1,888
Other employee-related costs	1,614	1,464
Quality assurance of education	1,047	1,258
Depreciation	3,163	5,508
Printing, postage and stationery	129	132
Finance and insurance[6] costs	921	833
Council and committee costs	458	265
Total	**98,101**	**92,931**

Expenditure on consultancy

The definition of consultancy is the provision to management of objective advice relating to strategy, structure, management or operations of an organisation, in pursuit of its purposes and objectives. Such advice will be provided outside the 'business-as-usual' environment when in-house skills are not available and will be time-limited.

Consultancy may include the identification of options with recommendations, or assistance with (but not the delivery of) the implementation of solutions. On this basis consultancy costs have been identified as below. These costs are included mainly in the Professional fees category, and also in the IT development and support.

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Consultancy	758	775

[6] Includes trustees' indemnity insurance

9. Information regarding employees

Salaries and associated costs	Executive	Other employees	31 March 2023	31 March 2022
	£'000	£'000	£'000	£'000
Wages and salaries	1,130	45,645	46,775	42,544
Social security costs (Employer's NI contributions and Apprenticeship levy)	148	4,943	5,091	4,612
Defined benefit pension costs[7]	-	-	-	(2,292)
Defined contribution pension costs - present employees	136	5,063	5,199	5,023
Temporary and contract workers	-	2,688	2,688	2,548
Termination payments[8]	-	177	177	380
Total	1,414	58,516	**59,930**	**52,815**
Capitalised staff costs	-	(1,537)	(1,537)	-
Total	1,414	56,979	**58,393**	**52,815**

[7] Further information about the NMC's employee pension schemes can be found in Note 19.
[8] This includes £23,000 extra contractual payments, redundancy payments of £105,000 and payments in lieu of notice of £49,000 (2020–21: extra contractual payments of £183,000, redundancy payments of £92,000 and payments in lieu of notice of £105,000).

Information relating to higher paid employees (including the Executive)

There were 175 (2021–2022: 143) employees (including members of the Executive for the period) whose remuneration fell in the following bands:

Remuneration bands (£)	Year ended 31 March 2023	Year ended 31 March 2022
	Number of employees	Number of employees
60,001–70,000	76	62
70,001–80,000	58	43
80,001–90,000	15	20
90,001–100,000	11	5
100,001–110,000	5	5
110,001–120,000	3	1
120,001–130,000	2	-
130,001–140,000	2	2
140,001–150,000	1	1
150,001–160,000	1	-
160,001–170,000	-	2
170,001–180,000	1	1
300,001–310,000	-	1

Key management is made up of the Chief Executive and Registrar and the Executive directors. The total benefits of the key management, including employers national insurance and pension contributions were £1,461,000 (2021–2022: £1,737,000). The above table includes 8 Executive directors who received more than £60,000 in the year. There were five Executive members in post for part of the year whose earnings were below £60,000. For more information on Executive remuneration in the year, see the Remuneration report.

In 2022–2023, one employee with remuneration in the £100,000–£110,000 band included an exit package of £53,000, one employee with remuneration in the £90,000–£100,000 band included an exit package of £31,000 and one employee with remuneration in the £60,000–£70,000 band saw an exit package of £22,000.

In 2021–2022, the table shows one employee with remuneration in the £300,000–£310,000 band, with none in that band in 2022–2023. That employee's remuneration included an exit package of £170,000. Also in 2021–2022, one employee's remuneration in the £160,000–£170,000 band included an exit package of £91,000, one employee's remuneration in the £100,000–£110,000 band included an exit package of £56,000 and, two employee's remuneration in the £60,000–£70,000 band saw exit packages of £18,000 and £43,000 respectively. All other movement in bandings was through the 2022–2023 standard annual pay increase.

	Year ended 31 March 2023 Number of employees	Year ended 31 March 2022 Number of employees
Average number of permanent and fixed term contract employees during the year:		
Executive	13	8
Other employees	1,017	999
Average number of agency temporary staff and contractors during the year	65	69
Total	**1,095**	**1,076**

10. Charitable status

We are registered as a charity in England and Wales with the Charity Commission (charity no. 1091434) and in Scotland with the Office of the Scottish Charity Regulator (charity no. SC038362).

