

# Open Council - 29 March 2023

MEETING  
29 March 2023 09:30

PUBLISHED  
22 March 2023

## Meeting of the Council

To be held from **09:30** on Wednesday 29 March 2023  
Council Chamber, 23 Portland Place, London W1B 1PZ

### Agenda

Sir David Warren  
Chair of the Council

Matthew Hayday  
Council Secretary

- |                                   |  |           |   |
|-----------------------------------|--|-----------|---|
| <b>1</b>                          | <b>Welcome and Chair's opening remarks</b>                             | NMC/23/12 | <b>09:30</b>                                |
| <b>2</b>                          | <b>Apologies for absence</b>   | NMC/23/13 |   |
| <b>3</b>                          | <b>Declarations of interest</b>  | NMC/23/14 |   |
| <b>4</b>                          | <b>Minutes of the previous meeting</b>                                 | NMC/23/15 |   |
|                                   | Chair of the Council   |           |   |
| <b>5</b>                          | <b>Summary of actions</b>  | NMC/23/16 |   |
|                                   | Secretary  |           |   |
| <br><b>Matters for discussion</b> |  |           |   |
| <b>6</b>                          | <b>Executive report</b>  | NMC/23/17 | <b>09:35-<br/>10:05</b><br><i>(30 mins)</i> |
|                                   | Chief Executive and Registrar/Executive                                |           |   |
| <b>7</b>                          | <b>Fitness to Practise caseload update</b>                             | NMC/23/18 | <b>10:05-<br/>10:25</b><br><i>(20 mins)</i> |
|                                   | Executive Director, Professional Regulation                            |           |   |
| <b>8</b>                          | <b>Learning and thematic review of inquiries into failings of care</b> | NMC/23/19 | <b>10:25-<br/>10:55</b><br><i>(30 mins)</i> |
|                                   | Executive Director, Strategy and Insight                               |           |   |

**Refreshment break (20 mins)**

**10:55-  
11:15**

**Matters for decision**

- |           |   |           |   |
|-----------|---|-----------|---|
| <b>9</b>  | <b>Financial Strategy review</b>                      | NMC/23/20 | <b>11:15-<br/>11:35</b><br><i>(20 mins)</i> |
|           | Executive Director, Resources and Technology Services |           |   |
| <b>10</b> | <b>Annual Corporate Plan and Budget 2023-2024</b>     | NMC/23/21 | <b>11:35-<br/>12:35</b><br><i>(60 mins)</i> |
|           | Executive Director, Resources and Technology Services |           |   |
| <b>11</b> | <b>Panel Member transfer</b>                          | NMC/23/22 | <b>12:35-<br/>12:45</b><br><i>(10 mins)</i> |
|           | Executive Director, Professional Regulation           |           |   |

**Matters for discussion**

- |           |   |               |   |
|-----------|---|---------------|---|
| <b>12</b> | <b>Governance: Council Committee membership 2023-2024 and Council meeting dates 2024-2025</b> | NMC/23/23     | <b>12:45-<br/>12:50</b><br><i>(5 mins)</i>  |
|           | Chair / Secretary   |               |   |
| <b>13</b> | <b>Questions from observers</b>   | NMC/23/24     | <b>12:50-<br/>13:05</b><br><i>(15 mins)</i> |
|           | Chair   | <b>(Oral)</b> |   |

**Matters for information**

- |           |                                  |           |  |
|-----------|----------------------------------|-----------|--|
| <b>14</b> | <b>Audit Committee report</b>    | NMC/23/25 |  |
|           | Chair of the Audit Committee     |           |  |
| <b>15</b> | <b>Appointments Board report</b> | NMC/23/26 |  |
|           | Chair of the Appointments Board  |           |  |

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**16 Chair's actions taken since the last meeting**

NMC/23/27

Chair

**CLOSE & LUNCH**

**13:15**

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Meeting of the Council  
Held on 25 January 2023 in the Council Chamber, 23 Portland Place.

## Minutes

### Council

David Warren	Chair
Hugh Bayley	Member
Karen Cox	Member
Claire Johnston	Member
Margaret McGuire	Member
Eileen McEneaney	Member
Marta Phillips	Member
Derek Pretty	Member
Sue Whelan Tracy	Member
Anna Walker	Member
Ruth Walker	Member
Lynne Wigens	Member

### NMC Officers

Andrea Sutcliffe	Chief Executive and Registrar
Helen Herniman	Executive Director, Resources and Technology Services
Lesley Maslen	Executive Director, Professional Regulation
Matthew McClelland	Executive Director, Strategy and Insight
Miles Wallace	Acting Executive Director, Communications and Engagement
Alex Rhys	Assistant Director, Professional Practice
Lise-Anne Boissiere	Executive Director, People and Organisational Effectiveness
Alice Hilken	General Counsel
Matthew Hayday	Secretary to the Council
Alice Horsley	Senior Governance Manager
Paul Johnson	Assistant Director, Professional Regulation (for NMC/23/07)
Sue West	Senior Nursing Education Advisor (for NMC/23/08)
Jacqui Williams	Senior Midwifery Advisor (for NMC/23/08)

*A list of observers is at Annexe A.*

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**Minutes**

**NMC/23/01 Welcome and Chair’s opening remarks**

1. The Chair welcomed all attendees and observers to the meeting, particularly Matthew Hayday, who was attending for the first time in his capacity as Council Secretary, and Alex Rhys, Assistant Director, Professional Practice, who was attending on behalf of Professional Practice, before the new Executive Director joins in the Spring.
2. The Council was committed to openness and transparency and key to this was holding meetings in public. This commitment to transparency and meeting in public would continue as the Council transitioned to a Unitary Board governance structure as part of Regulatory Reform.

**NMC/23/02 Apologies for absence**

1. No apologies were received.

**NMC/23/03 Declarations of interest**

1. **The following interests were declared:**
  - a) **NMC/23/06: Executive report including Performance and risk report (quarter three – October to December 2022)**  
All registrant members declared an interest in so far as this related to the registration fee.
2. The interests were not considered material such as to require the individuals concerned to withdraw from discussion.

**NMC/23/04 Minutes of the previous meeting**

1. The minutes of the meeting on 23 November 2022 were agreed as an accurate record and signed by the Chair.

**NMC/23/05 Summary of actions**

1. The Council noted progress on actions arising from previous meetings.

**NMC/23/06 Executive report including performance and risk report (quarter three – October to December 2022)**

1. The Chief Executive and Registrar introduced the report.
2. The NMC was acutely aware of the pressure on health and social care and the impact this had on professionals on the register and the public.

The Chief Executive and Registrar had issued a statement referring to the letter to professionals acknowledging winter pressures, which she had sent jointly with the four UK Chief Nursing Officers in November 2022. In addition, the Chief Executive and Registrar had published a personal video in which she thanked nursing and midwifery professionals for their hard work in challenging circumstances and thanked the public for their support. The video also highlighted the importance of the Code in guiding practice and provided assurance that the NMC took context into account. It was noted that both the statement and the video message had been well received.

3. It was highlighted that the NMC had consulted with a range of key stakeholders on plans to keep the temporary register open safely for a further two years. Whilst these changes were due to be implemented in January 2023, given the current pressures facing health and care services, this had been deferred to March 2023.
4. The Chief Executive and Registrar looked forward to welcoming Sam Foster as the new Executive Director, Professional Practice. Sam Foster would join the NMC at the end of March 2023 and planned to attend the next Council Seminar.
5. In discussion, the following points were noted:
  - a) The NMC continued to monitor ongoing industrial action ballots and announcements in health and care. The limited number of queries received in relation to industrial action indicated that the statement the NMC published in August 2022 had been clear and comprehensive.
  - b) The decision to defer the implementation of plans to keep the temporary register open safely from January to March 2023 was commended.
  - c) Further communications with professionals on the temporary register with guidance and support about how to join the workforce permanently was planned.
  - d) Dr Bill Kirkup, lead for the independent investigation into East Kent Maternity Services, had accepted the NMC's invitation to speak at the Midwifery Panel in February 2023. The Council would welcome any recommendations for the NMC shared at the Panel meeting, which the Chair was attending.
  - e) There were two key areas of focus emerging from the East Kent Maternity Services report: listening to the concerns of mothers receiving care and strengthening leadership.
  - f) The NMC continued to work with stakeholders nationally and regionally to identify ways of working together to address maternity report findings and to share data and insight.

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- g) The additional activity to monitor and mitigate risk to maternity safety included an emerging issue protocol, review of trends in FTP referrals, and engagement by the Employer Link Service and Senior Midwifery Advisors with organisations providing maternity services. A systematic approach to gathering feedback and listening to concerns raised by midwifery students was in development.
  - h) The suggestion that the NMC's response to maternity report findings and the related risk that we fail to maintain trust in how we regulate would be discussed in detail at Council Seminar in March 2023.
  - i) Two independent pieces of work on advanced practice in nursing and midwifery had been commissioned, which would be discussed in detail at Council Seminar in February 2023.
  - j) Following the Council's approval of the recommended changes to English language requirements in September 2022, changes relating to combining test scores would be implemented in February 2023. The acceptance of employers' supporting evidence of the necessary knowledge of English would be implemented later in 2023-2024.
  - k) The NMC was communicating with stakeholders, employers, and applicants regarding the changes to English language requirements.
  - l) The Fitness to Practise (FtP) Referrals Helpline had opened on 12 December 2022. Details for the new Helpline were included on the NMC's website, and it had to-date received 420 calls. Early feedback had been positive and work to analyse the impact of the Helpline was underway, including tracking the progress of referrals made through the Helpline.
  - m) The NMC and Me public information campaign was in development, in collaboration with the Public Voice Forum, with its launch postponed to 2023-2024.
  - n) The development of a new workshop, *Welcome to the UK Workforce* for employers and internationally recruited professionals was welcomed. A Council Seminar session on the Employer Link Service would be scheduled once the new Executive Director, Professional Practice had joined the NMC.

**Progress against our 2022-2023 corporate plan and budget**

6. The Executive Director, Resources and Technology Services introduced the report and noted that:
- a) The overall financial position remained strong.
  - b) At quarter three, the NMC was breaking even compared to a budgeted £6.4 million deficit, before taking into account unrealised losses to investments. This was in part due to higher-than-expected income and overall spend being lower than expected.



- c) The current forecast was for the year-end net deficit to be £3 million, compared to the budgeted £10 million year-end deficit.

7. In discussion, the following points were noted:

- a) Employee turnover had increased over the last 12 months and recruiting and retaining colleagues remained a challenge (risk PEO18/01). The Executive advised that work was underway to address the increased levels of turnover, which was a trend also experienced by other regulators. This work included a review and improvement of the welcome and induction of new colleagues, and a suite of measures to improve engagement, training, development, and progression opportunities. Consultation and negotiations with Unison regarding the Total Reward project were in progress, with a view to implementing the agreed changes in May 2023. An update on measures to improve retention of colleagues would be provided to the Council in March 2023.
- b) Organisational delivery of reasonable adjustments for colleagues would be further strengthened.
- c) In relation to Commitment 10: design and launch pilot work to increase objective structured clinical examination (OSCE) testing capacity, the year-end-forecast was on track. Exploration of alternative delivery options for OSCEs was planned from quarter four, with a review of the booking system a priority, as a key challenge was timely booking for testing and assessments.

#### Corporate risk exposure report

8. The Executive Director, Resources and Technology Services introduced the report. In discussion the following points were noted:

- a) **INF18/02**: The risk that core business information computer technology failure impeded the ability to deliver effective and robust services. There had been delays to the data centre migration to the cloud as a result of supplier challenges, which had been resolved.
- b) **INF21/04**: The risk that the Modernisation of Technology Services (MOTS) programme did not deliver the intended benefits had reduced from red to amber. Assurance was provided that the related risks and impacts between INF18/02 and INF21/04 were captured on the Resources and Technology Services directorate risk register and monitored by the Executive Director and Chief Information Officer.
- c) **REG22/04**: The risk of failure to take appropriate or timely action to address a regulatory concern was rated amber. This risk covered any issues and feedback provided by students and 'watch list of high risk approved education institutions', which was not covered by REG19/03.
- d) Progress was being made in the introduction of the Apprenticeship Levy, in particular for a legal apprenticeship role.

<b>Action:</b>	<b>Schedule a Seminar discussion on the NMC's response to maternity report findings and the related risk that we fail to maintain trust in how we regulate for March 2023</b>
<b>For:</b>	<b>Secretary / Executive Director, Strategy and Insight</b>
<b>By:</b>	<b>29 March 2023.</b>
<b>Action:</b>	<b>Update on measures being taken to improve retention of colleagues</b>
<b>For:</b>	<b>Executive Directors, People and Organisational Effectiveness</b>
<b>By:</b>	<b>29 March 2023.</b>

*The Assistant Director, Professional Regulation, joined for this item.*

**NMC/23/07 Fitness to Practise Caseload update**

1. The Executive Director, Professional Regulation introduced the update.
2. The caseload had continued to reduce, albeit not at the pace required to meet the target of 5,000 cases by the end of March 2023. Forecasting work was being undertaken with the Strategy and Insight directorate to determine a revised target.
3. A key focus had been to increase decision-making capacity at the Screening stage, with a reduction of 20 percent in the caseload at this stage since the start of April 2022. A comprehensive review of the improvements implemented and their impact would be undertaken and reported to the Council.
4. In discussion, the following points were noted:
  - a) The caseload had reduced by nine percent from June to December 2022.
  - b) The priority was being given to the highest risk and oldest cases.
  - c) Progress had been made in reducing the vacancy rate from 16 percent to 11 percent, although recruiting and retaining staff remained challenging. Developing opportunities for career progression was regarded as key to improving retention rates and was being considered as part of the People Plan work.
  - d) A revised set of Key Performance Indicators (KPIs) to better track performance and caseload recovery would be brought to the Council in March 2023, which was welcomed. It was suggested that these KPIs include detail about Interim Orders.
  - e) At the Council Seminar the previous day there had been an in-depth discussion on each stage of the FtP process, which had been informative.
  - f) Further analysis would be undertaken in relation to some FtP colleagues' view that cases were becoming more complex or serious.

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- g) Opportunities to reduce duplication and to streamline the FtP process were being examined.
- h) Engagement with all those involved in FtP referrals was crucial, particularly valuable was liaising with employers and the public to reduce unnecessary referrals.
- i) Consideration was being given as to the best way to engage with and gain insight from Panel Members.

5. Summing up, the Chair noted that reducing the FtP caseload safely remained the top corporate priority for the NMC as a whole and Council would continue to scrutinise progress at each Open meeting. The Executive team's collaborative approach to the FtP improvement programme was commended.

**Action:**

- i. Present a revised set of KPIs to better track performance and caseload recovery**
- ii. Include detail about Interim Orders in the KPIs**
- iii. Include analysis in relation to some FtP colleagues' view that cases were becoming more complex or serious**

**For:** Executive Director, Professional Regulation  
**By:** 29 March 2023.

**NMC/23/08 Education: Future Programme Standards for Nursing and Midwifery**

1. The Senior Nursing Education Adviser introduced the paper, which sought approval to proposed amendments to the nursing and midwifery education programme standards. The following points were noted:
  - a) Following the UK departure from the European Union (EU), the NMC had consulted on proposed changes to pre-registration nursing and midwifery education programme standards.
  - b) Proposed amendments to the standards had been developed in collaboration with subject matter experts and lead professionals from each country of the United Kingdom.
  
2. In discussion, the following points were noted:
  - a) Nursing and midwifery education programme standards were a key part of the NMC's regulatory function, relevant to all professionals on the register.
  - b) Whilst overall there was support for the proposed changes, there was some concern amongst the Council about the differences in response between stakeholders across the different UK countries. The EU states were yet to determine what requirements UK-trained professionals would need to meet to work in the EU, but any restriction on movement may limit professional development opportunities in the EU for UK-trained professionals.

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- c) The NMC's focus for education standards was on the requirements for practising in the UK. The divergence from the EU Directive and the changes proposed allowed for modernisation of standards and increased flexibility. Whilst there was less movement of professionals between the EU and the UK, there had been an increase in movement globally, which was beneficial in terms of sharing knowledge.
- d) The proposals accounted for recommendations for improvements with regards to maternity services and required student midwives to experience alternative maternity providers, which was commended. The definition of the term 'maternity provider' would be expanded and clarified, with the aim to afford flexibility to the student and the provider.
- e) A timeline for the further work to explore research into delivering nursing programmes in fewer practice learning hours would be provided to the Council once the incoming Executive Director, Professional Practice was established in her role.
- f) Assurance was provided that in relation to the implementation of simulated practice learning hours, any unintended consequences, such as the resources and funding required, would be examined.

**Decisions: Council agreed to:**

- **The proposed changes to the Standards for pre-registration nursing programmes**
- **The proposed changes to the Standards for pre-registration midwifery programmes**
- **The proposed changes to the Part 1: Standards for the education framework for nursing and midwifery education**
- **The proposed changes where relevant to other programme standards:**
  - **Standards for pre-registration nursing associate programmes**
  - **Standards for prescribing programmes**
  - **Standards for return to practice programmes.**

**Action:** A timeline for the further work to explore research into delivering nursing programmes in fewer practice learning hours would be provided to the Council once the incoming Executive Director, Professional Practice was established in her role

**For:** Executive Director, Professional Practice

**By:** 5 July 2023.

**NMC/23/09 Education Quality Assurance annual report 2021-2022**

1. The Assistant Director, Professional Practice, introduced the paper.

2. In discussion, the following points were noted:
  - a) The suggestion that all the relevant data and information available to the NMC be considered as part of the education quality assurance review, including internal and external intelligence.
  - b) In future, it would be helpful to provide clarity about the Education quality assurance annual report's purpose, the key themes from the findings and what the NMC was doing in response.
  - c) Detail concerning student progression, attainment and attrition rates would be included in next year's report.
  - d) Work was underway to improve the diversity of both registrant and lay education quality assurance visitors.
  - e) A new approach to seeking feedback from students included actively asking students to come forward, which improved the equality, diversity and inclusion of the information gathered.
  
3. Summing up, the Chair highlighted the importance of education quality assurance in ensuring safe and effective nursing and midwifery practice. In line with the NMC's values, the approach to education quality assurance should be ambitious.

***The Senior Nursing Education Advisor, Senior Midwifery Advisor and Head of Education Quality Assurance left the meeting.***

<b>Action:</b>	<b>Ensure that the annual report for 2022-2023 includes:</b>
	<ol style="list-style-type: none"> <li>i. <b>Clarity about its purpose, the key themes from the findings and what the NMC was doing in response.</b></li> <li>ii. <b>Detail on student progression, attainment and attrition rates.</b></li> </ol>
<b>For:</b>	<b>Assistant Director, Professional Practice</b>
<b>By:</b>	<b>27 March 2024.</b>

**NMC/23/10 Questions from observers**

1. The Chair invited questions and comments from observers.
  
2. **Approach to setting education standards**  
 An observer raised a comment about innovation in education, referencing potential learnings from the changed approach to training and education in other sectors, such as policing.  
  
 The Senior Nursing Education Adviser noted that part of the work in relation to the Programme Standards involved consulting with education providers for other professions. There was also frequent interaction with the Department for Education, for example in relation to apprenticeships. There would be further consideration given to how to share learnings about approaches to education standards with other professions.

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**Preparedness for simulated learning**

- 3. Luke Gibbin, UK Manager, Limbs & Things, asked whether there had been consideration given to consulting with suppliers about the types of resources required to facilitate increased use of simulated learning.

The Senior Nursing Education Adviser noted that consultation with suppliers of resources for simulated learning would be the responsibility of education providers delivering courses, rather than the NMC. It was recommended that in developing product range suppliers consider equality, diversity, and inclusion, to reflect the wider characteristics of the population.

**Fitness to Practise insight for education programme standards**

- 4. An NMC colleague observing the meeting asked whether insights and trends in FtP cases were considered in developing education programme standards.

In response, the Assistant Director, Professional Practice noted that insight and data from FtP cases were considered and did inform the development of education programme standards.

**Standards of education for Nurses and Midwives**

- 5. A nursing professional observing the meeting raised concerns about standards of education for nurses and midwives being lowered.

The Senior Nursing Education Adviser noted that the changes to the education programme standards approved were concerned with enhancing standards and providing increased flexibility. In relation to the removal of the requirement of evidence of 12 years general education as part of the selection and admission for pre-registration nursing and midwifery programmes, it was emphasised that education institutions would set standards for admission. The focus of such institutions was on attainment, rather than number of years in general education.

- 6. The Council noted there had been one advance question in writing relating to the implementation of changes in our English language requirements, approved in September 2022. The written question and response is set out at **Annexe B**.

**NMC/23/11 Chair’s actions taken since the last meeting**

- 1. There have been no Chair’s actions since the last meeting.

**Closing remarks**

- 1. The Chair thanked all attendees for joining the meeting and encouraged them to attend future meetings.

**Confirmed by the Council as a correct record:**

**SIGNATURE:** .....

**DATE:** .....

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## Annexe A: Observers

### External Observers

Danielle Woods	Nurse academic, University of Highlands and Islands
Megan Isherwood	Policy Officer, Council of Deans of Health
Pamela Page	Quality assurance deputy director, Mott MacDonald
Emillie Lee	Paediatric capacity lead/ surgical and medical, BARTS
Elizabeth Okrekson	Retired
Deborah Hale	Advanced Practice Neurodevelopmental lead, Health & Justice /MH Criminal Justice Liaison
Charlotte Clew	Professional Lead for Nursing, CAMHS SPFT
Harbhajan Kaur	ANNP, Kings College Hospital NHS Trust
Liam Somers	Senior Lecturer, University of Derby
Luke Gibbin	UK Manager, Limbs & Things
Ian Felstead-Watts	Quality Assurance Director, Mott MacDonald
Kate Fawcett	Senior Scrutiny Officer, Professional Standards Authority
Chinwe Iwuagwu	Specialist District Nursing Student, Barnet Enfield Haringay Mental Health Trust
Michelle Lyne	Professional Advisor, The Royal College of Midwives
Stephanie Aiken	Consultant, Freelance
Jane Beach	Lead Professional Officer, Unite
Penny Kenway	Director of Early Intervention and Prevention, Islington Council
Deborah Hale	Advanced Clinical Practitioner -AC, Ministry of Justice / Criminal Justice Liaison

### Press

Ella Devereux	Reporter, Nursing Times
Alison Stacey	Senior Reporter, Nursing Standard
David Garbutt	Senior Reporter, University of Saly

### NMC staff observing

Edward Welsh	Executive Director, Communications and Engagement
Sarah Cregeen	Specialist Services
Jessica Sainsbury	Research and Policy Associate
Janice Cheong	Senior Executive Business Manager
Rob Beaton	Head of Corporate Planning, Performance and Risk
Adam Talbot	Senior Executive Business Manager
Preth Rao	Head of Strategy
Renée Caffyn	Executive Assistant
Naa-Adjeley Barnor	CPP Paralegal
Paula McLaren	Head of Education and Quality Assurance



## Annexe B: Observer question – Council meeting 25 January 2023

### 1. Question submitted by Andrews Crakye Denteh

**When the English Language review conducted last year particularly amendments with respect to test combining will be implemented.**

**Response:**

*Following the Council's approval of the recommended changes to English language requirements in September 2022, changes relating to combining test scores would be implemented in February 2023. The acceptance of employers' supporting evidence of the necessary knowledge of English would be implemented later in 2023-2024.*

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## Council

### Summary of actions

<b>Action:</b>	For information.
<b>Issue:</b>	Summarises progress on completing actions from previous Council meetings.
<b>Core regulatory function:</b>	Supporting functions.
<b>Strategic priority:</b>	Strategic aim 6: Fit for the future organisation.
<b>Decision required:</b>	None.
<b>Annexes:</b>	None.
<b>Further information:</b>	If you require clarification about any point in the paper or would like further information, please contact the author below.

Secretary: Matthew Hayday  
Phone: 020 7681 5516  
[matthew.hayday@nmc-uk.org](mailto:matthew.hayday@nmc-uk.org)

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## Summary of outstanding action arising from the Council meeting on 25 January 2023

Minute	Action	Action owner	Report back date	Progress to date
<b>NMC/23/06</b>	<p><b>Maternity</b></p> <p>Schedule a Seminar discussion on the NMC's response to maternity report findings and the related risk that we fail to maintain trust in how we regulate for March 2023.</p>	<p><b>Secretary / Executive Director, Strategy and Insight</b></p>	<p><b>29 March 2023</b></p>	<p>We have included information on our response to recent maternity services reports in our learning and thematic review of public inquiries into failings of care, which is an agenda item. We welcome views from Council members on whether an additional seminar session on the issue is required.</p>

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<p><b>NMC/23/06</b></p>	<p><b>Turnover</b></p> <p>Update on measures being taken to improve retention of colleagues.</p> <p><b>Linked action from 27 July 2022 (NMC/22/70):</b> Consider whether specific pay incentives may help in attracting and retaining talent for key or specialist roles.</p>	<p><b>Executive Directors, People and Organisational Effectiveness</b></p>	<p><b>29 March 2023</b></p>	<p>We are engaging colleagues across the organisation on new pay and total reward proposals. These include raising grade minima, shortening our pay ranges to eliminate overlap between grades, and the introduction of 8/9 incremental steps that will enable colleagues to progress along their pay range. We have also begun a pilot Management Development course called Management Essentials and an upgrade of our appraisal process. These People Plan initiatives aim to attract, develop, and retain talent, and improve retention. We will keep the pay of specialist roles under review to ensure we are attracting and growing talent in these areas.</p>
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<p><b>NMC/23/07</b></p>	<p><b>Fitness to Practise Caseload update</b></p> <ul style="list-style-type: none"> <li>i. Present a revised set of key performance indicators (KPIs) to better track performance and caseload recovery</li> <li>ii. Include detail about Interim Orders in the KPIs</li> <li>iii. Include analysis in relation to some FtP colleagues' view that cases were becoming more complex or serious</li> </ul>	<p><b>Executive Director, Professional Regulation</b></p>	<p><b>29 March 2023 / 17 May 2023</b></p>	<ul style="list-style-type: none"> <li>i. The revised target is to have less than 4,000 cases by March 2024. These numbers are part of the KPI proposals for 2023-2024, which are included in the Annual Corporate Plan and Budget item on the agenda.</li> <li>ii. Cases with an IO are being reviewed and an update will be reported to the Council on 17 May 2023. As set out in the 2023-2024 KPI proposals, we will continue to report on the same IO KPI.</li> <li>iii. Analysis to be provided to the Council on 17 May 2023.</li> </ul>
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<p><b>NMC/23/08</b></p>	<p><b>Education: Future Programme Standards for Nursing and Midwifery</b></p> <p>A timeline for the further work to explore research into delivering nursing programmes in fewer practice learning hours would be provided to the Council once the incoming Executive Director, Professional Practice was established in her role.</p>	<p><b>Executive Director, Professional Practice</b></p>	<p><b>5 July 2023</b></p>	<p>Not yet due.</p>
<p><b>NMC/23/09</b></p>	<p><b>Education Quality Assurance annual report 2021-2022</b></p> <p>Ensure that the annual report for 2022-2023 includes:</p> <ul style="list-style-type: none"> <li>i. Clarity about its purpose, the key themes from the findings and what the NMC was doing in response.</li> <li>ii. Detail on student progression, attainment and attrition rates.</li> </ul>	<p><b>Assistant Director, Professional Practice</b></p>	<p><b>27 March 2024.</b></p>	<p>Not yet due.</p>

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## Summary of outstanding action arising from the Council meeting on 23 November 2022

Minute	Action	Action owner	Report back date	Progress to date
<b>NMC/22/102</b>	<p><b>Panel Member Reappointments and Legal Assessor Reappointments</b></p> <p>Consider how best to include further assurance to support recommendations for appointment/reappointment of Panel Members and Legal Assessors in future reports.</p>	<b>Executive Director, Professional Regulation/Chair, Appointments Board</b>	<p><b>29 March 2023</b></p> <p>(8 March 2023 to Appointment's Board)</p>	The Board discussed the inclusion of further assurance to support recommendations for appointment/reappointment of Panel Member and Legal Assessors at its meeting on 8 March 2023. A summary of the discussion is included in the Appointment Board's report on the agenda.
<b>NMC/22/104</b>	<p><b>Audit Committee Report</b></p> <p>Report to the Audit Committee on work to enhance the approach to risk management.</p>	<b>Executive Director, Resources and Technology Services</b>	<p><b>17 May 2023</b></p> <p>(26 April 2023 to Audit Committee)</p>	<p>Not yet due.</p> <p>Audit Committee's views will be provided in the Committee's report to May Council.</p>

## Summary of outstanding action arising from the Council meeting on 27 July 2022

Minute	Action	Action owner	Report back date	Progress to date
<b>NMC/22/70</b>	<p><b>OSCE Performance</b></p> <p>Consider whether there are suitable key performance indicators (KPIs) for OSCE centres and testing capacity which could be reported to Council.</p>	<p><b>Executive Director, Professional Regulation</b></p>	<p><b>23 November 2022 / 25 January 2023 / 29 March 2023</b></p>	<p>Proposed KPIs for OSCE centres and testing capacity are included in the Annual Corporate Plan and Budget, which is an agenda item.</p>



## Council

### Executive Report

**Action:** For discussion.

**Issue:** The Council is invited to consider the Executive's report on key developments during 2022–2023, up to March 2023.

**Core regulatory function:** All regulatory functions.

**Strategic priority:** All priorities for period 2022-2023.

**Decision required:** None.

**Annexes:** None.

**Further information:** If you require clarification about any point in the paper or would like further information, please contact the authors or the directors named below.

Author: Rebecca Calver  
[Rebecca.calver@nmc-uk.org](mailto:Rebecca.calver@nmc-uk.org)

Executive Director: Edward Welsh  
[Edward.welsh@nmc-uk.org](mailto:Edward.welsh@nmc-uk.org)

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**Context:**

1 This paper is produced by the Executive and provides an update on key developments since the last meeting of the Council on 25 January 2023. It provides highlights from the external environment and our strategic engagement work up to March 2023. Our next performance and risk report, providing updates against our corporate plan and budget will be provided after the end of quarter four in May 2023.

2 There is a separate report on the Fitness to Practise (FtP) Caseload on the agenda.

**Four country factors:**

3 The issues discussed apply across all four UK countries unless highlighted.

**Discussion: Covid-19 Emergency Temporary Register**

- 4 On 14 February 2023, we updated stakeholders and employers on our approach to implementing changes to how we maintain temporary registration, so that they could help disseminate the information and support affected professionals.
- 5 On 15 February 2023, we contacted all professionals with temporary registration to explain what the changes meant for them. This included asking 11,613 professionals who left the permanent register more than three years ago, to complete a survey confirming whether or not they were currently practising.
- 6 Following the changes we introduced on 21 March 2023, there are 2030 people remaining on the temporary register.
- 7 Module 3 of the UK Covid Inquiry, which focuses on the healthcare system, opened in November 2022. We met with the Inquiry solicitors on 1 February 2023, before the preliminary hearing took place on 28 February 2023. We are likely to be asked to submit evidence, so in preparation we are reviewing the reflective narrative drafted last year to ensure that it addresses the anticipated questions.

**Workforce pressures**

- 8 On 13 March 2023, we sent our annual leavers' survey to those who left the permanent register in 2022, to understand their reasons for doing so. We will publish the findings alongside our annual registration data report in May 2023.

## Industrial action

- 9 We are closely monitoring the situation across all four UK nations. We have also been involved in regular engagement with Chief Nursing and Midwifery Officers, trade union leaders, and employers. Our statement on industrial action has been effective in supporting these conversations.

## Regulatory reform

- 10 On 17 February 2023, the Department of Health and Social Care (DHSC) published its response to the 2021 consultation *Regulating healthcare professionals, protecting the public*. It also published draft new legislation that will allow the General Medical Council to regulate anaesthesia and physician associates. While focused on medical associate professions, this legislation will act as a template for the future regulation for nurses, midwives, and nursing associates. Together, these documents are the clearest indication yet of what new legislation guiding the NMC's work is likely to look like.
- 11 The executive summary of the consultation response commended the significant preparatory work we have done to make sure we are ready to implement the changes.
- 12 We welcomed the DHSC's publications and we are considering the implications for our own work. We will respond to the consultation before it closes on 16 May 2023, using insight gathered from conversations we have had with our partners.

## Maternity safety and midwifery regulation

- 13 The Midwifery Panel met on 8 February 2023. Dr Bill Kirkup CBE gave an overview of his findings of the independent investigation into maternity and neonatal services at East Kent Hospitals University NHS Foundation Trust. Panel members were grateful for Dr Kirkup's powerful account of the impact that failings in care had on women, babies and families in East Kent. The Panel also heard an update on the work of National Maternity Voices and Maternity Voices Partnerships (MVP), led by panel member Natalie Whyte. The presentation and discussion highlighted how crucial regular and timely feedback from women is to services and their safety, and how MVPs are facilitating this engagement locally.
- 14 On 27 February 2023, we wrote to Canterbury Christ Church University about concerns we have with its midwifery programme. We have given the university until the end of March to reassure us about the safety and quality of its course.
- 15 We will then make a final decision about whether the course can continue or will have to close. We will make this decision in the best interests of women, babies and families.

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- 16 In a statement we published on 2 March 2023, we made it clear that we are sorry for the uncertainty this will create for students, as we know it will be distressing for them. However, our core role and primary concern is to protect the public and uphold high professional standards.
- 17 We are working closely with the university and Health Education England (HEE) on plans to support students to continue their education, whatever the final outcome.

**Advanced practice**

- 18 We have received draft reports from the Nuffield Trust and BritainThinks following their research on the risks, benefits, and potential regulation of advanced practice, and are in the process of providing feedback.
- 19 We spoke with the NMC’s Public Voice Forum on 22 February 2023, and the Council at its Seminar on 28 February 2023, to hear their perspectives and share some emerging findings. Insights from these sessions will inform our next steps on advanced practice.
- 20 We will publish and discuss the outcome of the independent research with the Council in May 2023 and consider how this impacts on the options for our future work. We will ask Council to make a formal decision on proposed approach and next steps at the meeting in September 2023.

**Future programme standards for nursing and midwifery**

- 21 To help Approved Education Institutions implement the changes to their programmes, we hosted three webinars (13,14 and 21 February 2023). These webinars outlined what the changes to the standards mean and how educators can meet them to provide courses that students deserve, and the public expect. We are also producing supporting information to give clarity on certain aspects of the standards. The supporting information and the designed standards will be ready for publication at the end of March 2023.
- 22 On 21 February 2023, we hosted a webinar on the new standards for simulated learning for more than 350 attendees. This explained how we are now allowing nursing courses to use up to 600 hours of simulated practice learning as part of the required 2,300 hours of practice learning. The increased use of simulation allows students to learn and assess their skills across a broader range of scenarios, and therefore increase confidence and the level of care they will provide once they join our register.

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- 23 By removing the need for a student to have 10-12 years of general education before beginning a programme, we enable a greater diversity of people to access programmes, such as those from travelling communities or refugees. We want to support a more diverse workforce which represents the diversity of the UK population and their needs.
- 24 The updated standards have also increased the expectation for student midwives to experience a variety of practice placements. Students will gain a greater understanding of team working, leadership and best practice from the different services. Once on our register, this will help them to provide better care for women and babies.
- 25 Following the successful conclusion of the education programme changes, additional minor amends were made to our other published standards for consistency. There were no additional regulatory requirements added.

### **International registration**

- 26 On 8 February 2023, we launched our updated English Language requirements. We updated relevant pages of the website, introduced a test score calculator, and emailed respondents to our consultation, stakeholders, recruiters and employers.
- 27 We have extended the period within which applicants can combine scores and updated our minimum scores when combining tests. These changes will provide greater flexibility for applicants without lowering the overall standard needed to join the register while maintaining safe, kind and effective care.
- 28 We have also begun accepting supporting information from employers as supplementary evidence. We have introduced one clear form making the process fair and consistent for applicants. This process is currently manual, but will become automated on NMC Online by Summer 2023.
- 29 On 9 February 2023, we published a new policy to support forcibly displaced people to join our register safely. The policy explains how we will work with eligible applicants to take account of alternative evidence that shows how they meet our standards when applying to join our register, when it is safe and reasonable to do so.
- 30 On 23 February 2023, Fragomen and Talent Beyond Boundaries hosted the inaugural *Displaced Talent Mobility Awards* ceremony to recognise people and organisations working to advance displaced talent mobility in the UK. The NMC was honoured to receive the *Partner of the Year* award.

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- 31 We have now seen the first draft of the legislation which will implement the UK-EFTA trade deal. Along with our partner UK regulators, we will be pushing for changes to this as the present wording does not give us the additional powers we need to meet its terms. The Department for Business and Trade are presently consulting regulators on this legislation.
- 32 We have responded to DHSC’s consultation on the end of standstill regulations, which were introduced just before the UK left the European Union (EU). These regulations mean that we automatically recognise certain qualifications which meet EU standards. Our preference is that the legislation should end as planned at the end of 2023. If this happens, EU qualification-holders will be assessed via the Test of Competence (ToC) to ensure applicants provide safe and effective care.
- 33 On 23 February 2023, we hosted a webinar for social care employers and candidates providing greater knowledge of the ToC. It also explained how employers can provide greater support and maximise the opportunities for candidates in social care, so they have the strongest levels of experience when preparing for the test, and to enhance their future provision of care.
- 34 Current test capacity across our five Objective Structured Clinical Examination (OSCE) test centres is meeting the demand. We will work closely with NHS England and the DHSC to support their plans for international recruitment over the next 12 to 18 months, as they finalise their plans.
- 35 A minor change to the NMC’s legislation was approved by the Privy Council on 15 February 2023, following the approval of International Section 60 in Parliament. This change came into force on 8 March 2023. It provides additional flexibility in our international registration processes, without compromising the standard of care the public receive. There are three pathways for applicants:
- test of competence.
  - qualification comparability, to that of the standard in the UK.
  - or recognition of an international programme of education.
- 36 The ToC will remain the primary method that we use to assess an applicant’s competence.
- 37 The amendment also provides additional flexibility to our Registration Rules in relation to good health and good character declaration requirements, amending the timeframe for declarations from 6 months to 12 months.

## Hearing the public voice and adopting a person-centred approach

- 38 On 22 February, the Public Voice Forum had its first meeting of 2023. Members of the Forum discussed two key items: the regulation of advanced practice and proposed changes to voluntary removal from our register. They will discuss advanced practice again as the formal review progresses. Their input at this early stage has given us a sense of the group's initial sentiment around the regulation of advanced practitioners, which was broadly supportive, with support for increasing awareness of these roles and ensuring that any changes to regulation support good quality, person-centred care.

## Supporting our professions, influencing the sector

- 39 On 1 February 2023, our Chair and Chief Executive and Registrar met with Baroness Eluned Morgan of Ely, Cabinet Secretary for Health and Social Services at the Welsh Government and Sue Tranka, Chief Nursing Officer for Wales. We shared information on our FtP caseload in Wales, our work on the Covid-19 emergency temporary register and changes to our education programme standards. We discussed current workforce pressures in Wales and how we can best support professionals and people using services at this time.
- 40 On 7 February 2023, our Chair, Chief Executive and Registrar and Executive Director of Strategy and Insight met with Humza Yousaf, Cabinet Secretary for Health and Social Care at the Scottish Parliament and Alex McMahon, Chief Nursing Officer for Scotland. We shared information on our FtP caseload in Scotland, our progress with regulatory reform, and our work to promote equality, diversity and inclusion within the NMC and with our professionals, to support the reduction of health inequalities among people and communities in Scotland.
- 41 On 21 February 2023, our Executive Director of Strategy and Insight gave oral evidence to the Health, Social Care and Sport Committee at the Scottish Parliament on proposed legislation to create a Patient Safety Commissioner in Scotland. We welcomed the proposals and highlighted the benefit of this role for people using services in Scotland to ensure their voices are listened to, heard and action is taken for their safety. We outlined where we are seeking further clarity on the remit of the role and how the role would interact with the current patient safety and regulatory systems in Scotland. We will monitor the progress of this Bill.
- 42 On 1 March 2023, we welcomed mental health nurse Jabu Chikore, and nursing and midwifery educator Navjot Kaur Virk, as our two new Council Associates.

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43 On 17 March 2023, we released a statement to congratulate Jacqueline Dunkley-Bent, Chief Midwifery Officer (CMidO) for England, on her new role as Chief Midwife for the International Confederation of Midwives. We will welcome and support the new CMidO in due course.

**Midwifery implications:**

44 Midwifery updates are covered in the body of the report.

45 Midwifery is considered within our corporate plan and through core business discussions when setting standards, reviewing education programmes, adding, or removing midwives from the register, when considering Fitness to Practise concerns related to midwifery, and monitoring the wider sector.

46 We discuss maternity safety within our monthly monitoring of corporate risk exposure for corporate risk EXP18/01 (Risk that we fail to meet external expectations which significantly affects our ability to maintain the trust of stakeholders, the public and people on the register in how we regulate).

47 We have identified maternity safety as a risk factor within the Corporate Risk Register and continue to monitor this and act as appropriate. We monitor the quality of midwifery pre-registration education through our regulatory processes to help support and influence maternity safety.

**Public protection implications:**

48 Public protection is a key driver of the risks identified within our corporate risk register. Risks being well managed is inherent to ensuring effective public protection.

**Resource implications:**

49 None in addition to those within our corporate budget.

**Equality diversity and inclusion implications:**

50 We have a legal obligation to comply with the public sector equality duty across everything that we do and equivalent legislation in Northern Ireland.

51 We are integrating equality, diversity and inclusion (EDI) into everything that we do to make our processes fair for everyone. This includes improving our guidance, decision-making tools, training and induction, and our engagement and communications to make a significant difference to drive out discrimination and promote inclusion.

52 We have a specific commitment within our corporate plan to support our ambitions to be fair and promote inclusion.



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53 We continue to monitor risk exposure from discrimination and unfairness across our corporate risk register. We have integrated EDI into our regular performance monitoring as part of corporate commitment 9.

**Stakeholder engagement:**

54 Discussed within this paper.

**Risk implications:**

55 Risk implications are dealt with in the paper.

**Regulatory reform:**

56 See paragraph 11-13.

57 We regularly discuss the potential risk exposure from Regulatory Reform as part of corporate risk STR20/02 (*Risk that we fail to deliver our strategic ambitions for 2020-2025*), and through detailed discussions with the Council and Executive Board.

58 We monitor the Regulatory Reform programme through monthly reporting to the Change Board and within our quarterly corporate performance monitoring to the Council.

**Legal implications:**

59 No legal implications arising from this paper.

## Council

### Fitness to Practise caseload update

**Action:** For discussion.

**Issue:** To update the Council on our work to reduce the Fitness to Practise (FtP) caseload, which is our number one corporate priority to address.

**Core regulatory function:** Professional Regulation.

**Strategic priority:** Strategic aim 1: Improvement and innovation  
Strategic aim 2: Proactive support for our professions  
Strategic aim 6: Fit for the future organisation

**Decision required:** None.

**Annexes:** The following annexes are attached to this paper:

- Annexe 1: Casework metrics
- Annexe 2: FtP Dashboard

**Further information:** If you require clarification about any point in the paper or would like further information please contact the author or executive director named below.

Author: Paul Johnson  
Phone: 020 7681 5680  
[paul.johnson@nmc-uk.org](mailto:paul.johnson@nmc-uk.org)

Executive Director: Lesley Maslen  
Phone: 020 7681 5641  
[lesley.maslen@nmc-uk.org](mailto:lesley.maslen@nmc-uk.org)

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**Context:**

- 1 This report provides an update on our work to reduce the Fitness to Practise (FtP) caseload safely and swiftly.
- 2 The Council is invited to consider and comment on this update.
- 3 As previously reported, we are focussed on improving operational performance at each stage of our process and anticipate having a caseload between 5,600 and 5,700 at the end of the financial year.
- 4 We have now established a downward trend in reducing the caseload which will continue as we move into the new financial year.

**Four country factors:**

- 5 Our backlog of cases impacts professionals on our register, employers, people who use the services of our professionals and families across each of the four nations.
- 6 The number of cases received for each of the four nations are broadly in proportion to the number of individuals registered there. The distribution by country of registration or country not yet identified is set out below:

Country of registration	Screening	Investigations	Case Examiners	Adjudication	Grand total
England	1,196	1,529	305	718	3,748
Scotland	196	199	35	76	506
Wales	72	104	26	64	266
Northern Ireland	71	77	13	32	193
Overseas	21	42	10	19	92
Not identified	853	2	0	0	855
<b>Grand total</b>	<b>2,409</b>	<b>1,953</b>	<b>389</b>	<b>909</b>	<b>5,660</b>

**Discussion:****Summary of our current position**

- 7 At the last Council meeting we reported a decrease in caseload. We have seen that decrease continue with our caseload at 5,660 at 28 February 2023, which is down from 5,886 at 31 December 2022.
- 8 Our caseload at Screening continues to reduce, driven by consistent high levels of decision making. The Screening caseload was 2,409 at 28 February 2023. This is its lowest level since September 2020 and significantly below the peak of 3,540 in October 2021. See chart A2 at **Annexe 2**.

- 9 We continue to make process improvements to increase our decision making capacity at Screening, removing redundant quality check processes and increasing the level of input our clinical advisors have early in the process.
- 10 Our caseload at the Investigations stage is slowly trending upwards as the number of cases received each month from Screening has exceeded the number of investigations we have been able to complete. We continue to focus on progressing our oldest and highest risk cases, rather than on straightforward investigations and that has impacted on our monthly throughput numbers. However we expect to see improvements in throughput early in the new financial year. We have invested significant time and effort in reviewing our cases and providing our management team with the tools needed to ensure cases are progressing.
- 11 From May 2023 our investigations teams will be returning to the office for 2 days per week, this will allow for more opportunities to learn from colleagues and seek support that will improve team cohesion, knowledge and ultimately case progression.
- 12 We expect to see increased decisions from the Case Examiners as we reduce the amount of time the team spends supporting other parts of the process to concentrate on their core decision making responsibilities. We are also looking at ways in which we can make our decisions more concise.
- 13 Our Adjudication caseload has remained static despite a lower number of cases flowing through to the stage than planned. It is of increasing importance that we become more efficient and effective in how we progress cases at the Adjudication stage. The sessions we planned to hold with our panel members in January were rescheduled for March to optimise attendance, we are sure they will provide valuable ideas on how we can be more efficient and effective.
- 14 We have previously reported on reducing vacancy levels however our vacancy rate at the end of February was 13 percent, up from 11 percent in December 2022.
- 15 We have above average vacancy rate in our Investigations teams with a current vacancy rate of 21 percent which does impact on case throughput. However, we are working closely with colleagues in People and Organisational Effectiveness to reduce those vacancy levels.

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We are exploring different approaches to our recruitment and one of our aims in returning to the office for 2 days a week is to support those in their probationary periods, a time during which we see significant turnover challenges.

- 16 Chart 1 at **Annexe 1** sets out the caseload position at each stage and shows that the continuing decrease in volumes at Screening is driving a further decrease in the overall caseload.

### **Upcoming activity and our improvement programme**

- 17 Our programme of improvement continues to focus on delivering new ways of working which will positively impact on performance.
- 18 Our referrals helpline is not receiving the number of calls we expected it to following our soft launch. In February we received 387 new referrals but only received 86 calls to the referrals helpline from members of the public seeking support about how and where to raise their concerns. We want to encourage more people to use the referral helpline and will be making changes to our online referral form to encourage more people to use the service through clear and repeated signposting.
- 19 We are exploring more efficient ways of handling our cases at Screening and Investigations and a small dedicated team will be established early in the new financial year to test new ways of working at Screening and Investigations. We are looking to:
- Further improve the quality of the information we receive
  - Reduce the number of handoffs between current teams
  - Provide a single point of contact for those involved in the process
- 20 We are rapidly developing processes for the dedicated team which will support our immediate need to improve performance and be key in supporting the design of our new case management system. We are supported in this work by our Deputy Director of Business Transformation, external consultants specialising in operational effectiveness and are working in partnership with the team responsible for developing our future system.

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21 We will shortly begin observation work in our Case Preparation and Adjudication functions. Our aim is to see how people currently work and identify areas where we can be more efficient and effective.

Making optimal use of the resources available at the final stage of our process is key to bringing down the age of our caseload and in reducing the costs of the Fitness to Practise process.

**Midwifery implications:**

22 There are no implications which are specific to midwifery to consider.

23 We currently have 245 open cases that relate to midwives, this is approximately 4.3 percent of our total caseload.

24 This is less than we would expect on the basis that midwives made up 5.3 percent of the population of the register at 30 September 2022.

**Public protection implications:**

25 Reducing the FtP caseload safely and swiftly will protect the public by delivering a greater volume of more timely and more proportionate decisions across FtP and avoiding the current delays in process.

**Resource implications:**

26 The cost of the activity associated with caseload reduction has been provided for in this year’s budget.

**Equality diversity and inclusion implications:**

27 We are aware that certain groups are over-represented in the referrals we receive and therefore having a backlog will further impact those groups disproportionately.

28 However, we have not identified any adverse implications of our approach which is to manage the caseload by progressing our highest risk and oldest cases as a priority.

**Stakeholder engagement:**

29 Our key stakeholder groups remain concerned at the lack of progress in resolving our backlog but are engaging with us to resolve specific cases.

**Risk implications:**

30 A risk that our combined operational and change activities fail to deliver increased output across the FtP process. This would impact on our ability to meet corporate commitment one to: “Reduce the FtP caseload and improve how we handle people's concerns about nursing and midwifery professionals”.

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31 We are mitigating this risk by focusing our efforts on a smaller number of activities that we believe will have the greatest impact and increasing the direct support being provided from other directorates across the organisation.

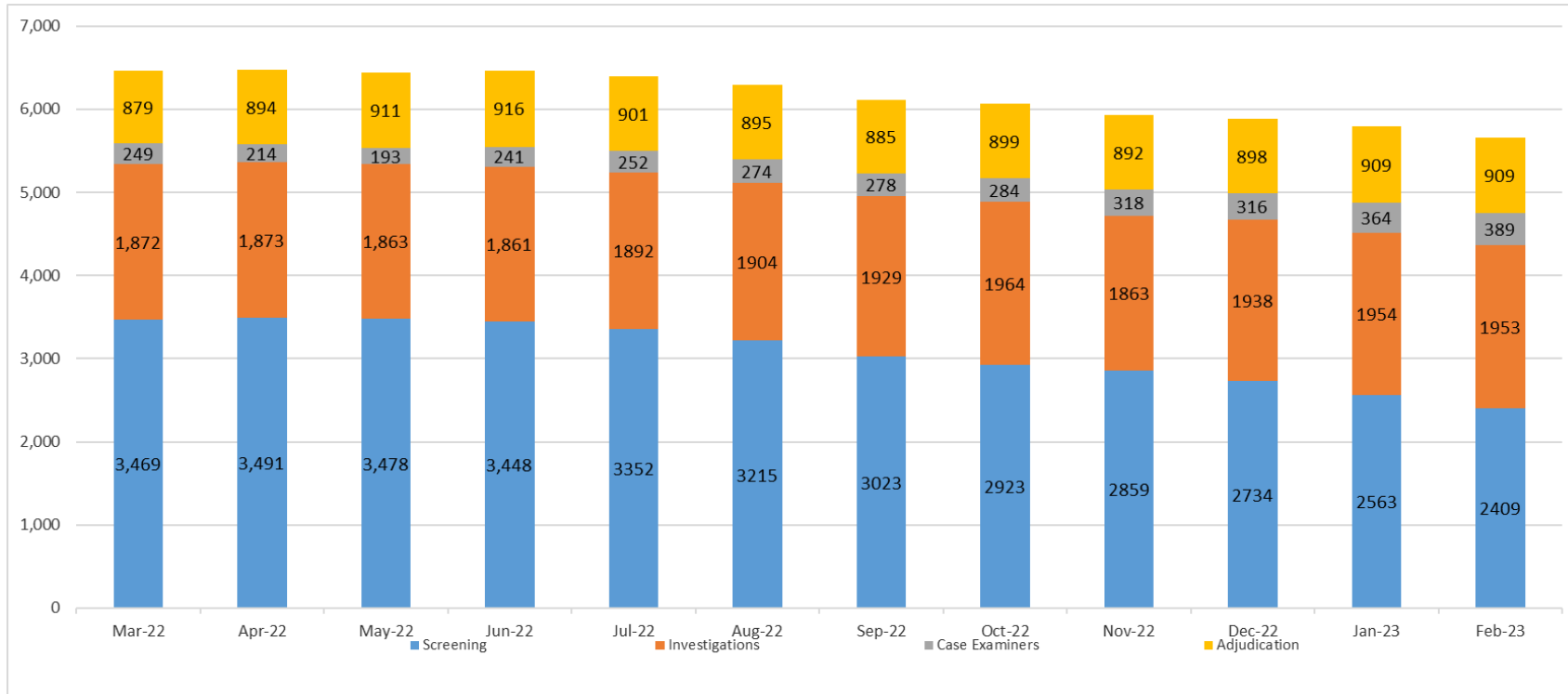
**Regulatory reform:**

32 Reduction of the FtP caseload is an important enabler for regulatory reform and will ensure the teams are well placed to adjust to significant changes in ways of working.