Due to our charitable status we are not liable to corporation tax on our charitable activities or on our investment income and gains. We also receive charitable rate relief from the City of Westminster, London Borough of Newham and Edinburgh City Council.

11. Intangible fixed assets for use by the charity

	Software	IT Projects	Capital Work in Progress	Total
	£'000	£'000	£'000	£'000
Cost:				
01 April 2022	6,632	18,971	556	**26,159**
Additions	-	1,725	3,668	**5,393**
Disposals	(4,523)	-	-	**(4,523)**
Transfers	-	(70)	(93)	**(163)**
31 March 2023	**2,109**	**20,626**	**4,131**	**26,866**
Amortisation:				
01 April 2022	6,632	9,012	-	**15,644**
Amortisation charge for the year	-	1,630	-	**1,630**
Disposals	(4,523)	-	-	**(4,523)**
Transfers	-	(54)	-	**(54)**
31 March 2023	**2,109**	**10,588**	**-**	**12,697**
Net Book Value:				
31 March 2022	-	9,959	556	**10,515**
31 March 2023	**-**	**10,038**	**4,131**	**14,169**

Capital work-in-progress projects are added to the fixed asset register and amortised when brought into use.

Fixed Assets are assessed at each reporting date for any indicators of impairment. If any such indication exists, the recoverable amount of the asset is estimated.

The £70,000 transfer out of IT projects during the year was due to £163,000 of IT equipment being transferred to tangible assets (Equipment), while £93,000 of work in progress relating to our Modernisation of Technology Services programme (MoTS) was brought into use. A further £1.725 million of additions relating to the MoTS programme was also capitalised during the year. During the year the estimated useful life of IT projects was changed from 3–5 years to 3–10 years, to better reflect the time over which the assets are expected to be in use. As a result, amortisation charged in the year reduced from £4,889,000 to £966,000.

Fully depreciated software, originally costing £4,523,000 was removed from the register during the year.

11.1 Capital work in progress

These are projects to create capital assets for use in the business where expenditure has been incurred at the period end but the assets have not yet been completed or brought into use. These include the Modernisation of Technology project and the Test of Competence management project.

12. Tangible fixed assets for use by the charity

	23 Portland Place long leasehold premises[9]	Buildings refurbishment	Furniture	Equipment	Capital Work in Progress[10]	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost:						
01 April 2022	15,448	14,267	517	3,795	119	**34,146**
Additions	-	17	-	1,394	2	**1,413**
Disposals	-	(713)	(336)	(3,122)	-	**(4,171)**
Revaluation	-	-	-	-	-	**-**
Transfers	-	-	-	183	(20)	**163**
31 March 2023	**15,448**	**13,571**	**181**	**2,250**	**101**	**31,551**
Depreciation:						
01 April 2022	2,778	8,953	457	3,795	-	**15,983**
Depreciation charge for the year	354	772	18	389	-	**1,533**
Disposals	-	(713)	(336)	(3,122)	-	**(4,171)**
Revaluation	-	-	-	-	-	**-**
Transfers	-	-	-	54	-	**54**
31 March 2023	**3,132**	**9,012**	**139**	**1,116**	**-**	**13,399**
Net Book Value:						
31 March 2022	12,670	5,314	60	-	119	**18,163**
31 March 2023	**12,316**	**4,559**	**42**	**1,134**	**101**	**18,152**

Capital work-in-progress projects are added to the fixed asset register and depreciated when brought into use.

Fixed Assets are assessed at each reporting date for any indicators of impairment. If any such indication exists, the recoverable amount of the asset is estimated. The £183,000 transfer to Equipment was due to £20,000 of work in progress relating to laptops being brought into use and a transfer of £163,000 of other IT equipment being transferred from IT projects.

A further £17,000 related to the refurbishment of our Edinburgh office and £1,394,000 related to our laptop replacement programme were also capitalised.

12.1 Long leasehold premises

The UKCC (the NMC's predecessor body) acquired the leasehold interest in 23 Portland Place, London W1B 1PZ from the General Nursing Council for England and Wales at nil cost. The lease has a peppercorn rent of £250 a year and expires in the year 2933. The lease was valued as at 31 March 2014 on an existing use basis, by external valuers Carter Jonas, at £17.185 million. There is a restrictive covenant on the lease which restricts the use and occupation of the property to the NMC.