**Legal implications:**

33 Timely and effective management of our FtP cases is critical to the fulfilment of our statutory public protection function. Ensuring that we manage our FtP caseload effectively and in line with our NMC values, reduces the risk of legal challenge.

**Caseload metrics**  
**Fitness to Practise Improvement Programme Update**



**Chart one:**

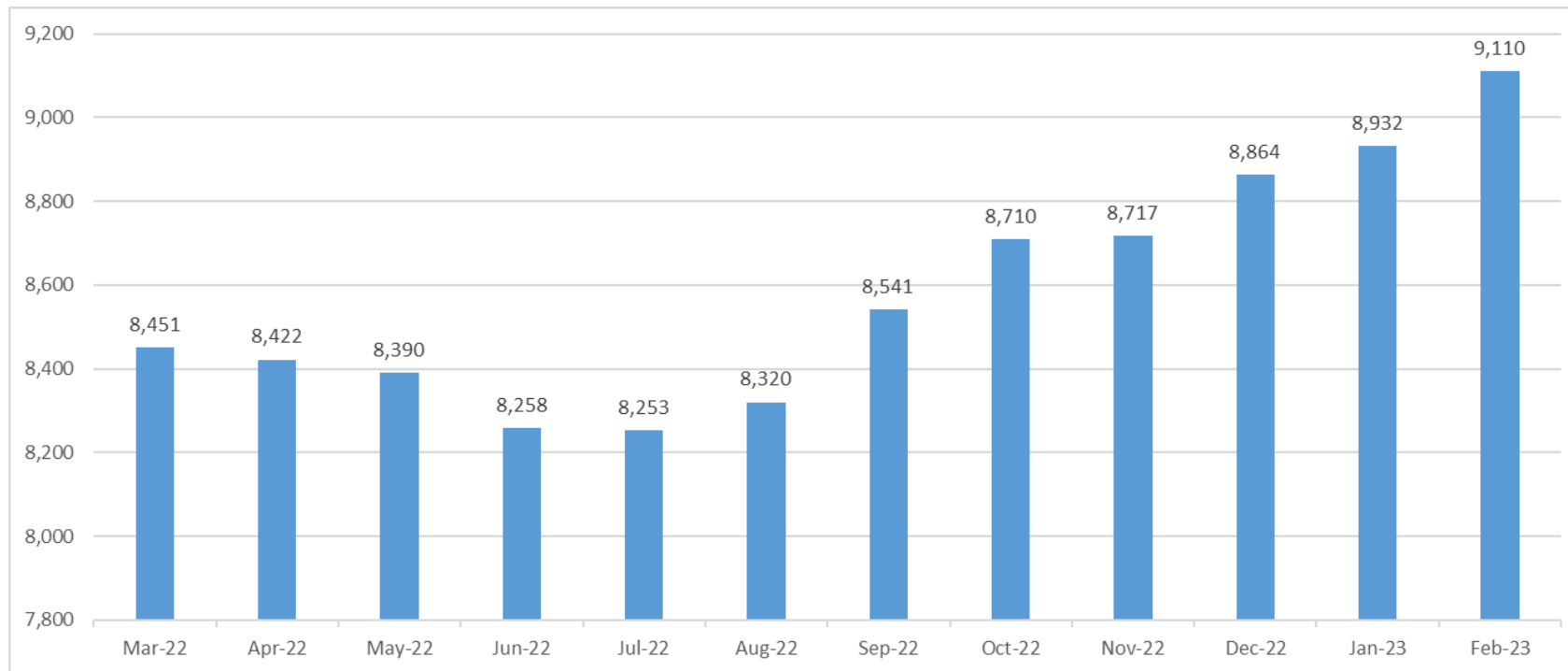
**Overall caseload position**

This chart shows how over the last year the total caseload has remained broadly static but with a significant weight of cases at Screening, case numbers reduced at Screening over the summer period.

Date	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023
<b>Initial forecast</b>	5,160	6,408	6,357	6,234	6108	5967	5815	5655	5487	5343	5179	5018
<b>Overall caseload</b>	6,469	6,472	6,445	6,466	6397	6288	6115	6070	5932	5886	5790	5660
<b>Variance</b>	+1309	+64	+88	+232	+289	+321	+300	+415	+445	+543	+611	+642

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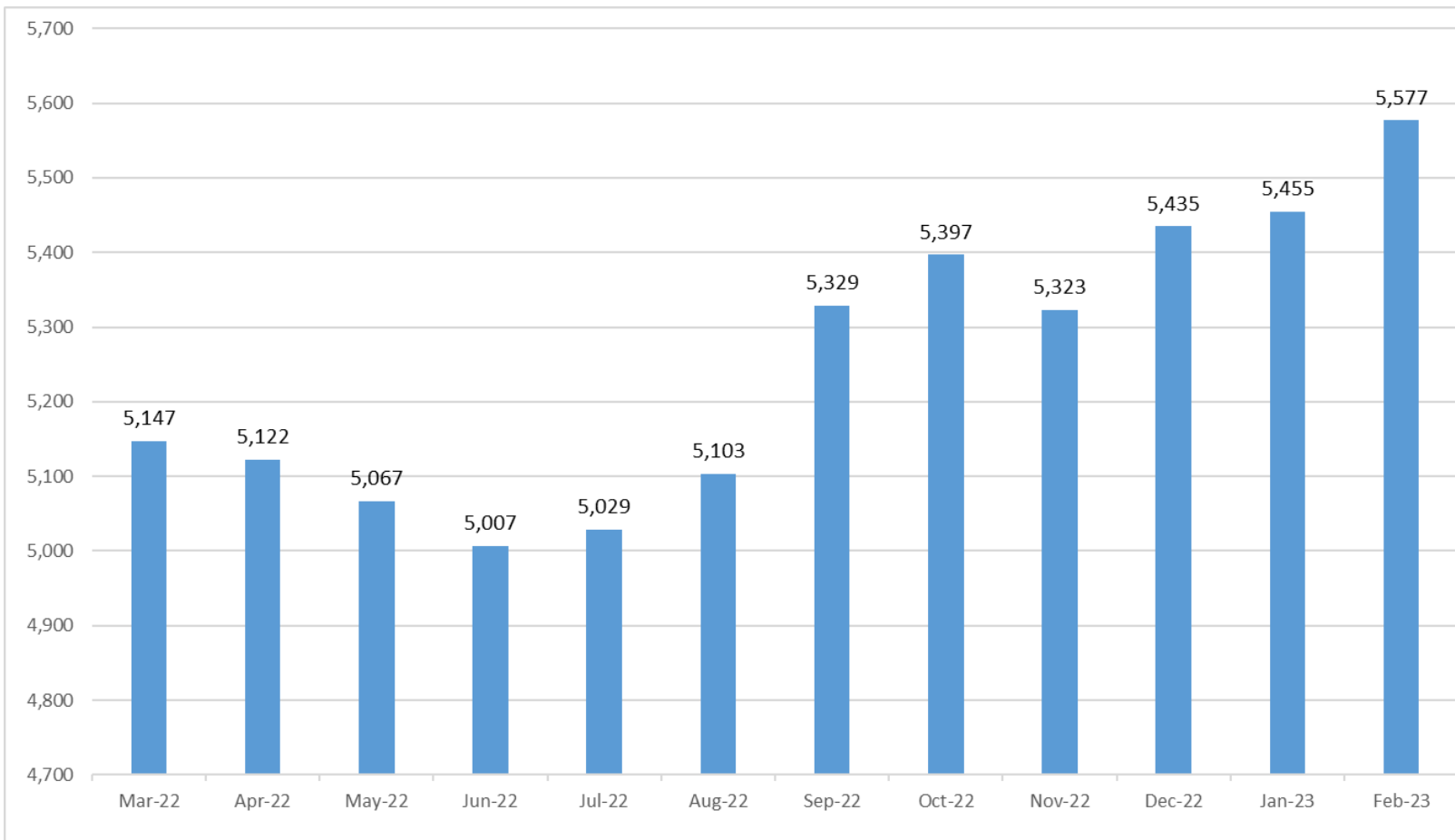
**Chart two:**

**Moving annual total case decisions**

The chart shows the number of decisions made on a rolling annual basis, which includes all cases clearing Screening, Investigations, Case Examiners and Adjudication

Date	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023
<b>Total Decisions (moving annual)</b>	8,451	8,422	8,390	8,258	8,253	8,320	8,541	8,710	8,717	8,864	8,932	9,110
<b>Initial forecast - Total decisions (moving annual)</b>	11,560	11,540	11,618	11,515	11,516	11,555	11,470	11,396	11,334	11,243	11,172	11,048
<b>Variance</b>	-3,109	-3,118	-3,228	-3,257	-3,263	-3,235	-2,929	-2,686	-2,617	-2,379	-2,240	-1,938

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**Chart three:**

**Moving annual total case conclusions**

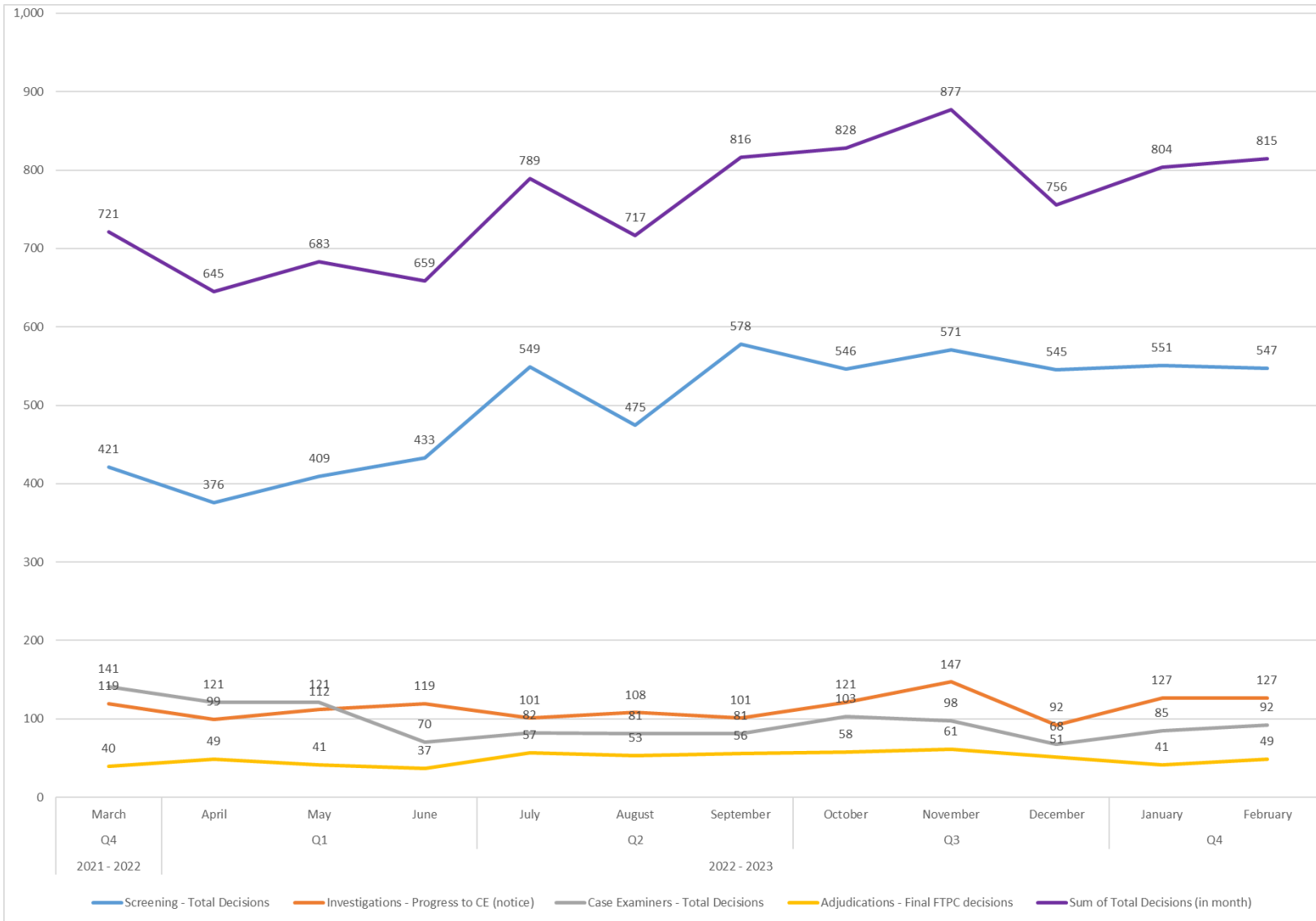
The chart below shows the number of decisions made that conclude cases on a rolling annual basis, which includes all final decisions at Screening, Case Examiners and Adjudication.

The numbers shown below are significantly lower than in Chart 2 as they do not include any decisions to progress a case onwards from Screening, the completion of an Investigation or any decisions to progress cases onwards from Case Examiners.

Month	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023
<b>Total Closures (moving annual)</b>	5,147	5,122	5,067	5,007	5,029	5,103	5,329	5,397	5,323	5,435	5,455	5,577
<b>Initial forecast - Total closure decisions (moving annual)</b>	6,694	6,717	6,805	6,775	6,840	6,901	6,893	6,888	6,891	6,865	6,859	6,833

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<b>Variance</b>	-1,547	-1,595	-1,738	-1,768	-1,811	-1,798	-1,564	-1,491	-1,568	-1,430	-1,404	-1,256
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**Chart four:**

**Monthly decisions by stage**

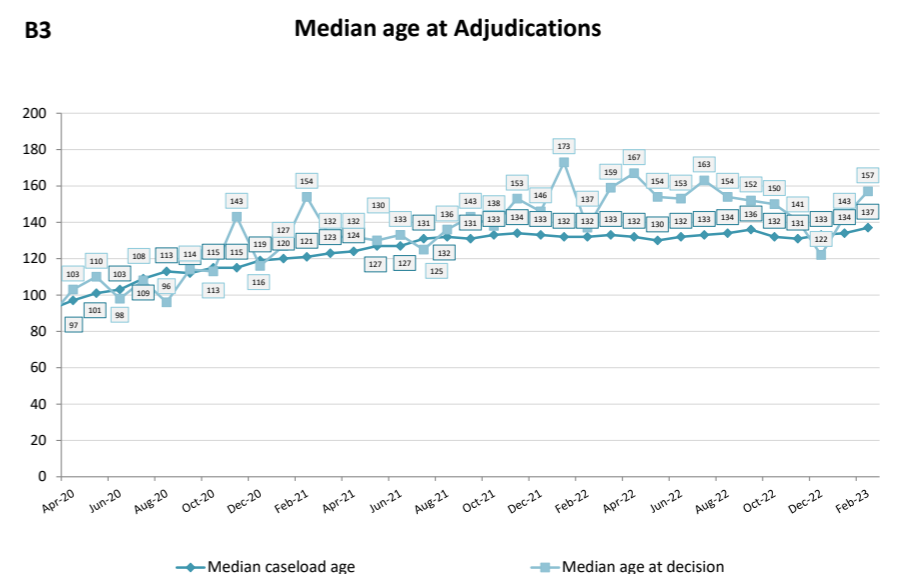
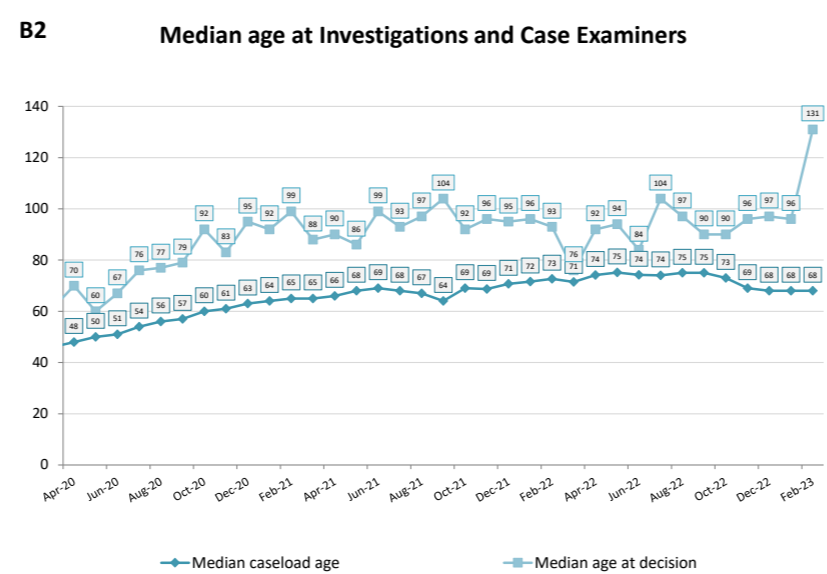
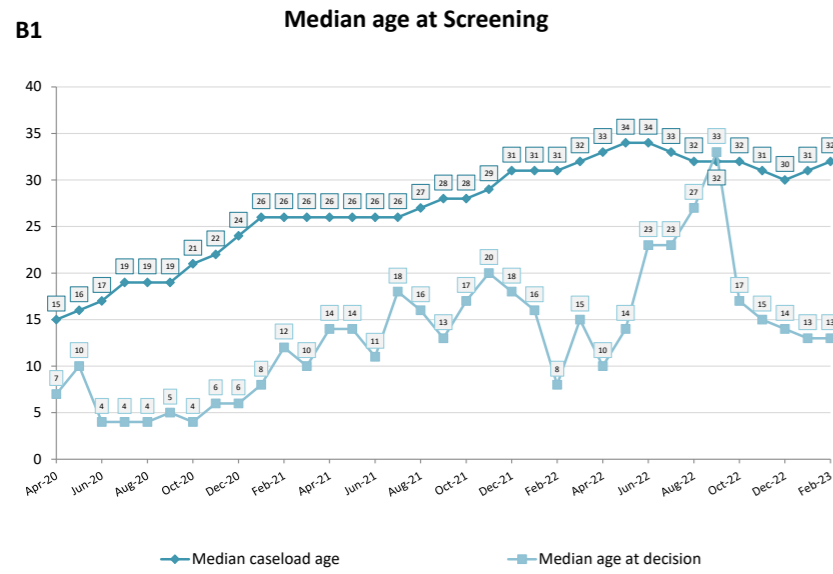
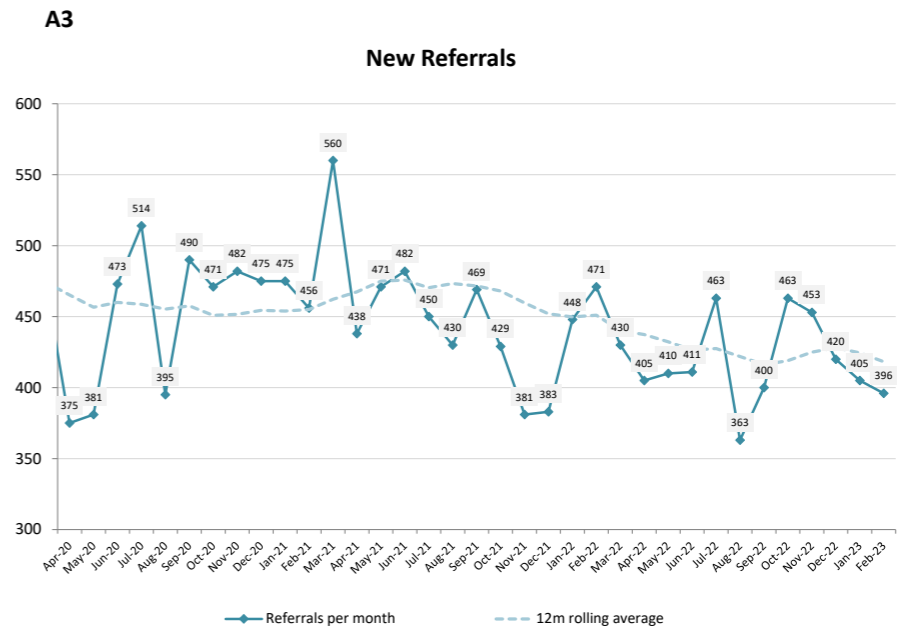
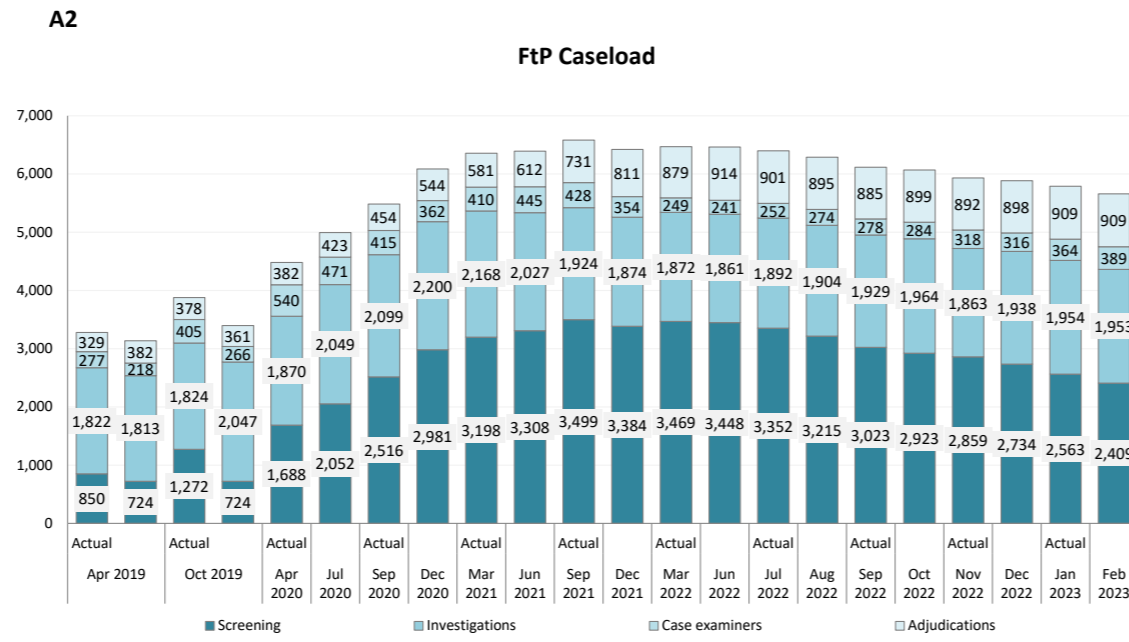
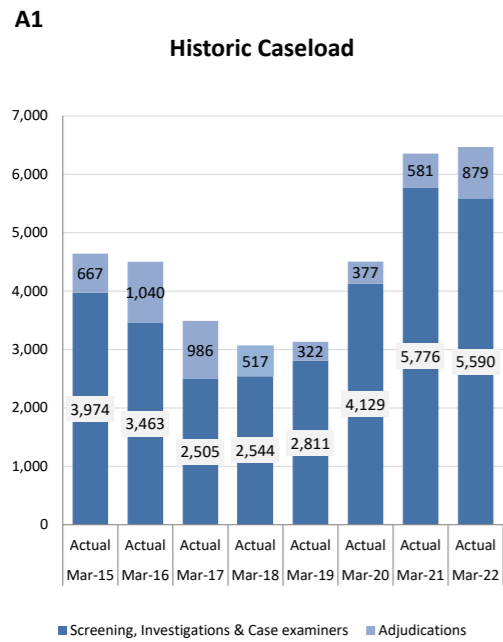
The chart shows the number of decisions made each month at each stage of the process.

We have established an upward trend in the number of decisions at Screening.

Case Examiner decision volumes will increase in line with planned increases in the number of cases being completed by Investigations.

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**FtP Performance Dashboard February 2023 - Final**



Caseload Movement Summary Jan to Feb 2023

**Opening caseload 5,886**

**801 cases received**  
 (new referrals and reopened cases)

**1,027 cases closed**

**5,660 Closing caseload**

## Council

### Learning and thematic review of public inquiries into failings of care

**Action:** For information.

**Issue:** To update Council on action taken over the past year in response to public inquiries into major failings of care.

**Core regulatory function:** All regulatory functions.

**Strategic priority:** Strategic aim 2: Proactive support for our professions.  
Strategic aim 3: More visible and informed.  
Strategic aim 5: Insight and influence.  
Strategic aim 6: Fit for the future organisation.

**Decision required:** None.

**Annexes:** None.

**Further information:** If you require clarification about any point in the paper or would like further information, please contact the author or the director named below.

Author: Grace Costain  
Phone: 020 7681 5592  
[grace.costain@nmc-uk.org](mailto:grace.costain@nmc-uk.org)

Executive Director: Matthew McClelland  
Phone: 020 7681 5987  
[MatthewJohn.McClelland@nmc-uk.org](mailto:MatthewJohn.McClelland@nmc-uk.org)

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**Context:**

- 1 Our Corporate Strategy has a commitment to learn lessons from major failings in care. This paper outlines how we have monitored and learned from inquiries to make improvements for the benefit of people and communities who use health and care services.
- 2 We last updated Council in March 2022. This paper highlights our continuing work to effectively engage and support ongoing inquiries to deliver meaningful, long-lasting change. It sets out key actions we have taken to address recommendations and summarises key work that we will be progressing over the next year in response to recurring themes identified.

**Four country factors:**

- 3 Most of the active inquiries we are involved with are focused in England. The exceptions are: the Muckamore Abbey Hospital Inquiry in Northern Ireland, the Review of Neonatal Mortality in Scotland, the Independent Review of Inspection, Scrutiny and Regulation in Scotland and the Scottish Covid-19 Inquiry.
- 4 Nevertheless, many of the findings and themes identified are applicable across each of the four countries and provide important learning to be considered by each. Furthermore, as a UK-wide regulator the actions we take in response to inquiry recommendations will often have broader impact beyond the immediate jurisdiction and benefit registrants and people who use services in each of the four countries.
- 5 We work closely with each of the four country working groups to monitor country-specific concerns or actions, and to inform our response to wider relevant findings. Regular engagement with the Chief Nursing and Midwifery Officers also provides an important avenue to discuss relevant themes.

**Discussion: Key themes arising**

- 6 Public inquiries continue to point to the same recurring themes and issues. These themes go to the heart of professionalism and public protection and include:
  - 6.1. Fear of regulators and disciplinary processes
  - 6.2. Lack of clear leadership and governance
  - 6.3. Poor working cultures, including denial and blame
  - 6.4. Fear of speaking up or raising concerns

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- 6.5. Poor communication and working relationships among multidisciplinary teams
  - 6.6. Failure to listen to people and concerns raised
  - 6.7. Lack of regulatory alignment and data sharing
  - 6.8. Clinical isolation leading to divergence from mainstream best practice

**Overview of inquiries activity**

- 7 We have robust processes in place to ensure proactive and coordinated engagement with inquiries which helps us take action to benefit people who use health and care services. This includes the cross organisational Inquiries Working Group (IWG) which provides central oversight of all inquiry-related activity.
- 8 We actively monitor all relevant inquiry activity to ensure proactive responses to recommendations and requests for information or support. As well as this we run cross organisational workshops to identify innovative actions to help embed lessons learned. This helps embed findings and lessons learned across the organisation, future learning from inquiries will be incorporated into the corporate learning process once the pilot for this has been completed.

**Supporting active inquiries**

- 9 Over the course of the year, we have established strong and positive working relationships with active inquiry teams by proactively engaging them to explain our role and identify opportunities to support. This includes proactively developing information sharing agreements which enable us to respond to information and data requests without delay.
- 10 In addition, our Employer Link Service (ELS) maintains regular contact with Trusts and employers involved with ongoing reviews, to ensure that we are informed immediately of any potential fitness to practise concerns or other issues.

**Responding to published inquiries**

- 11 The inquiries and reports published in 2022 that have significance for us are:
  - 11.1. The Independent Inquiry into Maternity and Neonatal Services in East Kent (East Kent) (England)

- 11.2. The Independent Review of Maternity Services at the Shrewsbury and Telford Hospital NHS Trust (The Ockenden Review) (England)
- 11.3. The Independent Inquiry into Child Sexual Abuse (England)
- 11.4. 'Workforce: recruitment, training and retention in health and social care' independent inquiry (The Workforce Inquiry) (England)
- 11.5. The Independent Report into Health and Social Care Leadership (The Messenger Review) (England)

**Action taken**

- 12 Many of the recommendations from the 2022 reports are directed at others or require a collaborative effort with system partners to progress.
- 13 In response, we engage key stakeholders which includes regular meetings with the other professional regulators to help align responses and identify opportunities for joint work.
- 14. The following activities have also been undertaken in direct response to the reports listed above.

**East Kent and Ockenden**

- 15. The East Kent and Ockenden reports identified similar long-standing failures in maternity care and have consequently placed maternity services under increased scrutiny over the past year. As has the ongoing Nottingham University Hospitals Independent Inquiry (Nottingham).
- 16. We have undertaken the following activities in direct response to these reports' findings and in doing so aim to make improvements to maternity services for the benefit of people who use those services.
  - 16.1. We have reviewed our Code and standards against the findings from Ockenden and East Kent. This has provided assurance that our standards of proficiency for midwives and our Code provide sufficient guidance on the areas of concern and we are confident that deficits in knowledge and skills identified in the reports are thoroughly addressed in the new standards. However, we will be taking the opportunity to commission a further external independent review of our standards following publication of the forthcoming review into Nottingham.

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- 16.2. We have established the Midwifery Regulation Oversight Group (MROG). This group helps ensure all maternity activity is effectively monitored, coordinated and helps identify potential areas for improvement.
- 16.3. We are conducting a review of context factors in fitness to practise cases on Ockenden, East Kent and Nottingham. This will help identify potential recurring trends and help us to deliver a more coordinated, system-wide response to maternity issues.
- 16.4. We have engaged key partners and groups to ensure the midwifery standards are implemented effectively in practice across the UK. This includes Department for Health and Social Care's (DHSC's) Maternity Support and Improvement Group, Health Education England's (HEE's) Maternity Programme and NHS England's (NHSE's) Maternity Transformation Group, the Northern Ireland Practice and Education Council, NHS Education Scotland and Health Education and Improvement Wales. We continue to work with the Care Quality Commission (CQC) and plan to work with system quality regulators in the devolved nations to ensure the standards are embedded across maternity units in the UK. We are also working with the Chief Midwifery Officers in the four countries to support implementation across the UK.
- 16.5. In collaboration with the General Medical Council (GMC), we continue to deliver the Professional Behaviour Public Safety (PBPS) programme which aims to provide support for multidisciplinary teams working in maternity services. We have also developed and piloted new 'Midwifery Matters' sessions for employers across each of the four nations.
- 16.6. As education quality assurance moves to focus on monitoring of programmes, we have reviewed our monitoring approaches, which includes greater focus on the student voice. We continue to develop and improve our risk-based data driven approach to ensure that we can gain assurance that programmes continue to be delivered in line with our standards. Due to the current number and complexity of high-profile maternity concerns, our quality assurance board provides oversight and governance around our decision making and proportionate interventions. While we have confidence in our standards and Code and good assurance from our quality assurance of education that new midwives will meet the standards of proficiency for midwives, we need to strengthen our assurance for existing midwives.

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As part of that we have written to all professionals about the importance of reviewing the Midwifery Standards during their revalidation.

16.7. We wrote to Approved Education Institutions (AEIs) to clarify our position in relation to continuity of carer and our proficiency requirements. If there is a lack of opportunity for student midwives to be allocated to a continuity of care team, we have suggested alternative ways this proficiency can be achieved.

16.8. We have included a new standard requiring midwifery students to have placement experiences at more than one maternity services provider. This will enable students to experience differences in leadership and teamworking and understand the impact of these issues on practice.

16.9. We have incorporated student feedback to enhance our quality assurance process and improve the level of evidence we have about the quality of education. We are also exploring options for additional regulatory tools to enhance our quality assurance through regulatory reform.

### **The Workforce Inquiry**

17. In August the Health and Social Care Committee conducted an independent review into how to improve workforce recruitment and training in England. This included direct recommendations for us to introduce targets to eliminate disproportionate complaints from employers about ethnic minority nurses and midwives, and to eradicate disadvantage and discrimination in nursing and midwifery training.

18. In response, we are exploring the development and introduction of specific and measurable targets for both areas. This work will contribute towards creating more open, equal, and positive working cultures, which is a key priority for us.

### **The Independent Inquiry into Child Sexual Abuse**

19. We are updating our ELS learning sessions for employers to include a greater focus on responsibilities around reporting and safeguarding.

20. We are also updating our internal safeguarding training to incorporate learning from the report. This will improve organisational competence around identifying and reporting potential instances of abuse or neglect and help ensure we are able to take appropriate steps to protect anyone from harm.

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## The Messenger Review

21. The Messenger Review concluded that more needs to be done to embed effective leadership skills across the health and care workforce. In support of this aim, we are developing a series of campaigns with practical advice on how to deliver safe, effective and kind care during times of pressure and how to demonstrate effective leadership skills is an overarching theme throughout.
22. The findings from this review will also be considered as part of the future review of our Code and standards to identify whether greater emphasis on leadership skills and competencies is required.

## Additional activity

23. Since our last update in March 2022 the following additional activities have been undertaken in response to inquiry themes:

### Regulate

24. **Fear of speaking up:** We have updated our [joint guidance with the GMC on the duty of candour to](#) address the fear of speaking out and reluctance towards being open and honest. This outlines professionals' responsibility to be open and honest when things go wrong and provides important information about how to manage this aspect of care in a person-centred way. We also held a webinar about the professional duty and how to apply it in practice.
25. **Working cultures:** We have updated our guidance on gathering information to confirm that registrants that are subject to investigation are not required to provide evidence of reflections. This is in direct response to a recommendation made by the Williams review and will help contribute towards more open and positive working cultures, centred on learning and practice improvement.

### Support

26. **Professional behaviours:** We are developing a series of campaigns to encourage professionals to use our Code and standards to provide the best care. These focus specifically on the recurring themes identified above, including leadership, listening to people, multidisciplinary working and person centred, holistic care. These will be delivered throughout the year and 2024.
27. **Supporting people who use services:** we are also developing communications materials to inform people using maternity services about what the Code and standards ask of their midwives, with a particular focus on partnership in the development of their care.

28. **Working culture:** We hosted a webinar for employers to support them to effectively respond to concerns to help support a more just and local resolution culture. This included sharing good practice examples from an employer and an outline of recent changes to our fitness to practise processes.
29. **Working cultures:** We have contributed towards creating a more positive and inclusive working culture by producing a [new anti-racism resource for nursing professionals](#) jointly with NHS England and NHS Confederation. This includes practical examples and tools to help professionals challenge racism.

### **Influence**

30. **Regulatory alignment and data sharing:** We have continued to collaborate with the GMC and CQC on the development of the shared data platform to jointly identify potential concerns. This has enhanced our data sharing capabilities and we are working to expand the platform's scope to further improve regulatory alignment and collaboration. At present, this work is focused on England; in the future we plan to explore whether we can expand it into each of the three nations.
31. **Fear of speaking up:** We contributed towards the joint [whistleblowing disclosures report](#), as part of a coordinated effort with other professional regulators to improve how we collaborate with partners to address concerns raised.
32. **Public voice and engagement:** we continue to build our work to ensure that people and communities are heard and have the opportunity to shape our work. This includes establishing our Public Voice Forum and working with stakeholders representing people who use health and care services.
33. We have also proactively engaged with the Medicines and Healthcare Products Regulatory Agency (MHRA) and GMC and General Pharmaceutical Council (GPhC) on collaborative considerations for implementing new regulations for prescribing sodium valproate. This is in direct response to recommendations made by the Cumberlege report which seek to limit use of sodium valproate by pregnant women.

### **Midwifery implications:**

34. Many of the findings from public inquiries relate to maternity services as covered in the body of the paper.

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- Public protection implications:** 35. Each inquiry we are involved with identifies significant failures in public protection. All our responses focus on reducing the risk to the public and building trust in the professions.
- Resource implications:** 36. None at present but as work progresses and new actions are identified, this may result in new associated work streams and the need for additional resource. This will need to be assessed and prioritised in line with our corporate priorities.
- Equality diversity and inclusion implications:** 37. We know that there are significant inequalities in the delivery of healthcare which many of the inquiries speak to and reinforce. This includes higher instances of bullying and harassment and unequal opportunities for certain groups of people.
38. Promoting and embedding equality, diversity and inclusion remains a key priority for us. We will continue to assess the impact of any changes we introduce in response to inquiries on specific groups. We will also continue to use our own data and insights to help influence and drive system-wide improvements.
- Stakeholder engagement:** 39. We have worked closely with other professional and system regulators in response to inquiries and reviews. In particular, we continue to work closely with the GMC and CQC on developing the shared data platform in response to the Paterson inquiry.
40. We sit on stakeholder groups established to take forward the recommendations from published reports. This includes representation for the Cumberlege, Dixon and Paterson working groups. We have also provided input into government responses on these reports.
- Risk implications:** 41. Our inquiries work is a key part of providing assurance as to how we manage the risk to public confidence from the issues arising from public inquiries and is in itself part of our processes to manage risk.
- Legal implications:** 42. We regularly engage the General Counsel Team to ensure compliance with relevant legislation. This includes the Data Protection Act 2018, the Inquiries Act 2005 and our obligations under the Public Sector Equality Duty.

## Council

### Review of our Financial Strategy

<b>Action:</b>	For decision.
<b>Issue:</b>	Proposed amendments to our financial strategy.
<b>Core regulatory function:</b>	Supporting functions.
<b>Strategic priority:</b>	Strategic aims – all.
<b>Decision required:</b>	The Council is recommended to agree the financial strategy, including the proposed amendments shown on it, at <b>Annexe 1</b> .
<b>Annexes:</b>	The following annexe is attached to this paper: <ul style="list-style-type: none"><li>• <b>Annexe 1:</b> draft revised financial strategy.</li></ul>
<b>Further information:</b>	If you require clarification about any point in the paper or would like further information, please contact the author or the director named below.  Author: Richard Wilkinson Phone: 020 7681 5172 <a href="mailto:richard.wilkinson@nmc-uk.org">richard.wilkinson@nmc-uk.org</a>  Executive Director: Helen Herniman Phone: 07768 546171 <a href="mailto:helen.herniman@nmc-uk.org">helen.herniman@nmc-uk.org</a>

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**Context:**

- 1 In its own words: “The goals of the financial strategy are to enable the investment we need to deliver our organisational strategy, while also achieving financial sustainability and value for money, for the benefit of registrants and the public, keeping registration fees affordable and stable over time.”
- 2 The financial strategy is designed to set direction and indicate the key parameters of how we manage our finances. Our financial regulations set out more rule-based controls such as the authority to spend level of the Chief Executive and Registrar.
- 3 Our financial strategy was initially agreed by Council in March 2020 to align with our organisational strategy 2020-2025. Council reviews it each year and it was last amended in March 2022.
- 4 The draft financial strategy at **annexe 1** seeks to reflect initial comments by Council members in January 2023.

**Four country factors:**

- 5 Not applicable for this paper.

**Discussion**

- 6 Despite the considerable changes to the external environment over the past three years, we believe the financial strategy is still broadly appropriate.
- 7 The significant changes that we are proposing are each discussed in turn below. They are also shown as ‘track changes’ in the draft financial strategy at **Annexe 1**.

**Controls on grant or contractual income**

- 8 The proposed amendment highlights the fact that our independence as a regulator comes in part from our income being independent of government, with nearly all our income coming from the professionals on our register or applying to join it from overseas. Any decision to accept funding from government should be considered within that context and, given how important our independence is to our effective operation as a regulator, should be taken by the Chief Executive and Registrar. Where appropriate and on the basis of risk, the Chief Executive and Registrar will escalate grant income decisions to the Council.
- 9 From time to time we have been offered, or have sought funding from central government for time-limited, distinct activities where we considered it inappropriate for our registrants to bear the cost.

Recent examples have included being refunded by the Department of Health and Social Care for the costs of establishing Nursing Associates as a profession, in establishing the emergency register in 2020, and for the costs of rapidly expanding the capacity for testing and processing of professionals qualified overseas to join our register.

- 10 The proposed amendment is not questioning those past decisions but about highlighting the importance of ensuring that our independence is appropriately considered when any similar proposals are taken in future by formalising a process and controls to approve any future government funding.

### **Investment policy: management of short term fluctuations in the value of our investments**

- 11 The changes proposed to our financial strategy set out our policy for how we budget for or forecast short term losses or gains in the capital value of our stock market investments. This is to ensure our financial decision-making is not being driven by short-term fluctuations in investment value, while ensuring continued transparency in reporting in investment performance.
- 12 We made our first investments in stock markets in July 2020 and have to date, invested £33 million in this way. As already set out in our financial strategy, since we receive fees in advance, we hold significant cash balances, giving us the opportunity to invest funds that are surplus to immediate requirements. They are invested in a balanced and cautious way that provides good prospects of positive returns relative to inflation in the long term that will help mitigate future pressure to increase fees for the professionals on our register.
- 13 As our financial strategy says, in making such investments, we accepted that there would be the risk of short and medium-term fluctuations in their capital value. These fluctuations are reflected in our accounts as 'unrealised' gains or losses impacting both on the level of our overall in-year surplus or deficit, as well as the level of our free reserves. Both measures are used as key indicators and constraints in our budget-setting and management.
- 14 Recent sharp fluctuations, both up and down, in the value of our investments have highlighted the need for a consistent and agreed policy as to how such losses or gains are taken into account in our budget-setting and in-year financial management.
- 15 Our practise to date has been not to budget for future capital gains or losses over our three year budgeting horizon, since we are unable to anticipate short-term stock market movements. We propose to continue with this approach and extend it to our in-year forecasting – where we have tended to simply roll-forward the latest month end unrealised loss or gain to the year-end. Instead, we will simply assume neither a capital gain nor loss at the year-end.



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- 16 We also propose to put aside any capital losses or gains in how we assess our in-year performance. So, for instance, we will not plan to spend extra funds in-year simply because our investments have performed particularly well, nor will we cut spend and activity simply because they have shown a loss.
- 17 This approach is consistent with how we have treated our defined benefit pension scheme. There too, the annual actuarial valuation of the scheme is reflected in our accounts and hence our free reserves each year, but we have not budgeted for or forecast fluctuations. Since we do not have monthly revaluations for our pension – which would be very expensive – we have not been driven in our day to day decision-making by fluctuations in its value.
- 18 The approach set in our financial strategy specifically deals with our approach to prospective capital gains or losses on investments. Our approach to investment income will remain as for all other areas of income or cost which is to estimate expected future investment income in our forecasts and budgets. Like the income from cash we hold on bank deposits, dividend or interest income from our investments is not entirely certain, but we can forecast for it with a greater level of certainty and, unlike the capital value of our investments, it is not subject to negative fluctuations.

**Other changes**

- 19 Other changes reflected in the draft financial strategy are minor clarifications rather than statements of policy. These include:
- 19.1. Some minor additional clarification on the reasoning behind making investments in the summary section of the strategy;
  - 19.2. Tidying the wording in the procurement section;
  - 19.3. Updating the pension scheme section to be more neutral with respect to the current position of the defined benefit (DB) scheme and the options available to us;
  - 19.4. Minor updating of the fees section to reflect the current higher inflation environment.

**Next Steps**

- 20 Subject to Council’s comments, we will publish the revised financial strategy on our website early in 2023-2024.

<b>Midwifery implications:</b>	None specifically from this paper.	1.
<b>Public protection implications:</b>	Ensuring we have an appropriate financial strategy is important in enabling us to have sufficient and appropriate resources to exercise effectively our role as an independent regulator.	2.
<b>Resource implications:</b>	The financial strategy helps ensure that we are managing our resources appropriately as set out in the budget paper that is being presented separately.	3.
<b>Equality diversity and inclusion implications:</b>	None specifically from this paper although effective management of resources will support the implementation of our Equality, Diversity and Inclusion (EDI) plan.	4.
<b>Stakeholder engagement:</b>	None in relation to this paper.	5.
<b>Risk implications:</b>	The main recommendations for changes to the strategy are designed to manage risk more effectively to ensure our status as a visibly independent regulator is protected and that the effectiveness of our budget and business planning and management are protected from short term swings in the value of our investments.	6.
<b>Regulatory Reform</b>	No direct implications.	7.
<b>Legal implications:</b>	None.	8.
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Agreed by Council 30 March 2022 – with proposed amendments

## Financial strategy

### 1. Summary

- 1.1. This financial strategy was first approved by Council in March 2019 and updated in March 2020 and March 2022. It is consistent with our organisational strategy for 2020-2025 and is intended to guide our financial management for the period to 2025.
- 1.2. Our ~~new~~ organisational strategy includes an ambitious programme of work across the five years, building on our core business, to ensure that we regulate well, support our professions, and influence the context for learning and care. Underpinning that work, we also need to ensure that our organisation is fit for the future, with the right infrastructure and capabilities to fulfil our ambitions.
- 1.3. We are financed by the fees paid by nurses, midwives and nursing associates. We are very conscious of the impact that increases in our fees can have on our registrants. We do face significant financial risks, which could mean that we have to increase our fees: particularly, the risk of increasing inflation combined with static fee income.
- 1.4. But overall, we are fortunate to be in a strong and privileged financial position. Nurses, midwives and nursing associates are required by law to pay their registration fees in order to practise their professions, and this makes for a highly secure source of income. We also have strong reserves, built up through careful financial management since we last increased our fee in 2015.
- 1.5. We have both a responsibility and an opportunity to use these funds well. This financial strategy seeks to more actively use our strong financial position to invest in modernising our systems, improving services and efficiency, to make financial investments that will ~~help mitigate the impacts of~~ protect us from inflation in the long term, and to manage financial risks.
- 1.6. The strategy also emphasises the importance of medium and long term<sup>1</sup> planning, and an enabling and collaborative internal approach to the use of resources, alongside appropriate financial controls.
- 1.7. The goals of the financial strategy are to enable the investment we need to deliver our ~~new~~ organisational strategy, while also achieving financial

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<sup>1</sup> In this strategy, short term means within one to two years, medium term means from the third to fifth years, and long term means after more than five years.

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sustainability<sup>2</sup> and value for money<sup>3</sup>, for the benefit of registrants and the public, keeping registration fees affordable and stable over time. We will promote trust and confidence in our finances and the value for money we provide through transparency and integrity in our financial conduct.

## 2. Framework of authorities

### Financial governance

- 2.1. Our Council is the NMC's governing body. Council's responsibilities are set out in the Nursing and Midwifery Order 2001, and the Scheme of Delegation. Council's financial responsibilities include
  - 2.1.1. approving the financial strategy, reserves policy, and investment policy
  - 2.1.2. approving the budget
  - 2.1.3. reviewing financial performance during the year
  - 2.1.4. agreeing the top level system of internal control, including the Financial Regulations
  - 2.1.5. approving the annual report and accounts.
- 2.2. The Chief Executive and Registrar is appointed as Accounting Officer by the Privy Council. The responsibilities of an Accounting Officer are set out in HM Treasury's rules, Managing Public Money<sup>4</sup>, Chapter 3.

### Our status as a public body

- 2.3. We are a public body, established by statute. Although our closest relationship within government is with the Department of Health and Social Care (DHSC) and our accounts are consolidated into the DHSC's group accounts, we are independent and not controlled by DHSC or any other government department. We are accountable to Parliament through the Privy Council. We take into account the principles in Managing Public Money.
- 2.4. We are subject to the Public Contracts Regulations and our policies and processes comply with those Regulations in full. We follow the Treasury's Financial Reporting Manual in the preparation of our statutory accounts, to the extent that it clarifies or builds on the financial reporting requirements in the Charities Statement of Recommended Practice (SORP)<sup>5</sup>.

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<sup>2</sup> Sustainability in our context means the registration fee should be affordable by registrants, and stable over time. With the income provided by registrant fees, our budgets must be balanced over the medium and long term. We must also have access to sufficient working capital and longer term financing.

<sup>3</sup> Value for money is defined as the optimal use of resources to achieve the intended outcomes.

<sup>4</sup> <https://www.gov.uk/government/publications/managing-public-money>

<sup>5</sup> Statement of Recommended Practice: Accounting by Charities

[Download a full SORP - SORP - CCEW \(charitySORP.org\)](#)

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## Our charitable status

- 2.5. Our objectives are charitable and we are registered as a charity with the Charity Commission in England and Wales and the Office of the Scottish Charity Regulator<sup>6</sup>. Council members are the trustees of the NMC with responsibilities under charity law very similar to their responsibilities under the Scheme of Delegation<sup>7</sup>.
- 2.6. As a registered charity we benefit from business rates relief worth over £1m a year and exemption from corporation tax on our charitable income, investment income and capital gains.

## 3. Sustainability

- 3.1. Sustainability in the context of our finances means the registration fee should be affordable and stable over time. It requires budgets that are balanced over the medium and long term, and access to working capital and longer term financing, including an appropriate level of reserves or other source of financing.

## 4. Effective financial management and value for money

- 4.1. Our objective is to ensure through good financial management that registrants' money is well spent.

### Planning and budgeting

- 4.2. We will maintain a rolling three year business plan and budget, linking resources to outputs and outcomes. Planning and budgeting over a three year period enables more effective delivery and value for money. It also enables us to see the financial impact of medium term capital projects, and to model the possible impacts of financial risks such as changes in the number of nurses, midwives and nursing associates on the register, or changes in the rate of inflation.
- 4.3. For our finances to be sustainable, our budget for recurrent, core business expenditure<sup>8</sup> must not exceed our recurrent operating income.
- 4.4. Our overall budget, including non-recurrent or project costs, must be balanced over the medium and long term<sup>9</sup>. However, our overall budget does not need to balance every year.
- 4.5. To deliver our organisational strategy for 2020-2025, we need a significant programme of investment in new services, our people and our systems. As

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<sup>6</sup> We will also be registered with the Charity Commission for Northern Ireland when it begins to register non-Northern Ireland bodies

<sup>7</sup> See Charity Commission guidance "The essential trustee (CC3)"

<https://www.gov.uk/government/publications/the-essential-trustee-what-you-need-to-know-cc3>

<sup>8</sup> Including depreciation

<sup>9</sup> In this strategy, short term means within one to two years, medium term means from the third to fifth years, and long term means after more than five years

set out below, we want to maintain the registration fee at £120 for as long as possible. Therefore, we propose to fund our investments partly from reserves.

- 4.6. In order to fund non-recurrent or project costs, we can reasonably set deficit budgets and accept negative cash flows over the short term, provided that we have sufficient cash and **free** reserves to fund the deficits, provided that the budget deficit is the result of those non-recurrent or project costs, and that we have plans for the overall budget to return to balance in the medium and long term and comply with our reserves policy. For instance, this may be appropriate to deliver change over several years in way that is manageable and properly sequenced. We should avoid using deficits to support recurrent spend on core business since this will deplete our reserves.
- 4.7. In the current exceptional circumstances, we can set a deficit budget and accept negative cash flows over three consecutive years, although this is still subject to the other constraints set out in this strategy. If any additional year of deficit beyond three years is considered necessary, this will require specific Council approval.
- 4.8. If our planning and budgeting shows that our operating income cannot cover our recurrent, operating, core business costs over the short term, or our total costs over the long term, then we will need to take steps to correct the position. In the first instance, we would look for further options to reduce costs, including the possibility of reducing the scope of our services. If those options were not viable or were not sufficient, we would need to consider a fee increase.

#### **Efficiency programmes in business plans and budgets**

- 4.9. To promote value for money, we will target and track efficiencies through the business planning, budgeting and financial reporting processes, both from change programmes and from continuous improvement activities.

#### **Business cases for major projects and significant investments**

- 4.10. When we invest significant amounts of registrants' money in a project, we need to ensure we are making the right choice from the available options, which we expect to provide the best value for money. We do this through business cases that are proportionate to the scale of the investment, based on the Treasury's Green Book<sup>10</sup>.
- 4.11. Projects relating to our regulatory functions will often not have a positive *financial* return, for example if their purpose is to improve services to registrants or the public, but we need to test and be able to demonstrate that our chosen option is better value for money than the alternatives, including doing nothing. We also need, as part of the impact assessment, to consider their financial and economic impacts on the wider healthcare system. Projects relating to our corporate support functions should normally have a positive

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[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/685903/The\\_Green\\_Book.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/685903/The_Green_Book.pdf)

financial return. For all significant projects, we will identify the expected benefits at the outset and track the realisation of those benefits.

## Approach to procurement

4.12. We fall within the definition of “bodies governed by public law” which is outlined in the Public Contracts Regulations 2015. This means we must apply the legislation and wider UK public procurement rules when we require new contracts or in managing our existing suppliers.

4.13. Our NMC Procurement Policy details our approach to procurement, which includes making use of existing national procurement frameworks or running a competitive tender process for contracts that are over £10,000 in value. This ensures we meet our legal obligations, and that we are open, transparent and fair towards suppliers bidding for our work. In our tenders we actively seek to identify suppliers who share our values and can demonstrate high standards in areas such as equality and diversity, and sustainability.

~~4.12. Overall, this approach supports our value for money objectives. Our procurement ensures we identify suppliers who can deliver our requirements at a competitive price, but also will add value to wider NMC work and are contributing to wider societal improvements. Value for money is also assured by our procurement policy and processes. We are subject to the Public Contracts Regulations, and our own processes go further, requiring competition for all contracts over £10k in value, and formal tenders for all contracts over £100k in value. However, value for money is not just about getting the lowest price: it is more important to buy the right product or service to meet our needs. Our procurement department supports budget holders in drawing up the specification for tenders, evaluating proposals, and managing contracts, all of which are key to achieving value for money.~~

~~4.14. Our procurement policy also aims to ensure that our purchasing and our supplier relations reflect our values, so that our environmental impact is minimised, and our suppliers treat their own employees fairly.~~

## 5. Approach to financial control

5.1. Financial controls are the rules and processes that help to ensure that we collect our income, protect our assets, and that our spending is effective.