12.2 Capital work in progress

These are projects to create capital assets for use in the business where expenditure has been incurred at the period end but the assets have not yet been completed or brought into use, including the Infrastructure programme.

[9] See Note 12.1
[10] See Note 12.2

13. Related party transactions

We are accountable to Parliament through the Privy Council. The Nursing and Midwifery Order 2001 sets out the nature of our relationship with the Privy Council and the reporting mechanisms required. While not accountable to the Department of Health and Social Care, we have regular contact with the Department on policy and other matters.

During the period 1 April 2022 to 31 March 2023, the total allowances paid to the current Chair was £78,000 (2021–2022: £60,667), and allowances, travel and subsistence and training expenses paid to, or incurred in relation to, members of the Council were £309,918 (2021–2022: £246,402).

Council members are paid directly via the NMC payroll. Details of amounts paid to individual Council and Executive members are set out in the remuneration report.

During the year, the NMC engaged IT services from Gartner UK Limited. The partner of Matthew McClelland, Executive Director of Strategy and Insight, is the Regional Vice P resident of Business Development (Large Enterprise) at Gartner UK Limited. The NMC paid Gartner UK Limited a total of £37,280 during the year (2021–2022: £Nil). There were no balances outstanding with related parties at year-end. Matthew McClelland has played no part in the procurement or management of Gartner UK's services.

14. Investments

Fixed asset investment	As at 31 March 2023	As at 31 March 2022
	£'000	£'000
Market value at 1 April	32,838	31,281
New capital invested	3,000	-
Dividends and interest received and retained in fund	859	690
Management fees charged at source	(166)	(157)
Net (loss)/gain on revaluation	(1,855)	1,024
Market value at 31 March	**34,676**	**32,838**
Comprising the following:		
Fixed income securities	5,082	3,112
Equities	23,204	22,929
Property Funds	1,445	1,864
Alternative investment funds	4,249	4,219
	33,980	**32,124**
Cash	696	714
Market value ad 31 March	**34,676**	**32,838**

During the period 1 April 2022 to 31 March 2023, an additional £3,000,000 of funds were invested in the stock market using our investment managers Sarasin & Partners (2021–2022: £Nil).

Current asset investments	As at 31 March 2023	As at 31 March 2022
	£'000	£'000
Short-term deposits (maturity of more than 3 months but less than 12 months)	29,612	48,125

15. Debtors

	As at 31 March 2023	As at 31 March 2022
	£'000	£'000
Debtors	100	91
Prepayments and accrued income	3,670	3,215
Total	**3,770**	**3,306**

16. Creditors (Amounts falling due within one year)

	As at 31 March 2023 £'000	As at 31 March 2022 £'000
Creditors and accruals	15,791	13,478
Other taxes and social security	1,423	1,437
Deferred income	40,792	40,258
Total	**58,006**	**55,173**

Deferred income is the value of Registrant fees received at each balance sheet date that relate to a future financial year. £40,258,000 deferred as at 31 March 2022 was released in the year and £40,792,000 was deferred as at 31 March 2023.

17. Creditors (Amounts falling due after more than one year)

	As at 31 March 2023 £'000	As at 31 March 2022 £'000
Lease premium	18	76
Total	**18**	**76**

18. Provisions

	Dilapidations[11] £'000	Pension - Early Retirement[12] £'000	Panellists[13] £'000	Total £'000
At 1 April 2022	(746)	(22)	(2,500)	(3,268)
Additions	(123)	-	-	(123)
Utilised in the year	158	22	-	180
Releases	7	-	-	7
At 31 March 2023	**(704)**	**-**	**(2,500)**	**(3,204)**

[11] The provision for dilapidations represents our prudent estimate of the costs of putting our leased properties back into the condition they were in prior to the start of our leases.
[12] The provision for pension early retirement reflected the cost of a member of the defined benefit pension scheme retiring early due to incapacity. The additional cost was paid monthly until June 2022.
[13] The provision for potential additional panellist costs reflects our prudent estimate of the possible wider impact of a single claim to an employment tribunal for additional sums by a Fitness to Practise panellist. Panellists are independent contractors who sit on our Fitness to Practise panels. Legal proceedings with respect to this are continuing. The current provision reflects the most recent legal advice as to the likely extent of the potential liability. As the provision includes an amount relating to unpaid employer pension contributions, The Pensions Regulator has been informed.