### Controls on income from registrants~~Income controls~~

5.2. One of our main points of contact with nurses, midwives and nursing associates is when they pay our fees. The process is normally quick and simple, but if registrants' payments' fail for any reason, they are at risk of being removed from the register and prevented from practising. This has a potentially severe impact on the individual and runs contrary to our aim to support nurses, midwives and nursing associates to work.

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5.3. Like every organisation, we need processes and controls to ensure that we receive the income we are due. But paying the registration fee is a precondition for legally practising as a nurse, midwife or nursing associate, which means that we are at much less risk than most organisations of our customers failing to pay us.

5.4. One of our values is that we are kind, and we will show compassion and understanding for registrants who may be in financial difficulty. Within the limitations of the Fees Rules<sup>11</sup> and our systems, we will provide flexibility to support registrants and avoid as far as possible them being removed from the register for non-payment. We will seek reform of our Fees Rules in due course to enable greater flexibility.

### **Controls on grant or contractual income**

5.5. We may sometimes have the opportunity for income from other sources such as grants or reimbursement for costs incurred. These funds are typically provided by central government. They may be in the context of delivering a specific project where it is not appropriate for our registrants to bear the costs through their fees.

5.6. In considering whether to accept such income, we need to be satisfied that it is appropriate, taking into account a range of factors. These will include legality within our legislative framework, alignment with our strategy, avoidance of any inappropriate burden on our registrants, our capacity to deliver well in the context of our other priorities and whether the income may impact, or be seen to impact, on our independence as a regulator.

5.7. Given the range and types of factors to be considered, such income, whether as a grant or reimbursement of costs under a contractual or other agreement, must be approved in advance by the Executive Director of Resources and Technology Services and the Chief Executive and Registrar (CE&R). The CE&R will escalate any grant income decisions to the Council where appropriate on the basis of risk.

### **Expenditure controls**

5.4.5.8. Controls over expenditure are essential to ensure that our spending is effective for our regulatory and charitable purposes. Effective financial controls prevent improper use of funds and ensure financial information is accurate, relevant and reliable. They support management in making good planning and financial decisions, and ensure value for money, accountability and transparency.

5.5.5.9. The risk of improper use of funds and errors cannot be absolutely eliminated, and excessive controls are inefficient and tend to drive the wrong behaviours in terms of customer service, innovation and risk management. Therefore financial controls must be appropriate and proportionate.

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<sup>11</sup> Our Fees Rules are set via secondary legislation

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Controls must reach the appropriate threshold level, to reduce the risk of loss to an acceptable level, but beyond that threshold level, further increases in controls reduce value for money and employee satisfaction. Determining the appropriate level of control is a matter of judgement reflecting the organisation's risk appetite.

5-6-5.10. We want to trust and empower employees to be responsive and innovative in delivering excellent services to nurses, midwives and nursing associates and the public. We will keep processes and controls under review to ensure they are appropriate and proportionate, and we will promote a culture of customer focus, collaboration and business partnering in Finance and Procurement's support for the rest of the organisation.

### **Collaboration**

5-7-5.11. We will maintain a collaborative approach to financial management where budget holders are trained in financial management and encouraged to work in partnership with each other and Finance to ensure the best allocation of resources across the organisation. While providing constructive challenge, Finance will work with a premise of trust in the good faith and competence of budget holders, and with the objective of enabling budget holders to spend funds well.

5-8-5.12. Similarly, in our work with suppliers, we aim to build partnerships with a fair allocation of risk and benefit, which deliver value for money in the long term.

5-9-5.13. We will also look for opportunities to work with other organisations, and other health and social care regulators in particular. We will share expertise and good practice and improve value for money through joint activities such as joint procurement where practical.

### **Approach to outsourcing**

5-10-5.14. In deciding whether to provide services in house or to outsource them, our overall objective is to achieve the optimum value for money. This includes consideration of:

5-10-1-5.14.1. The technical complexity and level of specialism of the service. Generally, the more technically complex and specialist a service is, the more difficult it is to maintain a cost effective in house capability to deliver it.

5-10-2-5.14.2. The external market for the provision of the service. Services with more developed external markets, for example catering services, will normally provide better value for money from outsourcing. Conversely, some services may be so technically complex or specialist that the external market for them is limited.

5-10-3-5.14.3. Economies of scale. Organisations often contract out services because their own demand for them is not enough to support an efficient in house service, or the service can be provided more efficiently by a large specialist contractor.

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5.10.4-5.14.4. The period over which the services will be needed, and the variability of demand/workload over that period. A short term, one off service, or a service with uneven demand will be more difficult and less cost effective to provide in house.

5.10.5-5.14.5. The degree of independence required. Services where a high level of independence from management and objectivity are required are usually better outsourced, since an external firm is more able to provide independent advice, and more likely to be seen as independent.

5.10.6-5.14.6. The sensitivity of the service will be relevant, including data security considerations, although whether those factors make it more or less appropriate to contract out may vary from one service to another.

5.10.7-5.14.7. Risks and benefits relating to a change from in house to contracted out or vice versa. Risks of moving to outsourced provision may include loss of corporate memory, loss of accountability, or a drop in service levels arising from the change and consequential loss of trust in the organisation.

5.11-5.15. We will evaluate services using these criteria and others that are relevant to the particular service. If we conclude that contracting out is likely to provide better value for money overall, we will procure the service in compliance with the Public Contracts Regulations and the guidance on outsourcing in Managing Public Money<sup>12</sup>. As each significant contracted out service comes up for renewal, we will re-evaluate it to assess whether contracting out remains appropriate, or whether it should be brought back in house.

## 6. Transparency and integrity

6.1. All our financial conduct and decision making must be informed by the fact that we are funded by the registrants' fees. We need to ask ourselves if the financial decisions we take can be positively and confidently presented to nurses, midwives and nursing associates as a good use of their money<sup>13</sup>.

6.2. Our Council's Code of Conduct commits members to the seven principles of public life (the Nolan principles): selflessness, integrity, objectivity, accountability, openness, honesty and leadership<sup>14</sup>. We apply these principles in our financial management. In particular:

6.2.1. We will publish our expenditure transactions and our key financial policies under our Freedom of Information publication scheme. Council and Executive members' remuneration and expenses will be published annually in the Annual report and accounts.

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<sup>12</sup> Managing Public Money chapter 7.12

<sup>13</sup> This relates to the concept of regularity and propriety. See Managing Public Money <https://www.gov.uk/government/publications/managing-public-money>

<sup>14</sup> <https://www.nmc.org.uk/about-us/governance/the-council/council-governance/>

6.2.2. Council receives a quarterly report from the Executive, which is published on our website, and includes financial and operational management information, key performance indicators, and the corporate risk register.

6.2.3. The Code of Conduct for Council members includes conflict of interest and gifts and hospitality policies, and similar policies apply to our employees.

## 7. Reserves policy

### Charity Commission guidance on reserves

7.1. The Charity Commission<sup>15</sup> expects charities to develop and publish their reserves policies. The purpose of a reserves policy is to demonstrate sustainability, good stewardship and active financial management by the trustees, including showing that the charity will be able to meet its commitments in the event of a shortfall in income. Charities' reserves policies are often expressed in terms of a target range of free reserves. The term "free reserves" means reserves that are not tied up in fixed assets or restricted for specific purposes.

7.2. A target minimum level of free reserves is a source of assurance that the charity's services are sustainable. Conversely, a target maximum level of free reserves acts to ensure that the charity's resources are applied and not simply accumulated to no purpose. By maintaining free reserves within the target range, the charity trustees are more likely to be balancing the interests of their current and future beneficiaries and supporters and exercising good stewardship.

7.3. Free reserves are particularly important in the charity sector because they are often the main or the only available source of long term financing and financial security. Charities do not have share capital and often do not have access to borrowing. Charities' income streams are often inherently insecure, for example if they are dependent on a small number of large grants.

### Our need for free reserves

7.4. We have a highly secure income stream and cash flow. Nurses, midwives and nursing associates are required by law to pay our registration fees in order to practise. They are also required to pay either annually or quarterly in advance, so we hold large cash balances, over and above our free reserves. Provided that our budget is balanced over the medium and long term (see paragraph 4.4 above), these large cash balances and the security of our income stream ensure our financial sustainability. Therefore our need for free reserves is much lower than many other charities.

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<sup>15</sup> See Charity Commission guidance "Charity reserves: building resilience (CC19)"  
<https://www.gov.uk/government/publications/charities-and-reserves-cc19>  
<https://www.gov.uk/government/publications/charities-and-reserves-cc19>

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## Target range for free reserves, and lower limit for cash and investments

- 7.5. We will maintain free reserves within a target range that will be reviewed and agreed annually by Council as part of our budget setting process. The target minimum level of free reserves will be set so as 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 will be set so as to ensure our resources are applied effectively, balancing the interests of registrants who finance us through the fees that they pay, and the public who benefit from our work.
- 7.6. The extent to which our cash and investment balances exceed our free reserve balances is dependent on the proportion of registrants paying by quarterly direct debit and the level of the pension deficit. There is a risk that over time, these factors could change.
- 7.7. Therefore, in addition to the target range of free reserves, we will set a minimum level for the aggregate forecast cash and investments balance in the course of the coming financial year. The purpose of this additional limit is to ensure liquidity<sup>16</sup> without the need for borrowing facilities.
- 7.8. Our reserves policy fully complies with the Charity Commission's guidance on reserves as set out in paragraph 7.1. We will continue to publish the policy within our Annual Report and Accounts.
- 7.9. There are no specific requirements that would determine our reserves policy in the Order, or the Scheme of Delegation, or Managing Public Money.

## 8. Investment policy

- 8.1. The large cash balances that we hold as a product of receiving fees in advance and our free reserves gives us the opportunity to invest funds that are surplus to immediate requirements. We are able to take a long term view and accept some risk.

8.2. Our investment policy has been developed consistent with this financial strategy, reviewed by the Investment Committee and approved by Council, and sets out the classes of asset we may invest in and the level of risk we are prepared to take, and ethical investment parameters. Appropriate classes of investment include equities, funds and bonds. While the value of these non-cash investments may be volatile and may fall or rise sharply in the short term, over the long term, equities and funds have proven to be the best performing form of investment assets.

8.2.8.3. As a result of their expected short term volatility, we will not budget or forecast for either capital gains or capital losses in our non-cash investments, although we will report actual performance as part of our normal financial

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<sup>16</sup> Our investments will be equities, funds and bonds capable of being liquidated within 14 days, so can be treated as a liquid asset and combined with cash for this purpose

reporting. As a result, as part of our budgeting processes, when we estimate levels of free reserves for future years, we will not normally factor in actual or possible capital gains or capital losses in the current or future years. Nor will we regard any actual short term capital losses or gains as meaning that we need to adjust our spend or budgets in the short term. The only reason for moving from this approach is if we have strong reasons to consider that a permanent change in the capital value of our investments has taken place.

8-3-8.4. We expect that by investing in equities, funds and bonds, we will obtain an above-inflation return over the long term, and thereby avoid or mitigate the need to increase our fees. Therefore we expect that applying part of our cash and reserves in investments will benefit nurses, midwives and nursing associates in the long term.

## **9. Defined benefit pension schemes**

9.1. Our pension scheme, which has been offered to new starters since November 2013, is a defined contribution or “money purchase” scheme. Employer contributions to the scheme are within a fixed range so there is very little financial risk to the NMC. Pensions are one of the most effective ways for individuals to save for their retirement so we will continue to promote the scheme and encourage maximum uptake by employees.

9.2. We also still have a defined benefit scheme, where the pension is based on employees’ final salary and number of years of service. This scheme closed to new starters in November 2013 and to future accrual in summer 2021. The defined benefit scheme continues to carry significant financial risks: changes in life expectancy, interest rates or investment performance of the scheme assets could all have significant impacts on our net pension deficit.

~~9.3. The NMC currently still makes additional contributions to the scheme under a Recovery Plan with the intention of eliminating the deficit by 2026.~~

9.4-9.3. The high level of financial risk inherent in a defined benefit pension scheme was a primary reason why we closed the scheme to new entrants in 2013 and a contributory reason to closing it to future accrual in 2021. There are other options to reduce the financial risk further. We could make further payments into the scheme above those sought by the scheme, or we could sell the scheme to an insurer.

~~9.5. The first of those options, making further payments, would only reduce financial risk if the new funds were invested in order to hedge the risk on the liability side. For example, the scheme trustees could invest in long term bonds, which would hedge against the risk of an increase in the liability resulting from a fall in bond yields. However, by making further payments into the scheme we would be limiting our own opportunity to make positive returns on those funds through our own investments.~~

9.6-9.4. The second option, selling the scheme, would completely eliminate our risk, ~~but but it would only become an option if the scheme were to be closed to new accrual of benefits, and it may would~~ be extremely expensive. We will, nevertheless, keep this option under review.

9.7.9.5. Therefore, we ~~plan~~propose to continue with the present approach of making additional employer contributions, if needed, in line with agreed proposals by the pension scheme at its triennial reviews after considering advice from our own pension specialists. The potential impact of the financial risk within the scheme is manageable within our reserves, and the risk will diminish gradually over time. We will keep this approach under review.

## 10. Fees policy

- 10.1. Our fees are set by secondary legislation. Any change in fees requires the Council's approval to start the process, a public consultation on our proposed changes, approval by the Privy Council, and a statutory instrument approved by the Westminster Parliament via the negative procedure. The process takes a minimum of six months from the point of Council approval to the new fees taking effect. Nurses, midwives and nursing associates would pay the new fee from the point of their next annual renewal of registration following the change, so there is a lag before the full effect of any change is felt in our income.
- 10.2. Our renewal fee has been £120 per year since February 2015<sup>17</sup>. It had been £76 until February 2013, and £100 from February 2013 to February 2015. The last two increases, which represented nearly 60 percent in the space of two years, were very unpopular with nurses and midwives. The government has stated that fee rises should be kept to a minimum<sup>18</sup>.
- 10.3. We intend that the fee should be affordable by nurses, midwives and nursing associates. We should avoid large, sudden increases in the fee: registrants are more likely to be able to manage small, more regular increases, than infrequent but large increases. Council will continue to review the need for fee changes each year, using our rolling three year budget to identify when fee increases are necessary and plan for them so as to minimise the impact on registrants.
- 10.4. In the medium and longer term, we expect that investment in new systems and continuous improvement of our processes will produce cost savings, offsetting the impact of inflation. Also, through our new investment policy (see section 8 above), we expect to earn an above-inflation rate of return on a portfolio of surplus funds, initially around £30m.
- 10.5. The Order enables us to generate other sources of income "in connection with the exercise of its functions". We will take advantage of opportunities to generate other income that are consistent with our values and our role as a professional health regulator, so as to supplement registrants' fees and help keep them at the current level.
- 10.6. Provided registrant numbers ~~remain stable~~ and inflation pressures continue to allow it remains low, we aspire to use the cost savings and investment

<sup>17</sup> Note that while the registration fee remains fixed at £120, it is falling in real terms.

<sup>18</sup> *Promoting professionalism, reforming regulation* consultation paper, paragraph 4.25

<https://www.gov.uk/government/consultations/promoting-professionalism-reforming-regulation>

income referred to above to keep our budget balanced over the medium to long term, and maintain the registration fee at the current £120 level for as long as possible.

- 10.7. However, because the risks to our budget related to inflation and registrant numbers are significant, we will continue to review the registration fee annually, as part of the budget setting process.

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## Council

### Annual corporate plan and budget 2023–2024

**Action:** For decision.

**Issue:** Council approval of the corporate plan for 2023–2024, the budget for 2023–2024 and performance measures for 2023–2024. This is in the context of our five-year strategy for 2020–2025 and indicative milestones and budgets to 2024–2026.

**Core regulatory function:** All regulatory functions.

**Strategic priority:** All strategic priorities for 2020–2025.

**Decision Required:** We recommend that Council approves:

1. the corporate plan and milestones for 2023–2024 (paragraph 33)
2. the milestones underpinning corporate commitments and Key Performance Indicators for 2023–2024 (paragraph 33)
3. that the values for the lower and upper limits of the target range of free reserves remain at £0 and £25 million respectively, and the value for the minimum combined cash and investments balance remains at £20 million (paragraph 48)
4. that the annual registration fee for all professionals on our register should remain at the current level of £120 (paragraph 57)
5. the amount provided in the budget for increased pay costs. This covers both changes to pay structures and an annual standard pay award. The total budgeted allows for up to a maximum eight percent increase in pay cost in 2023–2024 (paragraph 61)
6. the budget for 2023–2024 as set out in table 1 (paragraph 78).

We also recommend that Council notes the planned contracts and commitments with a lifetime value of over £0.5 million (paragraph 82).

**Annexes:** The following annexes are attached to this paper:

- Annex 1: Draft corporate plan for 2023–2025
- Annex 2: Draft corporate performance measures (milestones for 2023–2025 and key performance indicators for 2023–2024)
- Annex 3: Draft budget for 2023–2024, indicative budgets for 2024–2026
- Annex 4: Proposals for target lower and upper limits of free reserves, and minimum cash and investments balance

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- Annexe 5: Contracts over £0.5 million expected to be signed in 2023–2024

**Further information:** If you require clarification about any point in the paper or would like further information, please contact the authors or the executive director named below.

Author: Richard Wilkinson  
Phone: 020 7681 5172  
[richard.wilkinson@nmc-uk.org](mailto:richard.wilkinson@nmc-uk.org)

Executive Director: Helen Herniman  
Phone: 07768 546 171  
[helen.herniman@nmc-uk.org](mailto:helen.herniman@nmc-uk.org)

Author: Roberta Beaton  
Phone: 020 7681 5243  
[roberta.beaton@nmc-uk.org](mailto:roberta.beaton@nmc-uk.org)

Executive Director: Edward Walsh  
Phone: 0207 681 5272  
[edward.welsh@nmc-uk.org](mailto:edward.welsh@nmc-uk.org)

Author: Sevinj Essien  
Phone: 020 7681 5964  
[sevinj.essien@nmc-uk.org](mailto:sevinj.essien@nmc-uk.org)

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**Context:**

- 1 We prepare our corporate plan each year in the context of our longer-term strategy and the external environment. The corporate plan sets out the outcomes we intend to achieve by 2025 which are monitored through milestones and key performance indicators (KPIs).
- 2 We also prepare a budget that allocates the resources required to deliver the corporate plan. The budgets for the two succeeding years are indicative, and subject to re-approval by the Council before the start of each financial year.
- 3 This paper provides a detailed view of our plan, budget, and performance measures for approval by the Council. We will publish the approved plan on our website in April 2023.
- 4 We have a financial strategy that sets additional financial parameters within which we operate. The current financial strategy was approved by the Council in March 2022 and is a separate item on today’s agenda, with an updated version presented for the Council’s approval. It sets key principles that help structure our budgets and our management of them. Particularly relevant to this paper is that:
  - 4.1 each year we should review the lower and upper limits of our target range of free reserves and the value for the minimum cash and investments balance. These are re-examined as part of this paper
  - 4.2 in the current exceptional circumstances, of strong reserves and high fitness to practice (FTP) caseloads, we can set deficit budgets and accept negative cash flows over three consecutive years.
- 5 The first two years of our strategy were disrupted by the pandemic which has impacted subsequent years in terms of activity and resources. In response, each year we have reviewed and reprioritised accordingly. As we approach the end of our third year, we have seen a refocus on our strategic aims as we prepare for regulatory reform.
- 6 As previously acknowledged by the Council, we will not be able to deliver all the intended aims set out within our strategy in 2020. We have instead focused on the highest impact areas and will continue to do so in the last two years of our strategy.
- 7 As a result of delays or the need to defer work we had surpluses in 2020–2021 and 2021–2022 when we had planned for deficits to invest in our strategy. We have also had higher than expected income, due to the continuing rise in the numbers of professionals on our register and a sharp increase in the numbers of overseas applications to join the register. The impact of this means that free reserves are committed in line with planned investments and remain strong as we enter 2023-2024.

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- 8 Our FTP recovery programme continues; the caseload was stabilised during 2021-2022 and has begun to reduce during 2022-2023. However, the people, external resources, and improvements to processes that are needed to bring the caseload back down to target levels are still required since it has taken longer than anticipated to bring in more staff and to make efficiency savings. The cost of FTP over the next two to three years remains high because we still need to invest in developing a sustainable operating model; the expectation is that our core cost base will reduce from 2025-2026.
- 9 We continue to face an uncertain wider economic and geopolitical environment. This potentially impacts on the level of inflation and our costs, returns on investment, assessment of pension scheme liabilities, income, retention, and recruitment of colleagues. These are dealt with in more detail later in this paper.
- 10 We will be developing our next strategy for 2025-2030 from next year and have identified a small number of commitments that are likely to continue beyond 2024-2025. To manage the transition between the current strategy and our next strategy for 2025-2030, we have provided a budget and milestones for 2023-2024 for agreement, and indicative budgets and milestones for 2024-2025 and 2025-2026 to demonstrate where work will continue.
- 11 The strategic aims that we defined in 2020 to regulate well, to support our professionals and the public, and use our influence for the benefit of the sector remain relevant and are reflected across our priorities.

**Four country factors:**

12 Not applicable for this paper.

**Stakeholder engagement:**

13 The business plan and budget reflect the five-year strategy published in 2020 which was the subject of wide stakeholder consultation. They continue to be informed by on-going discussions with stakeholders.

**Discussion Corporate plan**

- 14 Our corporate plan sets out what we plan to deliver up to 2025 to meet our strategy; and provides transparency about our focus for the next two years to ensure that we remain accountable to the public, our professionals, the sector, and our partners and stakeholders.
- 15 The draft corporate plan for 2023–2025 is at **annexe 1** and sets out the intended outcomes that we expect to achieve for each of our corporate commitments. We will keep financial year 2025-2026 under review, revising this to align with our next strategic period 2025-2030 once developed.

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- 16 To respond to the Council’s request to make our plan more outcome focused, we have articulated the expected benefits for the people who use our services, their loved ones, and carers. We will publish our plan in April.
- 17 Our corporate commitments are underpinned by a set of milestones which allow us to monitor significant activities on route to delivering the overall commitment. Milestones are at **annexe 2**.
- 18 In our 2022-2023 corporate plan we set 22 corporate commitments to frame our work for the latter three years of our strategy up to 2025. Our aim was to provide transparency about our progress, especially where commitments will be delivered over multiple years.
- 19 Each year we review our commitments to ensure that they remain relevant and achievable, whilst aligning our resources accordingly.
- 20 For 2023-2025 we are proposing the following changes:
- 20.1 Commitment 1: ‘Deliver a new set of ambitious post-registration standards focusing on community nursing practice’ is complete and will be closed.
- 20.2 Commitment 4: ‘Review revalidation requirements for nursing and midwifery professionals’. Our review to strengthen how we ask people on our register to revalidate their practice moves into the early years of our next strategy period for 2025-2030. This will allow us to align with other standard development work, such as reviewing the Code in 2025, and consider how we utilise the flexibility that we expect from regulatory reform to inform how revalidation will work in the future.
- 20.3 Commitment 6: ‘Evaluate protected learning time in line with current nursing associate standards’. This commitment has been re-scoped in light of the pandemic’s impact on nursing associate programmes. We will monitor protected learning time through our core regulatory processes and report our findings to the Council as part of our Quality Assurance Annual Report. We will use our findings to inform any further review or evaluation that may be required in the future.
- 20.4 Commitment 7: ‘Reduce our fitness to practise caseload and make improvements to how we regulate to ensure that we process cases in a more timely, proportionate, and efficient way’. This has renewed cross organisation focus and remains our top priority.
- This is linked to commitment 19 ‘Update digital systems that support how we regulate to improve the experience for customers and colleagues’ by delivering a new and improved case management system for fitness to practise.

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- 20.5 Commitment 10: ‘Continue to ensure objective structured clinical examination (OSCE) capacity meets demand and to explore ways of improving access’. We have refocused this commitment to explore the feasibility of creating a central booking system covering our five test centres to better meet demand.
- 20.6 Commitment 12: ‘Close the Covid-19 emergency register’ has been extended until 2024 following a request from the Secretary of State.
- 20.7 Commitment 18: ‘Improve the way we are structured so that we can deliver our strategy’. This has been paused until 2024 at the earliest to focus on other priority areas across our corporate commitments.
- 20.8 We will add ‘Implementing the new Welsh language standards’ alongside our 22 corporate commitments. This is to demonstrate how we support the promotion of Welsh language and culture and enable our colleagues to understand and meet the needs of Welsh-speaking members of the public in line with the new requirements established by the Welsh Government.
- 21 Equality, diversity, and inclusion (EDI) has been a fundamental part of conversations with all directorates as part of the business planning cycle; EDI continues to underpin everything that we will deliver within our strategic work programme. We have two commitments that will specifically deliver the aspirations from our 2022-2025 EDI action plan:
- 21.1 Commitment 9: ‘Tackle discrimination and inequality and promote diversity and inclusion to make sure that our processes are fair for everyone’ which will focus on inequalities within our regulatory processes.
- 21.2 Commitment 17: ‘Deliver our People Plan that supports our colleagues to be engaged, retained and supported to deliver our strategy’ which will focus on promoting awareness, celebrating inclusion and tackling inequality with our colleagues.
- 22 Our other key priorities will be designing and implementing the changes needed for Regulatory Reform (commitment 8) which will deliver significant opportunities for how we regulate, and investing in key areas to ensure the resilience of the organisation including progressing our People Plan (commitment 17), modernising our technology (commitment 20), improving the working environment for colleagues (commitment 21) and developing our website (commitment 15).
- 23 We have considered where alternative approaches may be appropriate to manage the scale of what we do, and made choices to re-scope, reschedule, or phase our plans to ensure that our corporate plan and strategy remains achievable despite delays caused by the impact of the

pandemic and the focus on the FtP caseload. This is reflected within our milestones for 2023-2025 at **annexe 2**.

- 24 Our three-year budget and corporate commitment milestones, with detailed milestones and budget for 2023-2024, and indicative milestones and budget for 2024-2026, allows us to take a view beyond just one year. This enables us to focus on how we can make the best use of our resources to deliver the highest impact activities of our 2020–2025 strategy and transition our resources into the next strategy.
- 25 At the time of writing, we still have more work to do to clarify specific implementation plans for several priorities. Once these have been agreed during the first half of 2023-2024, we will add the updated milestones to our corporate plan and performance framework. Priorities requiring further definition are: People Plan, EDI action plan, phase 3 of our Modernisation of Technology Services programme, our IT roadmap, and clarifying the timetable for Regulatory Reform.
- 26 We will review our plan at least every six months to ensure that our plans remain aligned to our strategy and the needs of the sector.

### **Measuring our corporate plan and budget**

- 27 We will report on the progress of our corporate plan and budget to the Council on a quarterly basis, using milestones for each corporate commitment, key performance indicators (KPIs), and financial monitoring. In addition, the Executive receives performance KPIs, and financial and risk monitoring monthly.
- 28 Corporate commitment milestones detail the completion of significant activities or events en route to delivering the outcomes of the overall commitment. We track the milestones and provide an overall traffic light as an indicator of our performance.
- 29 We have provided detailed milestones for 2023-2026. Milestones for the two succeeding years are indicative and have been provided as context to show activities which are linked to our budget for the same period. They are subject to re-approval by the Council before the start of each financial year.
- 30 Milestones are reflective of decisions we have taken to delay or rephase our work.
- 31 KPIs and targets have been set for 2023-2024 only. We review KPIs annually as part of planning. Our targets set the bar at which we want to perform; with targets representing the level of performance we want to reach. Where changes have been made to KPIs, we have provided a rationale within the annexe. The full list of proposed milestones, KPIs and targets for 2023–2024 are at **annexe 2**.

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32 A summary of changes to the KPIs is below.

32.1 We will add three new corporate KPIs:

- Percentage of customers who agreed that the objective structured clinical examination (OSCE) test centre treated them with 'Respect and Dignity' throughout the examination process;
- Number of OSCE tests offered per month across our 5 test centres and number of test takers;
- Percentage of customers reporting that the Contact Centre handled their call with kindness.

32.2 We have updated the targets for two KPIs:

- Percentage of UK initial registration applications completed where concerns are raised completed within 60 days (reduce target from 95 to 90 percent). We propose to reduce our target to better reflect the impact of delays from third parties where we cannot 'stop the clock' in our process, the small number of appeals where decisions can take us beyond 60 days, and that generally low volumes skew the headline percentage. This will help us to keep our teams motivated and more fairly reflect the elements of the process that we have control over.
- Employee turnover (from a target of 12.5 percent to a target range between 10-15 percent). Benchmarking shows that a target range better reflects a healthy turnover for the size of organisation we are with around 1,000 colleagues.

32.3 We have reviewed and confirmed our FTP targets:

- Overall FTP caseload; less than 4000 by March 2024 (5660 at February 2023). This is based on detailed modelling and testing of our assumptions which was conducted during February. This target is aligned to our improvement plans to reduce the caseload.
- Percentage of fitness to practise cases concluded within 15 months of being opened; retain a benchmark of 80 percent. Our caseload reduction plans will move us towards improved timeliness. We do not expect to hit our 15 month KPI in 2023-2024 but we will see improvement, particularly at the Screening stage. We will see further improvements in our timeliness performance in 2024-2025 and expect to

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be meeting timeliness expectations at all stages of our fitness to practise process by March 2026.

- Additional recovery measures will be provided in our regular FTP report to the Council and to the Executive Board.

32.4 We will remove two FTP KPIs:

- Percentage of fitness to practise cases at case examiners stage with decisions to close with 'no case to answer' or 'no current impairment'
- Percentage of cases at hearings with decisions to close with 'no case to answer' or 'no current impairment.'
- These KPIs will be removed from the Council report as they do not demonstrate clearly enough our caseload recovery. The Executive Board will continue to monitor these as they are helpful to understand performance against our planning assumptions.

33 **Recommendation: The Council is recommended to approve:**

33.1 **the corporate plan for 2023–2025 at annexe 1;**

33.2 **corporate performance measures for 2023–2026 at annexe 2.**

## **Budgets for 2023–2026**

34 This section sets out an overview of the proposed budget as well as key assumptions and specific elements for approval.

### **Budget overview**

35 The budget we propose for 2023-2024 and the two following years is set out at table 1 below and in more detail, including budgeted employee numbers, at **annexe 3**. The budget is designed to support the delivery of our corporate plan and reflects our plans for significant investment in improving our service and efficiency.

36 The proposed and indicative budget shows a deficit in 2023-2024 and 2024-2025 with a small surplus in 2025-2026. For the reasons set out below, it shows a significant reduction in our free reserves from the expected £44.2 million at 1 April 2023 to £4.6 million at 31 March 2026. This will bring us within the proposed target range for free reserves of £0-25 million. It also brings our total cash and investments balance down from a forecast £101 million to £62 million over the same three years.



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- 37 There are several significant drivers for the level of deficit and for the significant drop in free reserves and cash balances over the next three years. The key ones are:
- 37.1 non-recurrent drivers including: the investment in additional posts and other costs needed to return our FTP caseload and the time taken to deal with cases, back to acceptable levels; the significant amounts put aside for investment in technology and accommodation needed to improve efficiency and service to the public and the professionals on our register; the work needed to develop policy on and implement regulatory reform;
- 37.2 recurrent cost drivers including: the increase in inflation with its consequential impact on both payroll and non-payroll costs; the expected impact of our FTP panelists being regarded as ‘workers’ entitled to holiday pay and pensions in addition to their existing daily fee; the implementation of changes to our pay structure, such as narrower pay bands, that are expected to have long term benefits, such as improved staff retention.
- 38 These pressures have been, to a degree, offset by expectations of increased income, reflecting the increasing numbers of professionals on our register driven in large part by the number of internationally educated joiners. Higher income from cash deposits and investments similarly helps. We have also sought to reduce or defer some planned spend and recruitment where we have worked to contain costs.
- 39 The Executive Board has considered this position carefully and is of the view that, at this stage, indicative planned deficit budgets over the medium term are appropriate and acceptable. This is due to the following:
- 39.1 Our recurrent costs are in line with our recurrent income. This is even before factoring in further expected savings from technology (in addition to those from the introduction of a new case management system), accommodation, regulatory reform and investment to address the FTP backlog
- 39.2 We expect to be able to make significant savings in 2025-2026 and subsequent years through changes in our FTP processes. These will be a result of process changes already being developed and further improvements enabled by regulatory reform and by our planned investment in technology. These savings have not yet been fully reflected in budgets, but initial estimates of efficiency savings from investment in a new FTP case management system and other process changes show at least £2.6 million (about 6 percent of current FTP costs) being available from 2025-2026
- The anticipated savings will be better understood during preparation of the Modernisation of Technology Services (MoTS)

business case due to be submitted to Council in September 2023, and other work being taken forward on process improvement and on regulatory reform

39.3 We have strong budgetary controls in the form of detailed monthly monitoring, quarterly financial and delivery reporting to Council, and Council and Executive controlled gateways for major programme decisions, which enable us to adjust spend in good time if needed

39.4 As discussed in more detail below, we are planning to retain £1 million as a general contingency in each year. We are also holding back part of the budget for our Professional Regulation directorate, to be released only as clear plans for 'invest to save' spend are developed and implemented

39.5 At about £5 million, our free reserves will still be above the lower end of our target range at the end of March 2026. The significant reduction in those reserves reflects the strategic investment in our technology and accommodation which we always planned as part of our 2020-2025 strategy. We also still expect to have around £62 million in cash and investments at the same date.

40 There is also potentially, in the medium term, the option to review our fee level. This is discussed further below in the section on fees.

**Reserves policy: annual review of target range of free reserves and minimum cash and investments balance**

41 Our reserves policy, as set out in our financial strategy, is to maintain free reserves within a target range, and to set a minimum level for the total for forecast cash and investments balances in the coming year. The target range of free reserves and the minimum cash and investments balance are reviewed at least annually by the Council.

42 The target minimum level of free reserves is set to ensure our financial 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 registrants who finance us through the fees that they pay, and the public who benefit from our work.

43 The purpose of the minimum level for the aggregate forecast cash and investments balance is to ensure liquidity without the need for borrowing facilities.

44 **Annexe 4** sets out the Executive's annual review of the target range of free reserves, the minimum cash and investments balance. Its conclusion is that the target range for free reserves should remain

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unchanged at between £0 and £25 million and that the minimum combined cash and investments balance also remains at £20 million.

- 45 Although our current free reserves, at about £44.2 million, are outside the proposed range, this needs to be taken in the context of our plans to invest significant sums in improving our service and efficiency. We calculate 'free reserves' as being 'total reserves less tangible and intangible fixed assets'.
- 46 If we were to set against our free reserves our planned capital investment of £40 million over the next three years, the current level of free reserves would be less than £5 million. Although we are budgeting for this investment now and planning to reduce our free reserves significantly, we have not approved and contractually committed to this investment.
- 47 It is important to understand why we can aim for free reserves of less than £5 million at March 2026 but simultaneously expect cash and investments of £62 million at the same date. As explained in our financial strategy, this is because the professionals on our register pay their fees in advance – about two thirds pay a year in advance with the balance paying three months in advance through quarterly direct debits. As a result, at any point in the year, we have received significant levels of cash that are not yet accounted for as income (and hence not reflected in reserves and free reserves) in our accounts. Instead, such cash is shown as a liability ('deferred income'). Hence we can be carrying significantly more cash than we have reserves.
- 48 **Recommendation: we recommend Council approves that the values for the lower and upper limits of the target range of free reserves remain at £0 and £25 million respectively, and the value for the minimum combined cash and investments balance remains at £20 million.**

### **Annual registration fee**

- 49 In line with our financial strategy, the Council reviews the registration fee each year as part of the budget setting process. The review uses the future year indicative budgets to identify when fee increases are necessary, and plan for them to minimise the impact on the professionals on our register. Our financial strategy commits us to retaining the fee at its current level for as long as possible. It also recognises that we should avoid large, sudden increases in the fee: in line with our values, we appreciate that the people on our register are more likely to be able to manage small, more regular increases than infrequent but large increases.
- 50 The fee is effectively our only regular source of income – we do not receive government funding for our core work. The fee also keeps us independent so we can protect the public by supporting our professionals in normal times and during such times as the Covid-19

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pandemic and the current pressures on the cost of living and health and care services more generally. Some individual registrants and organisations have suggested we should waive or reduce our fee as a means of showing support to the nurses, midwives, and nursing associates in such difficult circumstances. We understand why the suggestion is being made, however the investment in our strategic investment programme means that we cannot afford to waive or reduce the fee, even for a short period.

- 51 Our fees were last increased in February 2015. Based on the Bank of England inflation calculator, prices have increased by 27 percent since then. This means that if our annual registrant fee had increased by inflation, it would now be £152 and our total fee income £25 million higher in 2022-2023. By the end of 2025-2026 the equivalent fee might be £163 if inflation increases in line with Bank of England projections. This represents annual fee income 'forgone' of £33 million in 2025-2026.
- 52 Our financial strategy aims to ensure that the fee is affordable for nurses, midwives, and nursing associates while at the same time providing sufficient funding to enable us to operate effectively as their regulator. Provided registrant numbers continue to be in line with current expectations and recognising the financial pressure on individuals and their families now, we aim to maintain the registration fee at the current £120 level for as long as possible.
- 53 We aim to do this by generating cost savings through investment in new systems and continuous improvement of our processes, and through our investment policy, which aims to earn an above-inflation rate of return on our investable cash balances in the medium to long term.
- 54 There continues to be significant uncertainty around registrant numbers in the future. In line with the recent growth in the numbers of professionals on our register, we have assumed for planning purposes that numbers increase by around two percent a year. This to some extent offsets the impacts of inflation. But there is a risk that the numbers of nurses, midwives and nursing associates on our register stops increasing or possibly falls.
- 55 If the numbers on our register do not continue to increase in the short term, and despite taking all appropriate steps to increase our efficiency, we might then need to initiate a consultation on increasing our registration fee. We do not, however, see any imminent likely need to do this.
- 56 In summary, despite the uncertainties, our levels of reserves and cash are sufficient to enable us to operate and invest for the future. Since the risks to our budget related to inflation and registrant numbers are significant, we will continue to review the registration fee annually, as part of the budget setting process and in line with our Financial Strategy commitment.

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- 57 **Recommendation: Council is recommended to approve that the annual registration fee for all registrants should remain at the current level of £120 for 2023-2024.**

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**Pay costs**

- 58 Detailed consideration of the annual pay review has been carried out by the Executive Board alongside wider-reaching options on our pay structure. Its proposals have been supported by the Remuneration Committee in February 2023 and are subject to an engagement exercise with all our colleagues, including with our Employee Forum, and negotiation with our recognised trade union, Unison.
- 59 Budgetary assumptions reflect these discussions. In particular, we have set an envelope for 2023-2024 of up to a maximum of eight percent (£4.1 million) to reflect both a standard pay award increase of between four and five percent, and between three and four percent to support revised pay structures being introduced as part of the People Plan. The standard pay award primarily reflects benchmarks in other organisations. The balance of the funds above the standard pay award within the envelope are aimed at providing transparency and equity amongst all colleagues, including a systematic approach to pay progression. Whatever the exact balance of payments within it, the Executive is committed to remaining within this maximum eight percent envelope, which is reflected in the budget proposals presented to Council.
- 60 For indicative future years budgets, we have assumed, for planning purposes, annual pay review increases in future years to be in line with Bank of England forecasts for CPI (Consumer Price Index). As at February 2023, these are below two percent from 2024 onwards.
- 61 **Recommendation: We recommend Council agrees the amount provided in the budget for increased pay costs. This covers both changes to pay structures and a standard pay award. The total amount budgeted allows for up to a maximum eight percent increase in pay cost in 2023–2024.**
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**Income**

- 62 Total income in 2023–2024 is budgeted at £103 million, about two percent higher than expected 2022-2023 outturn. For financial planning purposes, this reflects an assumed increase in the number of nurses, midwives, and nursing associates on the register of about two percent next year and each of the following two years. This reflects recent actual trends. We continue to take a more cautious view of the level of the number of overseas applications because we know this can be volatile, despite a significant increase in successful overseas applications this year. This allows us to manage uncertainty within our budget.
- 63 The overall increase in professionals on our register reflects recent continued increases as well as the trend over several years that has
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seen the numbers of people on our permanent register increase from 689,738 in September 2017 to 744,929 at the same point in 2021 and 771,445 in September 2022. Nevertheless, there remain considerable uncertainties around the numbers of professionals who may be considering leaving the register or joining it, so our income budget for the coming year is more than usually uncertain.

- 64 The budget for 2023–2024 and the indicative budgets for the following two years assume the annual registration fee remains at £120.
- 65 Planning assumptions for investment income are based on interest paid on cash deposits earning up to about three percent a year, and dividend income on stock market investments of some £33 million of about 2.7 percent. In the current economic environment these amounts are less predictable than in the recent past, although interest rates have risen compared to last year’s assumption of 0.5 percent.
- 66 As usual, we have not assumed any capital growth or loss from our stock market investments since this is likely to be more volatile, and we expect to reinvest gains and income within the portfolio rather than use them to fund expenditure. The investment in stock markets is to protect and enhance the real terms value of that element of our cash over the medium to long term, but it does introduce an element of risk since the capital value of the investments will fluctuate from year to year. This has been particularly evident over the last year, but we remain confident that our well-diversified and cautious investment portfolio will be of benefit.

### **Non-pay inflation**

- 67 Pay and pay-related costs account for over half of our overall spend. For non-pay costs, contractual price increases have been built in where needed. Elsewhere a broad inflation assumption of nine percent has been used on 75 percent of our non-pay expenditure in 2023-2024 with later years reflecting the much lower Bank of England forecasts.

### **Contingency fund**

- 68 For several years to 2021-2022 we maintained a central contingency to absorb significant unseen costs. This was £1.5 million or 1.6 percent of total directorate core business costs for 2021-2022. We removed this for 2022-23 since previous experience was that we did not require it.
- 69 From 2023-24, we propose to reintroduce a small, £1.0 million, contingency representing one percent of directorate core costs. While we have not needed a this in the current financial year, we are conscious that spend has generally been closer to budget than in some earlier years. We also face a range of uncertainties including risks with respect to income, the impacts of inflation, and the investment that may be needed to reduce our environmental impact and mitigate climate change. For the latter, our understanding will become clearer during 2023-2024 as we create our sustainability plan and develop detail on how we plan to

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refurbish our offices at 23 Portland Place. In this context, a small contingency, managed by the Executive Board, seems sensible to manage the risk of overspends.

### **Efficiency and Value for Money**

- 70 We have a responsibility to the professionals on our register to make the best possible use of their money. We also have the aim set out in our financial strategy and discussed above, to maintain the registration fee at £120 for as long as possible.
- 71 We continue to incorporate significant levels of cash releasing efficiency savings into budgets, building on those already achieved in earlier years. Our updated accommodation plan identifies the potential benefits from changes in working patterns following the Covid-19 pandemic and seeks to find further benefit from them through additional reductions in our requirement for rented office space. In particular, our indicative budgets from 2024-2025 assume we will vacate our office and hearing rooms in 2 Stratford Place when the current lease expires in July 2024. This will provide a full year annual saving of about £1 million, although we may need to meet short term accommodation costs whilst we finish refurbishment of our offices at 23 Portland Place.
- 72 We also anticipate further savings becoming identifiable as we develop the business case for technology investment through our technology programmes, and as we move to planning and implementing changes enabled by regulatory reform. In particular, the indicative budget for 2025-2026 assumes £2.6 million of savings from technology-enabled changes to the FTP case management system and from other process improvements. This reflects initial estimates made that we will develop further in the MoTS business case due to be put to Council in September 2023.

### **Pension costs and liabilities**

- 73 In 2021 we moved to having one defined contribution (DC) pension scheme, closing our Defined Benefit (DB) pension scheme to further accrual of benefits. We had previously closed our DB scheme to new entrants in 2013.
- 74 For our DC scheme, the NMC's employer contribution is eight percent if employees contribute the minimum one percent, and the NMC now matches additional employee contributions up to a maximum employer contribution of 14 percent of salary. The introduction of the option of salary sacrifice from 2021-2022 also offers the opportunity to our employees to make their pension contributions even more cost effective.
- 75 Although now closed to future accrual of benefits, our DB pension scheme remains an area of significant uncertainty. While the triennial actuarial revaluation of the pension scheme as at 31 March 2022 has shown it is now in surplus, it could go into deficit in the future since it

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remains subject to future re-assessment as well as still being subject to the annual accounting valuation at the end of each year. The valuation of pensions schemes does generally fluctuate, reflecting changing actuarial assumptions on a range of factors. If a surplus is identified at any point it is retained by the pension scheme.

### Budget summary and conclusion

- 76 Our overall budget summary, reflecting these key assumptions, is in table 1 below. More detail is at **annexe 3**, including a high-level cash flow forecast and balance sheet.
- 77 As well as incorporating the areas discussed above, the budget reflects:
- 77.1 at 'core business cost', some non-recurring time limited spend. This is primarily the additional costs needed to reduce the FTP caseload but includes some corporate change costs specifically related to supporting non-recurrent projects
  - 77.2 the shift in some costs, both core and project, due to slippage in activity from earlier years
  - 77.3 the proposed significant capital investment in technology and accommodation over the next three years
  - 77.4 the application of the revised 'useful economic life' for some technology fixed assets from three to ten years which Audit Committee approved in October. Applying this to the 2022-2023 forecast, has meant reducing forecast spend this year by about £3.8 million. However, this change has no impact on free reserves.
- 78 **Recommendation: We recommend Council approves the budget for 2023–2024 as set out in table 1 below.**

**Table 1: 2023 – 2026 budget summary**

Year (£m)	Forecast 2022-23	Budget 2023-24	Budget 2024-25	Budget 2025-26
Income	101.3	103.0	103.7	105.3
Core business cost	99.7	109.0	108.6	101.5
Programmes	7.7	12.4	17.4	17.0
Less capital	(6.3)	(10.4)	(15.3)	(15.3)
<b>Surplus/(deficit)</b>	<b>0.2</b>	<b>(8.0)</b>	<b>(7.0)</b>	<b>2.1</b>
<b>Free reserves</b>	<b>44.2</b>	<b>29.8</b>	<b>12.3</b>	<b>4.6</b>
Total reserves	76.5	68.5	61.5	63.5

Note: Totals are subject to rounding differences. Free reserves are total reserves less tangible and intangible fixed assets.



## Planned contracts and financial commitments over £0.5 million

- 79 **Annexe 5** provides details of new or revised contracts or other financial commitments with an estimated lifetime value greater than £0.5 million, including VAT that we expect to enter during the coming year.
- 80 As set out in the Financial Regulations, contracts included on this list with an expected lifetime value of less than £2 million including VAT may be approved by the Chief Executive and Registrar. Contracts with an expected lifetime value greater than £2 million, and any contract with an expected value greater than £0.5 million that was not included on the list, will require the approval of the Council.
- 81 These contracts and commitments are across all areas of the business and will support a mixture of 'core business' activities and priority programmes, such as the modernisation of our technology and the refurbishment of our offices at 23 Portland Place. All items support improved and more efficient delivery of our services to the public and to the professionals on our register.
- 82 **Recommendation: Council is recommended to note the planned contracts and commitments with a lifetime value of over £0.5 million set out at annexe 5.**

### Next steps

- 83 Subject to Council's discussion and decisions we will:
- 83.1 Finalise the standard pay award and update colleagues internally as to progress on agreeing the wider proposals on pay structures during April;
- 83.2 Publish our corporate plan in April.

### Midwifery implications:

- 84 Midwifery updates are covered in the body of the report. Midwifery is considered within our corporate plan and through core business discussions when setting standards, reviewing education programmes, adding, or removing midwives from the register, when considering Fitness to Practise concerns related to midwifery, and monitoring the wider sector.
- 85 Our commitments and directorate business plans collectively support our strategy by helping us to address workforce challenges in nursing and midwifery and support safe and effective care.
- 86 We discuss maternity safety within our monthly monitoring of corporate risk exposure for corporate risk EXP18/01 (Risk that we fail to meet external expectations which significantly affects our ability to maintain the

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trust of stakeholders, the public and people on the register in how we regulate).

- 87 We have identified maternity safety as a risk factor within the corporate risk register and continue to monitor this and act as appropriate. We monitor the quality of midwifery pre-registration education through our regulatory processes to help support and influence maternity safety.
- 88 Other than these issues, there are no differences to the application of this topic for midwifery.
- Public protection implications:** 89 The corporate plan and budget underpin all our work to protect the public.
- Resource implications:** 90 Covered in the body of the paper.
- Equality and diversity and inclusion implications:** 91 We have a legal obligation to comply with the public sector equality duty across everything that we do.
- 92 We continue to integrate EDI across our activities to make sure that our processes are fair for everyone. This includes improving our guidance, decision making tools, training and induction, and our engagement and communications to make a significant difference to drive out discrimination and promote fairness. We will also make the NMC an inclusive place to work and improve the experience for our colleagues.
- 93 We have included a specific commitment within our corporate plan (**commitment 9**) that supports our ambitions to be a fair regulator and employer, and to promote inclusion. Our People Plan (**commitment 17**) will continue to support the embedding of EDI across recruitment, selection, leadership culture, and through training and development, to equip our people with the tools to tackle discrimination and promote diversity and inclusion.
- 94 Our EDI plan provides further details about the outcomes we are seeking against 10 key areas of focus.
- 95 To support our plans we have already undertaken, or plan to undertake, equality impact assessments for activities within this plan to make sure that what we deliver does not disproportionately impact people with protected characteristics.
- 96 We need to improve the capability, accountability, and leadership within EDI to achieve the ambitions set out within our strategy and corporate plan. If we do not continue to invest to resolve capability gaps, we risk not meeting our equality duties.

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**Risk implications:**

- 97 Both our corporate plan and directorate plans have commitments to evolve our capabilities in EDI to deliver our corporate plan. Our People Plan and EDI action plan will provide key tools to help us achieve our ambitions.
- 98 Risk has been considered as part of business planning, budgeting, and our strategy review process both at individual directorate and corporate level. Key risks are reflected on our corporate risk register and monitored monthly through our risk exposure reporting. The Council will also have a focused workshop looking at risks to the delivery of our corporate strategy and plan in May 2023. The Executive considers that the plans set out do not increase our overall level of risk exposure and reflect key steps to reduce risk as set out in the corporate risk register. Examples include:
- implementation of the revised FTP improvement programme, to help address the risk that we fail to take appropriate action to address a regulatory concern
  - investment in our MoTS programme including full implementation of our new registration platform and the replacement of our FTP case management system (CMS) will help address the risk that we fail to maintain an accurate register of people who meet our standards and the risk that we fail to prevent a significant data loss, or we experience a major information security breach
  - our investment in the People Plan, in a pay rise, and continued efforts to move recruitment away from fixed term contracts, will all help address the risk that we fail to recruit and retain an adequately skilled, diverse, and engaged workforce.
- 99 Risks that potentially could impact on our finances in the short term are set out below:
- general inflation, which will erode our spending power. A one percent increase above the pay and inflation assumptions for later years could create a cost pressure in the region of £1 million more in each year that we might need to mitigate, depending on other factors, perhaps through reductions or re-phasing of planned costs or steps to increase income
  - lack of clarity as yet on some costs, particularly those associated with addressing the FTP caseload and those associated with implementation of regulatory reform. For FTP we are still scoping the work required to redesign and implement processes and we need to understand better our estimates of the level of casework that will feed through to full (and expensive) hearings in future. For regulatory reform, we are beginning to scope the implementation work and have some resource already set aside for this. We will mitigate these risks by progressing our work to understand and quantify the costs as well by setting aside the

contingency and the hold back of a proportion of Professional Regulation Directorate's budget

- reflecting past experience, we have assumed 10 percent vacancy rate for FTP Operations. In the event of them operating at full capacity we carry a financial risk of up to £2.5 million in 2023-2024
- the differential impact of increasing costs on specific significant areas of spend, such as on the refurbishment of our 23 Portland Place offices need to be monitored and managed. In the case of our office refurbishment this needs to be undertaken as we firm up design details, and options (including to mitigate higher costs) and obtain quotes
- income variation. We monitor our registrant numbers because a one percent reduction in numbers of professionals on our register compared to our forecast would result in nearly £1 million less income each year which would need to be absorbed if this materialised
- if our stock market portfolio falls in the medium or longer term or our pension liability increases, this will impact our free reserves. A three percent fall in the value of our portfolio would reduce our free reserves by about £1 million in the short term. Any such fall should be recovered later, although the speed and extent of the recovery in the short and medium term will be subject to international economic and political events.

As set out in the 'budget overview' above, we believe we have adequate controls and contingencies to manage these. There are also some upside benefits emerging where we know we are likely to spend less than budgeted.