19. Pension commitments

We operate two pension schemes: a defined contribution scheme and a defined benefit scheme.

The defined contribution scheme

Our main pension scheme is a defined contribution pension scheme operated by The People's Pension. The minimum contribution level is that employees contribute 1 percent of their pensionable salary and the NMC contributes 8 percent (2021–2022: 8 percent). Employees may make additional contributions which are matched by the NMC up to a maximum employer contribution of 14 percent. As at 31 March 2023, 94 percent of employees were members of the defined contribution pension scheme. Employees also have the option of making their contributions through a salary sacrifice scheme introduced at the beginning of 2021–2022.

	Year ended 31 March 2023	Year ended 31 March 2022
	£'000	£'000
NMC's (employer's) defined contribution scheme contributions made in year	**5,199**	5,023
	%	%
NMC's (employer's) basic contribution defined contribution scheme	**8.00%**	8.00%
Employees' basic contribution defined contribution scheme	**1.00%**	1.00%

The defined benefit scheme

Employees who joined the NMC before November 2013 were able to join our defined benefit pension scheme, The Nursing and Midwifery Council and Associated Employers Pension Scheme, scheme registration number 101652586. It is a funded, multi-employer scheme with the Department of Health and Social Care, administered by Premier Pensions Management Limited. The National Assembly for Wales and NHS Education for Scotland, the previous participants, withdrew from the scheme during 2013 and 2015 respectively.

In March 2021, following a consultation with the active members of the Scheme, Council decided to close the defined benefit scheme to future accrual of benefits with effect from 1 July 2021. Therefore, at 31 March 2023, no employees are active members of the scheme.

Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations. Contributions have been charged to the Statement of Financial Activities (SoFA) so as to spread the cost of pensions over employees' working lives.

The latest completed valuation of the scheme was carried out on behalf of the pension trustees by Premier Pensions Management Limited as at 31 March 2022, using a full yield curve approach. At the date of the valuation, the value of the NMC section of the scheme assets on a low dependency basis was £74.4 million. The value of the assets represented 107 percent of the value of the benefits, which had accrued to members after allowing for expected future increases in earnings.

If the scheme had been wound up on the valuation date (31 March 2022), the assets would have been approximately 86 percent of the amount necessary to purchase insurance contracts to meet the accrued benefits for active members and past leavers and the current benefits for pensioners. The estimated deficit would have been £12.4 million.

As a result of the triennial review showing a surplus, the independent pension trustees have agreed that recovery plan payments are no longer required. The value of recovery plan payments, in the year ended 31 March 2023 was £1,928,000 (31 March 2022: £1,860,000). The value of other, non-recovery plan payments, in the year was £530,000 (2021–2022: £676,000).

The next triennial valuation will be as at 31 March 2025.

The FRS 102 valuation is based on a full assessment of the liabilities of the scheme as at 31 March 2023. Although this valuation shows a surplus, legal advice has confirmed that the NMC does not have an unconditional right to that surplus. FRS 102 states that "an entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus" and therefore an asset ceiling adjustment has been applied to bring the net position to nil.

Amounts recognised in Balance Sheet	**As at 31 March 2023**	**As at 31 March 2022**
	£'000	**£'000**
Assets at fair value	75,706	101,836
Present value of defined benefit obligation	(60,450)	(96,036)
Surplus/(Deficit)	**15,256**	**5,800**
Asset ceiling adjustment	(15,256)	(5,800)
Net liability	**-**	**-**

Amounts recognised in SoFA	As at 31 March 2023	As at 31 March 2022
	£'000	£'000
Current service cost	-	(587)
Past service cost	-	-
Expected return on plan assets	2,656	1,848
Curtailment	-	2,495
Interest on pension obligation	(2,656)	(1,889)
Net amount recognised in SoFA	**-**	**1,867**