**Regulatory reform:**

- 100 Regulatory reform has been a fundamental part of conversations with all directorates as part of the business planning cycle and will continue to be a key area of delivery over the next two to three years of this plan.
- 101 We have included regulatory reform as a priority commitment within our corporate plan at **annexe 1** and will continue to deliver our regulatory reform programme over the next three years. We expect the outcomes of regulatory reform to begin to be realised from late 2025 onwards within our next strategy.
- 102 Uncertainty remains regarding the specific timetable for reform, which is set by the Department of Health and Social Care. In February, a significant step forward was announced in reforming the legislation that underpins the UK's health and care professional regulators which is an important milestone on the road to reform.

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- 103 We will carry on mitigating this risk within our programme and wider planning and keep this under review within our corporate risk register. We have flexibility within our corporate plan and budget to adjust.
- 104 We manage dependencies between regulatory reform and our other change programmes. Our Change Board provides oversight of all our change activities to ensure that changes remain aligned to our strategy and are positioned to support and deliver reform when ready.
- 105 We will report our progress with reform to the Council through our corporate performance framework and risk management processes.
- Legal implications:** 106 None directly arising from this paper although there are legal constraints and drivers for some of the actions planned or options available to us.

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## **Draft public-facing corporate plan content**

### **Title:**

Our corporate plan 2023–25

### **Contents**

Foreword

Tackling discrimination and inequality

Key work activity 2022–2023

Our strategy

Our commitments and what they mean for people

Outer back cover: Who we are

### **Foreword**

Since we launched our strategy for 2020–2025, the environment in which we all live and work has changed dramatically. In the coming year, the health and social care sectors face immense challenges across the four countries of the UK. We remain committed to supporting nursing and midwifery professionals to deliver safe, effective and kind care to improve everyone’s health and well-being.

### **Strategic context**

The worst aspects of Covid may be behind us. But the recurrence of spikes in infection as well as the impact of the pandemic on people’s long-term health and the effect on health and social care services contribute to the immense challenges faced by the registered professionals we regulate and the partners we collaborate with. The NHS has had to confront particularly extreme pressures this winter as a surge in Covid coincided with a difficult flu season alongside long waits for treatment for many. Lack of capacity in residential and domiciliary social care services has created additional pressures across the sector and for people who rely upon those services.

Workforce shortages across the health and social care sectors remain intense. High levels of inflation have intensified recruitment and retention challenges. Strikes by health care unions have highlighted frustrations about pay and working conditions. Numbers on our register are at a historic high but demand for nursing and midwifery professionals continues to increase.

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We pay tribute to nurses, midwives and nursing associates as well as nursing and midwifery students for their dedication in delivering high standards of care during these extremely challenging times.

We know that midwives set out to provide kind, excellent and safe care, so the recent reports into maternity safety in England are of grave concern to everyone involved in maternity services. On the back of a series of similar inquiries, the report by Dr Bill Kirkup's Independent Review of maternity services at East Kent Hospitals University NHS Foundation Trust last autumn set out devastating failings. Our thoughts are with the women, their babies and families who have been so terribly affected by these awful events.

Health inequalities in maternity services remain. Reports such as [MBRACE-UK Saving Lives, Improving Mothers' Care](#) show that women are more likely to die in childbirth if they are from a Black or minority ethnic group, older, or from more socially deprived backgrounds. Recent inquiries, including the Birthrights' [inquiry report](#), the Five X More Black Maternal Experience [Report](#) and the [Invisible report](#) have given us additional insight into poor outcomes and poor experiences of women from the global majority.

Working with our partners to help address these issues continues to be a key priority for us, as we set out below.

### **Improving everyone's health and wellbeing**

Our 2020–2025 corporate strategy has been a good basis for our work through these tumultuous times. Our three core pillars - to regulate, support and influence; our vision of improving people's health and wellbeing by supporting nursing and midwifery professionals to deliver safe, effective and kind care; and our values of fairness, kindness, ambition and collaboration, have been particularly significant.

In response to the challenges of the last three years, we have had to defer or reduce the scope of some planned projects. But our strategy guided us as we reacted effectively to the pandemic and framed the successful delivery of a number of significant planned initiatives over this period. We will build on this progress in the strategy's remaining two years.

We have already begun to think about our strategy for 2025–2030 and, during the coming year, we look forward to working with the public, our professionals, partners and employees as we develop our thinking further.

### **Our focus for 2023–2024**

Our top organisational priority is to **reduce swiftly and safely the number of fitness to practise cases we have open**. We know that reducing our caseload and speeding up the time it takes to manage each case is vitally important for everyone affected; the professionals going through our processes, people who have made complaints and other witnesses.

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The suspension of in-person hearings and other impacts of the pandemic saw our caseload peak at 6,582 in September 2021. The arrival of a new director of professional practice last summer, a fresh drive to speed up our processes and input from teams from across the NMC saw a reduction to 5,660 by this February.

In 2023–2024, we will be pressing on with a range of measures to reduce the caseload safely and in ways that boost public confidence. These include; improving management oversight and supervision of our casework throughout our process; optimisation of our key casework processes; and testing and piloting new ways of working.

**Reform of regulations which set out how we operate** will help enormously, enabling us to act more rapidly to protect the public if someone can't meet the required standards of proficiency and conduct. More modern, flexible legislation will also allow us to hold a register of professionals that is clearer and easier for people to understand, strengthen our quality assurance of nursing and midwifery degree courses and make sure that only people registered with us are using the title “nurse”.

The importance of regulatory reform in helping to improve how we operate is why it is a key priority this year. We welcomed the UK Government's commitment in February to press ahead with these changes. We look forward to continuing to work closely with the Department for Health and Social Care and the devolved administrations in ensuring the reform works for people who receive care, our professionals, our partners and our NMC colleagues.

**Supporting the workforce** is a further focus for 2023–2024. As we are no longer bound by the EU Directive, we have reviewed the standards we set for higher education courses for nursing and midwifery. As a result, we are introducing more flexible admissions criteria to allow universities to appeal to a wider range of potential students, creating more inclusive opportunities for people to join the professions. And we are allowing students from September to use simulation for up to 600 of their 2,300 practice learning hours which will help to better prepare them to care for people when they graduate.

Overseas nurses and midwives are becoming an increasingly important part of the health and social care workforce. In 2022, we opened two new centres to test international candidates before joining our register, taking the total to five. In the coming year, we will implement changes to our international registration processes to ensure that they are fair and proportionate as well as supporting professionals to progress their applications to gain UK registration.

We are working with the UK's Chief Nursing Officers and the workforce and education development bodies in the four nations to support their workforce planning. By sharing our data and insight, and working in collaboration, we can support their plans around recruitment, retention and wellbeing in the face of increasing demand for health and care services.

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In 2023–2024, our focus will also be on the **safety of maternity services**. We will work 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. It is important that maternity services are properly resourced, including with the right number of practitioners.

Our future midwife standards are being implemented across university midwifery courses and adopted by practitioners. Women, babies and families have every right to expect safe, effective and kind care, and our standards support midwifery professionals to provide this, including acting with compassion, working as part of a team and speaking up when things go wrong.

We have also changed our midwifery programme standards so students can gain experience in maternity units run by more than one maternity provider. We will now support education providers and practice learning partners to put this change in place. This will help students gain experience of different approaches, which is particularly important if one of the services where they are training is facing challenges.

To deliver all of this we must be a **fit for the future organisation**. We will engage colleagues more through inclusive support, effective leadership, personal development and strong values, supporting better customer service for the public and the professionals on our register. Internal improvement work to design and implement new digital systems to help us regulate better continues, including introducing new digital tools and systems to make it easier for NMC colleagues to do their jobs well and increase their productivity.

## **A big thank you**

Thank you to everyone who makes all of this work possible and continues to share invaluable feedback, challenge and insight. We are hugely grateful to our registered professionals for showing such dedication while working through immensely difficult times. We are grateful to our partners, including the members of our new Public Voice Forum, for supporting and engaging with us in the past year, and look forward to continuing collaboration. We would also like to express our gratitude to the Council and Associate members as well as everyone at the NMC for their contribution to our work in 2022–2023. We look forward to continuing to work together over the coming year to achieve our key priorities while remaining true to our values.

Andrea Sutcliffe, Chief Executive and Registrar and Sir David Warren, Council Chair

## **Tackling discrimination and inequality**

It is unacceptable there is discrimination and inequality in the NHS and social care workforce. The impact of inequality and discrimination on NMC professionals impacts on the safe delivery of care and this leads to worse health outcomes for people and communities. How the NMC regulates, supports and influences can help to address these well-documented challenges.

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But we recognise that our leadership role will have most impact once we have moved forward more significantly on equality, diversity and inclusion (EDI) within our own organisation. While we have made progress, we know we still have some way to go to tackle discrimination and inequality at the NMC.

Last year, our [results from the Workforce Race Equality Standard survey](#) showed a reduction in NMC colleagues reporting discrimination, bullying and harassment in our workplace. The number of colleagues from Black and minority ethnic backgrounds reporting harassment from people outside the NMC has also gone down, but worryingly it is still three times higher than it is for our white colleagues. And while perceptions of equal career progression had improved, our [ethnicity pay gap data](#) shows we still have some way to go.

We've set out plans for how we will become **a fairer and more inclusive employer** in our [EDI Plan 2022–2025](#). This includes how we will improve our recruitment and people management processes so that everyone we employ can thrive without barriers. We will continue to gather feedback through internal surveys and external benchmarking surveys and openly report on what we find.

By making these improvements, we will be in a stronger position to **tackle with authority the discrimination faced by those on our register**. External reports continue to show that nurses, midwives and nursing associates face unacceptable barriers. In February, NHS England published their [2022 Workforce Race Equality Standard Report](#) for English NHS Trusts, which highlighted that while there were some marginal improvements, Black and minority ethnic staff have a worse experience than their white counterparts.

Our own insight echoes these concerns. For example, our [Ambitious for change research](#) shows that some employers refer more men and Black professionals to fitness to practise compared to the make-up of our register and their own workforce. We are committed to learning from people's experiences to change this and ensure our processes are fair and accessible for all.

Our **code is a powerful tool for addressing discrimination and unequal health outcomes** among people who receive care and their loved ones. It states that professionals have a responsibility to treat everyone fairly, challenge discrimination and act as advocates for people, helping them to access the care they need. This was highlighted in the publication [of the anti-racism resource for NHS nursing and midwifery professionals](#) which we co-produced with NHS England and the NHS Confederation last year.

## Key work activity 2022–2023

### Regulate

We **reduced the number of open fitness to practise cases** from 6,582 in September 2021 to 5,660 in February 2023. We know safely reducing this even further is vitally important for everyone affected and this work remains our top priority.

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There are now **five centres** where internationally trained professionals and those returning to practice can take their Objective Structured Clinical Examination (OSCE). We opened **two new centres between 2022–23**, increasing our OSCE testing capacity to at least 35,000 candidates each year. This will help more professionals to join our register quickly and safely.

We consulted on proposed changes to our English language requirements for overseas nursing and midwifery candidates and received **more than 34,000 responses**. The feedback informed our final proposals which were approved by our Council last year. The changes will help address the need for safe staffing while ensuring the public will receive safe, effective and kind care that meets our standards.

Following a development and consultation period that began in 2019, **we published our new post-registration standards** for specialist community public health nursing (SCPHN) and specialist community nursing qualifications (SPQ). These will help deliver modern, safe, kind and effective care to people in their homes and communities.

Following our exit from the EU, we reviewed our pre-registration education programme standards. **More than 2,700 people** responded to our consultation last year and their informed views helped us refine the proposed changes to how we set programme standards nursing and midwifery higher education courses which we will now begin to implement.

During the Covid-19 pandemic the Government asked us to open a temporary register so more professionals could support the response to the crisis. Last year we continued to maintain this register and, when the Government asked us to keep it open for **an extra two years**, we planned how to do so safely.

## Support

**In response to winter pressures**, we joined the UK's chief nursing officers and the Care Quality Commission in November to set out how we would be supporting professionals, in particular highlighting how our Code is there to guide their judgements and decisions in all circumstances.

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

**Ahead of strikes** by the Royal College of Nursing and other unions, we reiterated our position, confirming that our registrants have the right to take part in lawful industrial action and emphasising that our Code continues to apply.

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We launched **two new animations**. The first, aimed at professionals, covers how standards work together to support nursing and midwifery professionals throughout their careers. The second, developed in consultation with nursing associates and members of the public, explains the role of nursing associates as vital members of the wider nursing team in providing safe, kind and effective care.

## Influence

In its response to the **consultation on regulatory reform** in February, the Government said: “The NMC...has been prominent in its work to support the development of these reforms. Furthermore, the NMC has completed significant preparatory work to ensure readiness to implement these changes.”

We twice published data on our register which for 2021–2022 showed a big rise in the number of professionals joining it for the first time, with almost half having trained outside the UK. **For the first time we published a supplementary report** that presents further analysis of the data we hold about internationally trained joiners.

## Our strategy

Our ambition is to improve people’s health and wellbeing by supporting professionals to deliver safe, effective and kind nursing and midwifery practice. Our strategy helps us do this and guides how we plan our work during 2020–2025.

You can read our full strategy on our website.

## Regulate

- An accurate and transparent register
- Robust professional and 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

## Our strategic themes 2020–2025

1. Innovation and improvement
2. Proactive support

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3. Visible and better informed
4. Engaging and empowering
5. Insight and influence

We will also ensure that NMC is a fit for the future organisation.

## **Our commitments and what they mean for people**

Here you can read what we have committed to doing. Under each commitment, we've listed how this work will benefit people and promote safe, kind and effective care.

### **Proactive support for professionals**

*We work to enable our professions to uphold our standards today and tomorrow, anticipating and shaping future nursing and midwifery practice.*

#### **1. Deliver a new set of ambitious post-registration standards focusing on community nursing practice.**

We completed this work 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.**

Following our exit from the EU, we reviewed the programme standards for pre-registration education in the UK. We will now support approved education institutions to implement any changes to their nursing, midwifery, and nursing associate education programmes.

- We will widen participation in nursing and midwifery programmes through flexibility in admissions criteria, creating new, more inclusive opportunities for people to join the professions.
- Students will be able to develop their confidence and competence in various practice situations through increased simulated practice learning, which in turn will benefit the people they care for.
- Student midwives will need to gain experience of leadership and team working with different maternity providers, to enable them to experience different approaches to delivering holistic and person-centred midwifery care.

#### **3. Review regulation of advanced nursing and midwifery practice.**

We will explore whether the regulation of advanced nursing and midwifery practice is needed, and if so, develop and approve new standards for professionals. If we agree to move forward with regulation of advanced practice, we'd anticipate the following benefits but these are still to be determined:

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- People who use services of advanced practitioners will be confident about the advanced support and care that these professionals can provide and how these roles keep people safe.
- People will be able to look at our register and identify if their nursing or midwifery professional meets our standards for advanced practice. This will promote trust in the professionals on our register and build confidence in professional regulation.

#### **4. Review revalidation requirements for nursing and midwifery professionals.**

We have changed our timelines for delivering this commitment. We will now do a full review of revalidation as part of our strategy for 2025–2030. This will allow us to align with other standard development work, such as reviewing the Code in 2025, and consider how we utilise the flexibility that we expect from regulatory reform to inform how revalidation will work in the future.

#### **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.**

We will enhance the ways we capture, record, and analyse data on our approved education institutions and their programmes. This will enable us to make more targeted interventions where we identify potential concerns and strengthen our focus on equality, diversity and inclusion.

- We will be able to do more to ensure students are taught to our standards, which support them to provide safe, effective and kind care.
- We will use data and a greater insight into equality, diversity and inclusion concerns to make sure programmes are inclusive for all students.

#### **6. Evaluate whether protected learning time is in line with current nursing associate standards.**

This commitment has been re-scoped in light of the pandemic’s impact on nursing associate programmes. We will monitor protected learning time through our core regulatory processes and report our findings to our Council as part of our Quality Assurance Annual Report. We will use our findings to inform what further review or evaluation may be required in the future.

#### **Improvement and innovation**

*To improve and innovate across all our regulatory functions, providing better customer service, and maximising the public benefit from what we do.*

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**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.**

We will further reduce our fitness to practise caseload by improving our productivity, making sure that processing is timely, proportionate, while maintaining safety, and that we spend money effectively.

- People’s fitness to practise cases will conclude safely and more swiftly.
- If we can’t help people with their concerns, we’ll direct them at the earliest opportunity to other organisations who are better placed to help.
- We will support people more during the fitness to practise process. For example, through intermediary support to help them engage, or through clearer guidance on our website.

**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.**

We will engage and consult with stakeholders to shape reform proposals on changes to our order and rules. This will include how we design and implement new processes and systems to deliver the identified reforms.

- Our register will be clearer and easier for the public to understand and people can be confident that everyone using the title ‘nurse’ is on our register.
- We will act more rapidly to protect the public if someone can’t meet the required standards of proficiency or conduct, while encouraging learning from genuine mistakes.
- We’ll strengthen our approach to quality assurance of nursing and midwifery education, so we will be able to intervene more effectively to make sure the high standards the public deserve are maintained.

**9. Tackle discrimination and inequality and promote diversity and inclusion to make sure that our processes are fair for everyone.**

We will implement our equality, diversity and inclusion action plan which aims to improve outcomes for professionals within our regulatory role, and in how we support NMC colleagues as an employer.

- We will be able to respond more effectively and provide reassurance to people by building the confidence, awareness and knowledge of all colleagues on EDI issues.

- We will [help tackle the discrimination and inequality faced by professionals, which will in turn help address the inequalities in people’s experiences of health and social care.](#)
- We will engage with seldom-heard groups to help us understand, and work to address, the barriers people experience that may prevent them from receiving good care.

**10. Continue to ensure OSCE capacity meets demand and to explore ways of improving access.**

We will continue to work with our partners to manage testing capacity for the practical examination part of the test of competence (the objective structured clinical examination or OSCE). We will also conduct feasibility work on a centralised booking system for OSCEs to give employers and professionals greater visibility of test capacity across our five test centres

- This supports professionals to progress through our registration application process and gain UK registration, helping to boost nursing and midwifery care provision in the UK.

**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.**

We will implement changes to our international registration routes to ensure that our processes are fair and proportionate for international professionals and ensure the public can have confidence that all professionals on our register have the skills to give safe, kind, and effective care.

- We will make sure fair assessments of language skills mean all professionals on our register can communicate effectively with patients, the public and families.
- We will work with our partners in the UK and Ireland so professionals can continue to deliver safe, emergency cross-border care following the UK’s exit from the EU.

**12. Maintain the Covid-19 emergency register.**

We will maintain the temporary register for a further two years, following the Government’s request for us to do so. We will support eligible professionals to move from the temporary register to the permanent register if they wish.

- People can be sure that professionals with temporary registration are safe and fit to practise in the UK and will continue to be until temporary registration ceases.

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## More visible and better informed

*We work in close contact with our professions, their employers, and their educators so we can regulate with a deeper understanding of the learning and care environment in each country of the UK.*

### **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.**

We will deliver targeted campaigns to build engagement and trust with the public, nursing and midwifery students, and professionals so that they will have a broader understanding of our role and how we regulate, support and influence.

- We will support people and their nurse, midwife or nursing associate to work in partnership and share decisions about treatment and care.
- We will improve quality of care by increasing people's perceptions of relevance and trust in regulation, the Code and our standards.

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

Using partnerships and registrant ambassadors, we will increase our capacity to advise national and local programmes on how to respond to concerns and challenges within social care, general practice and the private and voluntary sectors.

- We will expand our support into a wider breadth of services and settings, supporting professionals to provide the best and safest care wherever they practise.
- We will help improve settings where people access care by creating a joined-up system, in which we share our learning and intelligence with other regulators, employers and wider stakeholders.
- We will support the professionals on our register by valuing their contributions, upholding standards for the professions and using our advice to avoid referrals we can't act on.

## Empowering and engaging

*Actively engage with and empower the public, our professions, and partners. An NMC that is trusted and responsive, actively building an understanding of what we and our professionals do for people.*

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

We will implement a new website which effectively reflects our identity and role to regulate, support and influence, and enhances our improvements to core functions and processes.

- Everyone will find our website more accessible. We'll remove barriers, make navigation easier and use clear language.
- The public will be able to access everything they need in one place and benefit from a streamlined and informative fitness to practise referral process.
- Professionals on our register will benefit from improved access to our resources and services. This will help them more easily integrate relevant standards in their practice and deliver the best possible care for people.

**Greater insight and influence**

*Learning from data and research, we improve what we do and work collaboratively to share insights responsibly to help improve the wider health and care system.*

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

Using our own data, and that shared by our partners, we will improve our understanding and response to issues within the health and care sector. We will also publish a new annual insight report to influence positive changes within the sector for the benefit of our professions and the public.

- We will share our insights to highlight issues that we know affect the quality and safety of care that people receive, such as workforce shortages and poor organisational cultures.
- We will improve our data about different audiences so that we understand the impact we have on people with different diversity characteristics and address any disproportionality.
- We will work with our partners in health and social care to share data and insights to better understand and tackle issues of poor care, such as those in maternity.

**Fit for the future organisation**

*We will align our culture, capabilities, and infrastructure to our new strategic aims.*

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

Based on NMC colleagues' feedback, we will implement key initiatives to address the issues that matter to them such as our rewards package, developing leaders and internal progression.

- We will engage colleagues more through inclusive support, strong leadership, personal development and strong values.
- The public and the people on our register will experience a more consistent and improved service as we will have a more stable, engaged workforce whose skills and talent are developed.
- We will run initiatives that motivate our people to achieve their best and take pride in developing others. It's through our people that we deliver on the NMC's mission, and through that we enable high quality patient care.

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

We will review the organisation's structure to ensure we have the right people in the right places to support our business needs, and to take advantage of the opportunities offered by regulatory reform.

- We will make targeted structural changes so we can deliver our functions more efficiently and effectively in the medium term, which in turn will support frontline professionals to deliver better care to the public.

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

We will continue our internal improvement work to design and implement new digital systems to support us to regulate well, including our registration platform and modernising our fitness to practise case management tools.

- We will protect the public and regulate more effectively by ensuring the register and our case management system hold accurate data securely, on a modern technology platform.

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

We will design and deliver our three-year plan to evolve our information technology capabilities which will support us to deliver our strategy. This will include introducing new digital tools and systems to make it easier for NMC colleagues to do their jobs well and increase their productivity.

- We will respond more quickly to everyone's queries by investing in systems that facilitates collaboration and information sharing across the NMC and with our partners.

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## **21. Create modern workspaces that support wellbeing and collaboration.**

We will ensure our workspaces and facilities are inclusive, accessible, and fit for purpose to enable effective collaboration.

- We will reflect the diverse needs and backgrounds of the public and professionals on our register by providing an adaptable, accessible working environment which promotes inclusivity, particularly at our 23 Portland Place office.

## **22. Implement an NMC sustainability and environmental plan.**

We will implement our sustainability and environment action plan to ensure that we work in a sustainable and environmentally conscious way both now and in the future.

- We will build sustainable, environmentally-friendly practices into our daily operations, which benefit everyone by reducing environmental damage.

### **New commitment for 2023-2024**

#### **Implement the new Welsh language standards**

We will support the promotion of Welsh language and culture and enable our colleagues to understand and meet the needs of Welsh-speaking members of the public in line with the new requirements established by the Welsh Government.

### **Who we are**

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 771,000 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 giving professionals the chance to address concerns, but we'll 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're 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.

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## Corporate performance measures for 2023-2024

### Overview

This annexe presents:

1. Milestones underpinning each of our corporate commitments for 2023-2025. In a small number of cases, we have provided milestones for 2025-2026 as well. Milestones for successive years after March 2024 are indicative and will be reviewed annually.
2. Key performance indicators (KPIs) for 2023-2024.

We review our KPIs every year to account for efficiency improvements which could impact what we measure, how we measure it, and our targets for the year ahead. Where changes have been made, we have provided a rationale.

The Council receives a corporate performance report every quarter based on the information contained within this annexe, and the Executive Board review a monthly performance monitoring report covering KPIs, finance and risk monthly.

### 1. Corporate Commitments: proposed milestones

We use 22 corporate commitments to frame our plans between 2022-2025. We have provided clarity on deliverables for each commitment so that the Council knows what to expect progress reports against. We will provide updates against 19 of the 22 commitments which will be 'live' during 2023-2024, plus updates on our project to implement Welsh Language standards.

#### **Commitment 1. Deliver a new set of ambitious post-registration standards focusing on community nursing practice.**

No milestones – commitment complete.

#### **Commitment 2. Provide greater flexibility in nursing and midwifery pre-registration education and training by launching new standards for pre-registration education in the UK.**

Lead: Executive Director, Professional Practice

#### **2023-2024**

- Support the implementation of approved changes to the programme standards for pre-registration education in the UK (including standards for admission onto the register, use of simulation in nursing programmes, modernising our language to align to our standards of proficiency) (by January 2025).
- Scope and engage with stakeholders to co-produce a workplan for phase three of work, taking account of their views on the scale of change needed and

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requirements in relation to required practice hours in nursing programmes (by March 2024).

#### 2024-2025

- Continue the development of new programme standards, building on current plans. Specific milestones will be agreed once we have developed our workplan. This work will incorporate our dynamic approach to developing standards.

### **Commitment 3. Review regulation of advanced nursing and midwifery practice.**

Lead: Executive Director, Professional Practice

We will explore whether the regulation of advanced practice is needed, and if so, use the findings of the independent evidence reviews to inform and co-produce a proportionate approach for the additional regulation requirements for professionals working in advanced practice roles.

#### 2023-2024

- Agree the scope of this work (May 2023). Depending on the outcome of our evidence review, initiate the project (from June 2023).
- If applicable, recruit to the UK wide steering group and appoint an independent chair (by June 2023).

#### 2024-2025

- Approve any potential new standards for advanced nursing practice or regulatory credentialling (including changes to quality assurance of education, registrations, revalidation, and fitness to practise) (by March 2025).

#### 2025-2026

- Support the implementation of any new standards for regulation of advanced practice.

### **Commitment 4. Review revalidation requirements for nursing and midwifery professionals.**

Not applicable. This work will now take place in 2025–2030.

### **Commitment 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.**

Lead: Executive Director, Professional Practice

#### 2023-2024

- Implement a new data-driven approach to quality assurance (QA), strengthening the ways we capture, and record, and analyse data on our approved education institutions (AEIs) and approved programmes. This will enable us to make more proportionate and targeted interventions where we identify potential concerns (by November 2023) (project throughout the year).

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- Procure for a new QA service provider for the new contract to begin from August 2025.

#### 2024-2025

- New data driven approach is embedded within core business; with review and refinement of the approach as required.

#### **Commitment 6. Evaluate whether protected learning time is in line with current nursing associate standards.**

Not applicable. This commitment has been re-scoped in light of the pandemic's impact on nursing associate programmes. We will monitor protected learning time through our core regulatory processes and report our findings to the Council as part of the annual report on Quality Assurance. We will use our findings to inform what further review or evaluation may be required in the future.