Amounts recognised in Other Comprehensive Income	As at 31 March 2023	As at 31 March 2022
	£'000	£'000
Return on plan assets in excess of interest income	29,384	(2,845)
Actuarial loss/(gain) on demographic assumptions	756	-
Actuarial loss/(gain) on financial assumptions	(38,287)	(5,849)
Actuarial loss/(gain) on experience adjustment	1,332	4,347
Change in the asset ceiling excluding interest	9,273	5,800
Total loss/(gain)	**2,458**	**1,453**

	%	%
NMC's (employer's) contribution defined benefit scheme	39.30%	39.30%
Employees' contribution defined benefit scheme	0.00%	6.00%

Reconciliation of present value of defined benefit obligation	As at 31 March 2023	As at 31 March 2022
	£'000	£'000
Opening balance at 1 April 2022	**96,036**	**100,498**
Current service cost	-	587
Curtailment	-	(2,495)
Interest cost	2,473	1,889
Employee contribution	-	92
Actuarial (gain)/losses	(36,199)	(1,502)
Benefits paid	(1,860)	(3,033)
Closing balance at 31 March 2023	**60,450**	**96,036**

Reconciliation of fair value of plan assets	As at 31 March 2023	As at 31 March 2022
	£'000	£'000
Opening balance at 1 April 2022	**101,836**	**97,343**
Expected return on assets	2,656	1,848
Actuarial gain/(losses)	(29,384)	2,845
Employer contribution	2,458	2,741
Employee contribution	-	92
Benefits paid	(1,860)	(3,033)
Closing balance at 31 March 2023	**75,706**	**101,836**

Asset ceiling	Year ended 31 March 2023	Year ended 31 March 2022
	£'000	£'000
Asset ceiling at start of period	**(5,800)**	**-**
Interest on the asset ceiling	(183)	-
Change in asset ceiling not included in income statement	(9,273)	5,800
Asset ceiling at end of period	**(15,256)**	**(5,800)**

Reconciliation of change in funded status	Period ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Opening balance at 1 April 2022	**-**	**(3,155)**
Pension expense	-	1,867
Actuarial gain/(losses)	6,815	4,347
Employer contribution	2,458	2,741
Asset ceiling adjustment	(9,273)	(5,800)
Closing balance at 31 March 2023	**-**	**-**
Actual return on plan assets	**(26,728)**	**4,693**

History of experience adjustments	Period ended 31 March 2023 £'000	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Defined benefit obligation	(60,450)	(96,036)	(100,498)	(78,626)
Plan assets	75,706	101,836	97,343	67,004
Surplus/(Deficit)	**15,256**	**5,800**	**(3,155)**	**(11,622)**
Experience adjustments on scheme liability - gain/(loss)	(1,332)	(4,347)	731	5,226
Experience adjustments on scheme assets	(29,384)	2,845	20,119	(13,789)

Expected contribution in following period	As at 31 March 2023 £'000
Employer (including fees)	-
Employee	-
Total	**-**

Principal assumptions	As at 31 March 2023	As at 31 March 2022
Discount rate	4.70%	2.60%
Retail price inflation	3.40%	3.70%
Consumer price inflation	2.95%	3.25%
Pension increases	3.00%	3.65%
Expected return on assets	4.70%	2.60%

Life expectancy at age 60	Years	Years
Males born 1962	26.6	26.6
Females born 1962	29.3	29.2
Males born 1982	28.2	28.1
Females born 1982	30.7	30.7

Scheme assets	As at 31 March 2023	As at 31 March 2022
	£'000	£'000
Growth funds	18,945	51,361
Bonds	6,606	6,993
Gilts	16,466	-
Liability driven investments	11,909	19,984
Cash	6,022	2,384
Insured annuities	15,758	21,114
Total	**75,706**	**101,836**

20. Capital commitments

At 31 March 2023, £0.6 million for Registration and Revalidation, Test of Competence, £2.6 million Modernisation of Technology Services and £0.1 million Technology Improvement programme capital expenditure has been contracted for but has not been provided for in the financial statements.

The following capital expenditure had been approved but not contracted for:

	As at 31 March 2023	As at 31 March 2022
	£'000	£'000
Modernisation of Technology Services	6,881	1,200
Accommodation programme	1,800	763
Modern Workplace for Me	100	100
Total	**8,781**	**2,063**

21. Operating lease commitments

At 31 March 2023 we had the following future minimum operating lease payments:

	Land and buildings	
	As at 31 March 2023	As at 31 March 2022
	£'000	£'000
Leases which expire:		
Within one year	1,888	1,816
Between one and five years	4,530	5,723
More than five years	757	4,226
Total	**7,175**	**11,765**

We lease premises at 2 Stratford Place, London, for the period until 21 July 2024; 1 Westfield Avenue, London, for the period until 6 February 2029 and 10 George Street, Edinburgh for the period until 17 May 2026.

22. Financial instruments

Financial instruments play a more limited role in creating and managing risk than would apply to a commercial organisation.

	As at 31 March 2023 £'000	As at 31 March 2022 £'000
Financial assets	105,689	106,150
Financial liabilities	(17,214)	(14,915)

Financial assets consist of cash balances £37.631 million (2021–2022: £21.881 million), investments in fixed term bank deposits £29.612 million (2021–2022: £48.125 million) and debtors £3.770 million (2021–2022: £3.306 million) held at amortised cost and investments in the stock market (via investment managers) £34.676 million (2021–2022: £32.838 million) held at market value. Financial liabilities held at amortised cost comprise creditors and accruals £15.791 million (2021–2022: £13.478 million) and other taxes and social security £1.423 million (2021–2022: £1.437 million).

23. Comparative statement of financial activities

In the year ended 31 March 2022 £2.609 million restricted grant income was fully expensed, with no brought forward restricted balances. See note 3 for further detail.

24. Extra-contractual payments

There was one extra-contractual payments in the period ended 31 March 2023: £23,500 (31 March 2022: £182,804). Further detail can be found in the remuneration report.

25. Contingent assets and contingent liabilities

At 31 March 2023 there were no contingent assets or liabilities.

26. Post balance sheet events

There have been no events after the balance sheet date requiring adjustment or disclosure in these financial statements.

The annual report and accounts have been authorised for issue on the date the accounts were certified by the Comptroller and Auditor General.

Appendix 1

The Nursing and Midwifery Order 2001 (Form of Accounts) Determination 2010

Their Lordships make the following determination in exercise of powers conferred by article 52(1) of the Nursing and Midwifery Order 2001[1].

This determination has effect from 23rd February 2010.

Interpretation

1. In this Determination-

"the accounts" means the accounts which it is the Council's duty to keep and prepare under article 52(1) of the Nursing and Midwifery Order 2001 in respect of the financial year ending on 31st March 2010 and subsequent financial years;

"the Charities' SoRP" means the "Accounting and Reporting by Charities: Statement of Recommended Practice 2005 prepared by the Charities Commission or any updated edition in force for the relevant financial year.

"the Council" means the Nursing and Midwifery Council;

"the FReM" means the Government Financial Reporting Manual issued by HM Treasury which is in force for the relevant financial year.

[1] S.I 2002/253

Determination

2. The accounts must-

a. be prepared so as to give a true and fair view of the Council's state of affairs as at 31st March of the financial year in question and of the incoming resources and application of resources of the Council for that financial year; and

b. disclose any material incoming or outgoing resources that have not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them.

3. Subject to paragraph 4, in order to comply with paragraph 2(a), the accounts must be prepared-

a. in compliance with the accounting principles and disclosure requirements contained in the Charities' SORP; and

b. having regard to the requirements of the FReM to the extent that those requirements clarify, or build on, the requirements of the Charities' SORP.

4. Where the presence of exceptional circumstances means that compliance with the requirements of the Charities SORP or the FReM would give rise to the preparation of accounts which were inconsistent with the requirement in paragraph 2(b), those requirements should be departed from only to the extent necessary to give a true and fair view of that state of affairs.

5. In cases referred to in paragraph 4, informed and unbiased judgement should be used to devise an appropriate alternative treatment which is consistent with both the economic characteristics of the circumstances concerned and the spirit of the Charities' SORP and the FReM.

6. This determination shall be reproduced as an appendix to the published accounts.

Signed by the authority of the Privy Council
Dated: 18th July 2011

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