#### **Commitment 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.**

Lead: Executive Director, Professional Regulation

Our caseload reduction plans will see case volumes fall and move us towards improved timeliness whilst maintaining safety throughout.

#### 2023-2024

- A caseload of less than 4,000 cases by March 2024.

#### 2024-2025

- A caseload of less than 3,000 cases by March 2025.

In addition, we will continue to provide reports to the Council about our approach to reducing the caseload, maintaining quality and safety whilst handling concerns, and the age profile of our caseload.

#### **Commitment 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.**

Lead: Executive Director, Strategy and Insight

#### 2023-2024

- Engage with stakeholders to shape our reform proposals (throughout Q1 and Q2).
- Develop our implementation plan (by Q4).

#### 2024-2025

- Complete consultation on our draft rules (by summer 2024).
- Design new processes and systems to deliver the reforms (throughout the year).

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## 2025-2026

- Implement the reforms (expected from April 2025 at the earliest).

### **Commitment 9. Tackle discrimination and inequality and promote diversity and inclusion to make sure that our processes are fair for everyone.**

Lead: Executive Directors, People and Organisational Effectiveness

## 2023-2024

- Deliver the actions agreed in response to the findings of phases one and two of our Ambitious for Change research, and monitor the impact of these actions to determine what further work is needed in future years (by March 2024).
- Work with the new people and culture leadership team to embed equality, diversity, and inclusion (EDI) in the refreshed People Plan, building on pilots of inclusive recruitment training and management essentials (by May 2023).
- Work with partners, stakeholders, and the public to identify the opportunities to promote fairness and equality through regulatory reform, by considering the equalities implications of the different elements of the programme (thorough Equalities Impact Assessments produced by March 2024).

## 2024-2025

Milestones for 2024-2025 will be defined throughout 2023-2024.

- For internal workforce EDI actions: this will be informed by the review of our People Plan (commitment 17). The review will be completed by May 2023.
- For regulatory EDI actions: these will be shaped by the milestones from 2023-2024; including the independent review examining whether there is bias in any part of our FTP decision making processes (to be completed by September 23).

### **Commitment 10. Continue to ensure objective structured clinical examination (OSCE) capacity meets demand and to explore ways of improving access.**

Lead: Executive Director, Professional Regulation

## 2023-2024

- Conduct feasibility work on a centralised booking system for the practical examination part of the test of competence (the objective structured clinical examination or OSCE) to give employers and professionals greater visibility of test capacity across our five test centres (by December 2023).

### **Commitment 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.**

Lead: Executive Director, Strategy and Insight

## 2023-2024

- Implement changes to our international registration routes arising from the European Free Trade Association (EFTA) trade deal (by December 2023) and

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the end of the 'standstill' arrangement for European Union applicants (after June 2023).

- Conclude the implementation of the first phase of our English language review (Q2 2023-2024).
- Review the impact of phase one of our English language requirements review and make proposals for a further review of our English language requirements (by March 2024).

### **Commitment 12. Maintain the Covid-19 emergency register**

Lead: Executive Director, Professional Regulation

#### **2023-2024**

- Maintain the emergency register, ensuring that those with temporary registration are capable of safe and effective practice, imposing new conditions of practice if needed (throughout the year).

#### **2024-2025**

- Close the emergency register (expected in the latter part of 2024 per instruction from Department of Health and Social Care).

### **Commitment 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.**

Lead: Executive Director, Communications and Engagement

#### **2023-2024**

- Targeted communications for the Public launched (by Q1).
- Targeted communications for students launched (by Q3).
- Targeted communications for professionals launched (by Q4).
- Repeat our audience perceptions research to inform our work (by Q4). This will be in conjunction with research for the Insight Report 2024 and 2025-2030 strategy development)

#### **2024-2025**

- Engage professionals, students, public, and stakeholders in the development of our next strategy (throughout the year).

#### **2025-2026**

- Audience research (Q4 2025 – TBC).

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

Lead: Executive Director, Professional Practice

**2023-2024**

- Complete the recruitment for the expansion of the advisory capacity to support national and local outreach (by March 2024).
- Launch the 'Welcome to the UK programme' for nurses and midwives joining our register from outside the UK (by September 2024).
- Develop and implement a strategic approach to extend our reach and engagement with social care and the agency nursing sector to provide information and support related to NMC regulatory activities (by January 2024).
- Jointly deliver with the NMC midwifery advisors 'Midwifery Matters' sessions. Deliver a minimum of 1 per region/Devolved Administration per quarter in 2023-2024.

**2024-2025**

- Design and deliver an ambassador's programme to enhance the work of the outreach function to raise the profile of NMC, share key messages, and gain key insight about the views and experiences of people on our register.
- Undertake an analysis of the impact of expanded outreach on the engagement of social care and a wider range of health and care providers with the NMC core functions.

In addition, we will enhance our professional practice knowledge and capacity by utilising the experience of registrants to help shape and support our work regarding education and standards (registrant ambassadors and fellows). This is a rolling programme throughout the remainder of the strategy.

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

Lead: Executive Director, Communications and Engagement

**2023-2024**

- Conduct research and create improved user journeys that prioritise the benefits for key audiences including for people who receive care (from June 2023).
- Reorder and reorganise the website's information to make it more intuitive and easier for people to access (from June 2023).

**2024-2025**

- Work with internal teams to review and update website content and processes (throughout the year).

- Gain a clearer understanding of how regulatory reform changes will impact and shape the website, aligning it with our website redevelopment plans (throughout the year).
- Launch the improved website (by December 2024).

### 2025-2026

- Evaluate and review the impact of the new website one year on, ensuring our audiences and people who receive care are benefiting from the improvements made.

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

Lead: Executive Director, Strategy and Insight

### 2023-2024

- Issue our first annual insight publication on the nursing and midwifery professions and regulation (Q1).
- Implement a consistent corporate approach to collecting data about employer settings (TBC – Q2).
- Review our approach to diversity monitoring, ensuring it is based on external good practice benchmarks (Q1)
- Further develop our shared data platform and collaborative analysis with the General Medical Council (GMC) and Care Quality Commission (CQC) to better understand regulatory risks (throughout the year).

This commitment will be closed during 2023-2024 as we transition this work to core business activity.

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

Lead: Executive Directors, People and Organisational Effectiveness

Our new people and culture leadership team will review and amend our People Plan by May 2023. We will amend our milestones thereafter to reflect our updated plans.

### 2023-2024

- From April 2023, implement new proposals on pay and total reward to support employee retention and attraction by effectively communicating the benefits that colleagues can expect beyond pay (throughout the year).
- Implement online appraisals to improve performance discussions with colleagues throughout the year on an ongoing basis (ambitious appraisals project) (Pilot in Q1, embed throughout the year).
- Implement a management programme (Management Essentials) for all colleagues who manage colleagues to better support people. This will include EDI awareness and unconscious bias training to support career progression goals. (Pilot in Q1, embed throughout the year).

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## 2024-2025

We will take stock and plan our milestones for 2024-2025 as part of our review of the People Plan.

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

Lead: Executive Directors, People and Organisational Effectiveness

An organisational review of our structure has been paused. We will take stock of any requirements that are needed in 2024-2025. Targeted structural changes within core business will continue as required.

### **Commitment 19. Update digital systems that support how we regulate to improve the experience for customers and colleagues (modernisation of technology services programme)**

Lead: Executive Director, Resources and Technology Services

## 2023-2024

- Upgrade our Education Quality assurance system (October 2023) so we can undertake trend analysis and identify where there may be training issues at an Approved Education Institution.
- Complete the high-level design of a new fitness to practice case management system (CMS) to replace the existing system (Sept 2023) and commence implementation (from October 2023).
- Complete the move of the Register to Microsoft Dynamics (MSD) (by December 2023), a more modern, future-proof system to help us to protect the public.
- Update the capability within MSD to meet key policy changes (such as English and Welsh language) and continuously improve user experience (throughout the year).
- Be agile in responding and accommodating where possible; new requirements resulting from the fitness to practice recovery work and feedback from our customers which will be sought at regular intervals (throughout the year).

## 2024-2025

- Complete development of the new fitness to practice case management solution (December 2025), enabling the NMC to regulate effectively through more efficient, streamlined processes.
- Decommission WISER (our previous register platform) ensuring there is a single platform where accurate data is held (date to be confirmed).
- Complete modernisation of key NMC online portals improving the ease and speed with which our customers interact with us (date to be confirmed).
- Scope plans for the next strategic phase of the programme (phase 4), to address finance, HR, and stakeholder relationship management systems (By Jan 2025).
- Update the existing capability deployed through MSD to address policy changes (such as regulatory reform) and improve user experience.

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

Lead: Executive Director, Resources and Technology Services

**2023-2024**

- Migrate current NMC systems to cloud-based computing, safeguarding, and future-proofing our systems and data storage (by Q3 2023).
- Modernise the network infrastructure between our sites to improve collaboration and information sharing (by Q1 2023).
- Adapt our cyber security systems and approach as we migrate systems to the cloud, ensuring that registrant, stakeholder, and business data is secure (this is a two year programme of work, with multiple deliverables completing Q4 2024-2025).

**2024-2025**

- Continue to enhance our cyber security approach and posture as systems migrate to the cloud to ensure registrants data and the public’s information is secure.
- Build an internal development team to exploit investments made in technology through digital innovation, making us more effective in our role through automation and more efficient and effective systems (by March 2025).

**2025-2026**

- Continue to exploit investments made in technology through digital innovation.

**Commitment 21. Create modern workspaces that support wellbeing and collaboration (accommodation programme)**

Lead: Executive Director, Resources and Technology Services

**2023-2024**

- Undertake the design and seek necessary planning and other approvals and permissions for refurbishment of our office at 23 Portland Place (throughout the year) creating a safe, accessible and modern environment.
- Start tender process for the right building contractors to deliver a good quality and value for money service for the refurbishment of our office at 23 Portland Place (from Q3 2023-2024), linked with our organisation values and sustainability goals.
- Negotiate short term extension of existing 2 Stratford Place lease or seek alternative premises/solutions to undertake in-person hearings (in place by Q4 2024) to ensure we provide the service needed by the public and professionals on our register.

**2024-2025**

- Start refurbishment of our London office at 23 Portland Place (from Q2 2024).

- Continue to mobilise the plan following the lease ending at 2 Stratford Place and ensure colleagues with different needs and from diverse backgrounds have appropriate access to NMC office facilities to conduct their work (by lease end in July 2024).
- Review our strategic accommodation plan.

**2025-2026**

- Complete the refurbishment of London office at 23 Portland Place (by Q3).

**Commitments 22. Implement an NMC sustainability and environmental plan.**

Lead: Executive Director, Resources and Technology Services

**2023-2024**

- Publish the sustainability plan (by Q2) which will support current and future colleagues and professionals on our register to build sustainability into their working practices.

**2024-2026**

We will add milestones once our sustainable plan has been baselined and developed.

**New for 2023-2024: Implement the new Welsh Language regulations**

Lead: Executive Director, Professional Practice

**2023-2024**

- Final compliance notice issued (May 2023), Phase 1 changes completed, and Phase 2 changes commence.
- Implement the new regulations (by November 2023).

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## 2. Proposed KPIs

Corporate KPIs and measures	2022-23 Target	Dec 2022 Actual	2023-24 Target	Comments and rationale for changes
<b>Education quality assurance</b>				
<b>Remove:</b> Number of approval decisions against all 55 current AElS running midwifery programmes seeking to be re-approved by September 2022 (target: 55 by September 2022) (quarter actual)	55 (by Sept 22)	56	55 (by Sept 22)	<b>Rationale:</b> This KPI is now complete.  Professional Practice will measure their work through deliver of the corporate commitments.
<b>FTP</b>				
<b>Caseload volume:</b> Volume of the overall fitness to practise caseload (closing caseload) (month actual)	5,000	5,886	Less than 4,000 cases by March 2024	<b>Rationale:</b> Based on scenario planning conducted during January and February 2023. This would represent a reduction in the overall caseload by approximately 28 percent and aligns to the additional investment provided within our 2023-2024 budget. This takes account of improvement work which has already started.  Our 2024-2025 aspiration would be a caseload of less than 3000 cases.
<b>FTP Timeliness:</b> Percentage of fitness to practise cases concluded within 15 months of being opened (month actual)	80%	56.3%	Monitor  Benchmark: 80%	YTD average (April-Dec) = 60.1% <b>Rationale:</b> Our caseload reduction plans will move us towards improved timeliness. We do not expect to hit our 15 month KPI in 2023-2024 but we will see improvement, particularly at the Screening stage.  We will see further improvements in our timeliness performance in 2024-2025 and expect to be meeting timeliness expectations at all stages of our fitness to practise process by March 2026.
<b>Interim Orders:</b> Percentage of Interim orders imposed within 28 days of opening the case (month actual)	80%	59.7%	80%	YTD average (April-Dec) = 66.2 percent

Corporate KPIs and measures	2022-23 Target	Dec 2022 Actual	2023-24 Target	Comments and rationale for changes
<b>Caseload Age (by FTP stage):</b> Median caseload age at each stage (weeks)	Monitor trend - reduce	Screening = 30 Investigations= 64 CE = 99 Adjudications = 133	Monitor only	<p>Provided on FTP dashboard.</p> <p>We are focussed on progressing our oldest cases, as such, we do not expect to see a linear reduction in the median caseload age or in median age of decisions during 2023-2024.</p> <p>In the short term, the median age at decision is likely to increase whilst resolving older cases in 2023-2024, before coming back down as we address our Screening backlog. As we progress older cases through to the later stages of our FTP process, we would expect to see the caseload age decrease more rapidly at the beginning of the process. The impact of progressing older cases is that the median age at later stages of our process will take longer to come down.</p>
<b>Age of decisions (by FTP stage)</b> Median age of the case at decision by stage (weeks) (month actual)	Monitor trend - reduce	Screening = 14 Investigations= 95 CE = 97 Adjudications = 122	Monitor only	<p>Provided on FTP dashboard.</p> <p>(As per commentary above)</p>
<b>Decisions:</b> Total case decisions (12 month rolling actual) (monthly measure)	Monitor trend	8,864	Monitor only	Reported via the fitness to practise report to the Council.
<b>Remove:</b> Percentage of fitness to practise cases at case examiners with decisions to close with 'no case to answer' or 'no current impairment'	Monitor trend	30.9%	N/a	<p><b>Proposed change:</b> Remove from Council level reporting. Continue to report to Executive Board.</p> <p><b>Rationale:</b> this KPI is used operationally to forecast the flow of cases into our adjudications stage of fitness to practice. It does not demonstrate to the Council how we are reducing the caseload or improving timeliness.</p>
<b>Remove</b> Percentage of cases at hearings with decisions to close with 'no case to answer' or 'no current impairment'	Monitor trend	19.6%	N/a	<p><b>Proposed change:</b> Remove from Council level reporting. Continue to report to Executive Board.</p> <p><b>Rationale:</b> this KPI is used operationally to forecast our case holding at the adjudications stage of fitness to practice. It does not demonstrate to the Council how we are reducing the caseload or improving timeliness.</p>



Corporate KPIs and measures	2022-23 Target	Dec 2022 Actual	2023-24 Target	Comments and rationale for changes
<b>Under review:</b> 'Cost per decision made' (month actual)	Monitor trend	See charts within FTP improvement reports	Monitor	<b>Proposed change:</b> We will review this measure during Q1 to consider whether we can improve how we represent the average cost of FTP decisions/cases.  Note: We are currently unable to report an end-to-end cost per case and continue to explore options to do this in the future.
<b>Registrations</b>				
<b>UK initial registration applications:</b> Percentage of UK initial registration applications completed with no concern within 1 day (month actual)	97%	98.7%	97%	YTD average (April-Dec) = 99.4 percent
<b>Revised target:</b> Percentage of UK initial registration applications completed where concerns are raised within 60 days (month actual)	95%	94.3%	90%	YTD average (April- Dec) = 93.2 percent. This is an end to end measures that takes into account NMC and 3rd party handling time. <b>Proposed change:</b> we propose a revision of the target down from 95 percent to 90 percent. <b>Rationale:</b> this change would help us to better take account of third-party handling times and appeals which can skew our overall performance. E.g. when we ask candidates to provide additional evidence, our systems do not allow us to 'stop the clock'. As the overall volumes are low, this can also have a disproportionate effect on our performance. A change of target would be more motivating to our colleagues, especially as this is largely out of their control to mitigate.  Between April and December – we hit target 3 out of 9 times. If the target was lowered to 90 percent, we would have hit target 7 out of 9 times.
<b>Overseas applications:</b> Percentage of overseas registrations applications assessed within 30 days (month actual)	95%	99.91%	95%	YTD average (April-Dec) = 100 percent
<b>Readmissions:</b>	95%	97.4%	95%	YTD average (April-Dec) = 95.3 percent

Corporate KPIs and measures	2022-23 Target	Dec 2022 Actual	2023-24 Target	Comments and rationale for changes
Percentage of readmissions applications completed within 21 days (month actual)				
<b>New:</b> Percentage of customers who agreed that the objective structured clinical examination (OSCE) test centre treated them with 'Respect and Dignity' throughout the examination process (quarter actual)	N/a	N/a	95%	<b>Rationale:</b> This KPI provides an indication of suppliers' performance across our five test centres and treatment of people during the examination process. This is derived from the OSCE feedback surveys. Performance over the last 12 months has been circa 97-98 percent
<b>New:</b> Number of OSCE tests offered per month across our 5 test centres and number of test takers (month actual).	N/a	N/a	A minimum of 3,000 offered per month	<b>Rationale:</b> This KPI provides an indication of test centre capacity. We will report the total number offered and the number of test takers each month. These figures cover first attempts and re-sits.  The 3,000 figure is derived from what the 5 suppliers are contracted to deliver as a minimum each month. Our testing services team monitor and manage the suppliers to ensure they adjust up and down according to demand.  <b>Note:</b> Computer Based Test (CBT) and OCSE pass rates will be provided via our website periodically and added to our commentary as appropriate.
<b>Contact Centre</b>				
Percentage of call attempts handled (month actual)	90%	97.4%	90%	YTD average (April-Dec) = 95.3 percent. Our target is within industry benchmark.
Number of calls answered (month actual)	Monitor trend	11,735	Monitor trend	YTD total (April-Dec) = 129,227
Number of emails handled (month actual)	Monitor	3,505	Monitor	YTD total (April-Nov) = 40,936
<b>New:</b> Percentage of customers reporting that the Contact Centre handled their call with kindness (from customer surveys) (month actual)	N/a	99%	96%	<b>Rationale:</b> This KPI provides indication of whether the Contact Centre demonstrates our values.

Corporate KPIs and measures	2022-23 Target	Dec 2022 Actual	2023-24 Target	Comments and rationale for changes
<b>Complaints and Enquiries</b>				
Percentage of complaints handled within 20 working days (month actual)	90%	94.8%	90%	YTD average (April-Dec) = 90.2 percent
Number of complaints handled (month actual)	Monitor trend	77	Monitor trend	YTD total (April-Dec) = 947
Percentage of information requests responded to within their statutory timeframes (month actual)	90%	97%	90%	YTD average (April-Dec) = 92.9 percent
Number of information requests handled (month actual)	Monitor	144	Monitor	YTD total (April-Dec) = 1,265
<b>New:</b> Volume of MP enquiries responded to in 20 days (month actual)	90%	80%	Monitor	No. of MP enquiries (Apr-Dec) =26/31 processed within 20 days  <b>Proposed change:</b> to add the number of MP enquiries processed within 20 days and show this as a fraction (e.g. 3/4 MP enquiries responded to within 20 days) to better represent the small volumes we process.
Percentage of MP enquiries responded to in 20 days (month actual)	90%	80%	90%	YTD average (April-Dec) = 83.7 percent No. of MP enquiries (Apr-Dec) =26/31 processed within 20 days
Percentage of enquiries responded to in 20 days (month actual)	90%	100%	90%	YTD average (April-Dec) = 97.8 percent
Percentage of customers highly satisfied/satisfied with the service received (month actual)	85%	87%	85%	YTD average (April-Dec) = 86.6 percent
Number of feedback surveys completed (month actual)	Monitor	455	Monitor	YTD total (April-Dec) = 4556
<b>Corporate People KPIs</b>				
<b>FTE:</b>	1,251.8 (FY average)	1104.8	TBC	Target will be updated to align to the budget for 2023-2024 once budget is confirmed.

Corporate KPIs and measures	2022-23 Target	Dec 2022 Actual	2023-24 Target	Comments and rationale for changes
Total number of budgeted full time equivalent NMC employees (FTE) ( <i>Perm, FTC, agency, contractors</i> ) (month actual)				
Percentage of FTC, agency, and contractors (as a percentage of total FTE) (month actual)	Monitor trend	14.6%	Monitor trend	
<b>Turnover and retention:</b> <b>Updated target:</b> Percentage of all NMC turnover (permanent employees only) (12 months rolling – monthly actual)	Below 12.5%	13.4%	Target range between 10%-15%	YTD average (April-Dec) = 13.1 percent <b>Proposed change:</b> update the target from 12.5 percent to provide a range instead. <b>Rationale:</b> Benchmarking shows that a range of 10-15 percent is healthy for an organisation with 1000+ employees. The labour market remains challenging with more jobs than candidates. The target was last increased in 2022-2023 from 10 percent to 12.5 percent.
Percentage of new starters leaving within 6 months of joining (permanent employees) (12 month rolling - monthly actual)	≤10%	10.1%	≤10%	YTD average (April-Dec) = 9.6 percent
Number of new starters leaving within 6 months of joining (month actual)	Monitor trend	0	Monitor trend	YTD total (April-Dec) = 6
Percentage of all NMC retention (permanent employees only – 12 months rolling - monthly actual)	85 – 90%	87.6%	85 – 90%	YTD average (April-Dec) = 88.7 percent
<b>Sickness</b> Average number of days of sickness per employee (days) (rolling 12 months actual)	6.5	7.5 days	6.5	YTD average (April-Dec) = 7.6 days per person per year
<b>Employee engagement:</b> <b>Updated frequency:</b> Employee engagement score (out of 10) (annual measure)	7.5	7	7.5	Measure will be provided annually to align with new survey frequency.
<b>Updated frequency:</b> Employee net promoter score (takes account of various factors from our colleague engagement survey to assess their overall opinion of the organisation.	16	3	16	Measure will be provided annually to align with new survey frequency.

Corporate KPIs and measures	2022-23 Target	Dec 2022 Actual	2023-24 Target	Comments and rationale for changes
Scores are either plus (positive opinion) or minus (negative opinion) (annual measure)				
<b>Updated frequency:</b> Employee perception of internal communications effectiveness score (out of 10) (annually)	7	7.7 (Jul 22)	7.4	Now measured annually per the new frequency for You Voice survey.  Increased target based on performance in 2022-2023.
<b>Gender, ethnicity, and disability Report separately:</b> Median pay gap for gender, ethnicity, and disability (annually via pay gap reports) 1. Gender 2. Ethnicity 3. Disability	Monitor changes	TBC	Monitor changes	This is reported via annual pay gap reports rather than within the corporate performance report.

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<b>Table 1</b>		<b>Forecast</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
<b>Income &amp; expenditure</b>	<b>£ million</b>	<b>2022 - 23</b>	<b>2023 - 24</b>	<b>2024 - 25</b>	<b>2025 - 26</b>
<b>Income</b>					
Registration fees		92.7	94.8	97.0	99.2
Other		8.6	8.2	6.7	6.1
<b>Total Income</b>		<b>101.3</b>	<b>103.0</b>	<b>103.7</b>	<b>105.3</b>
<b>Expenditure</b>					
<u>Core business</u>					
Professional Regulation		52.5	49.9	48.4	45.8
Resources & Technology Services		17.6	19.2	19.4	18.8
People & Organisational Effectiveness		11.0	11.1	10.9	11.0
Professional Practice		4.9	6.6	6.9	5.4
Strategy & Insight		3.2	4.0	4.3	3.7
Communications & Engagement		3.2	3.5	3.3	3.5
<b>Directorate - Core Business Expenditure</b>		<b>92.4</b>	<b>94.4</b>	<b>93.3</b>	<b>88.2</b>
<u>Corporate</u>					
Depreciation		2.7	4.0	4.8	5.5
PSA Fee		2.0	2.1	2.1	2.1
Apprenticeship Levy		0.3	0.3	0.3	0.3
Reserve for FTP costs		-	5.6	5.4	2.7
Other *		2.4	1.7	1.7	1.7
General Contingency		-	1.0	1.0	1.0
<b>Total Corporate Expenditure</b>		<b>7.3</b>	<b>14.6</b>	<b>15.3</b>	<b>13.3</b>
<b>Total Core Business</b>		<b>99.7</b>	<b>109.0</b>	<b>108.6</b>	<b>101.5</b>
<b>Programmes &amp; Projects including capital investment (see table 2)</b>		<b>7.7</b>	<b>12.4</b>	<b>17.4</b>	<b>17.0</b>
<b>Subtotal including capital investment</b>		<b>107.4</b>	<b>121.4</b>	<b>126.0</b>	<b>118.5</b>
Capital Investment		6.3	10.4	15.3	15.3
<b>Subtotal excluding capital investment</b>		<b>101.1</b>	<b>111.0</b>	<b>110.7</b>	<b>103.2</b>
Unrealised Gains/(Losses)**		-	-	-	-
<b>Net Surplus/(Deficit) excluding capital investment</b>		<b>0.2</b>	<b>(8.0)</b>	<b>(7.0)</b>	<b>2.1</b>
<b>Total Reserves</b>		<b>76.5</b>	<b>68.5</b>	<b>61.5</b>	<b>63.5</b>
<b>Free Reserves</b>		<b>44.2</b>	<b>29.8</b>	<b>12.3</b>	<b>4.6</b>
<b>Note:</b> Figures are subject to rounding					
*Including pension deficit liability and panel holiday pay					
** Unrealised gains/(losses) reflect the change in the value of our investment portfolio since the beginning of the year after taking account of income from it. We do not budget or forecast for either gains or losses.					

Table 2 Programmes & projects	£ million	Forecast 2022 - 23	Budget 2023 - 24	Budget 2024 - 25	Budget 2025 - 26
Accommodation Programme - 23 Portland Place		-	1.7	11.5	11.8
Modernisation of Technology Services (MOTS)		4.8	8.2	3.7	3.0
FTP Improvement Programme		0.1	-	-	-
Technology Improvements		0.1	0.4	0.3	0.8
Modern Workplace for Me		1.4	0.4	-	-
Website Redevelopment Programme		0.1	0.2	0.2	-
Insight Programme		0.2	0.3	-	-
Regulatory Reform		1.0	1.2	1.6	1.4
<b>Programmes &amp; projects including capital investment</b>		<b>7.7</b>	<b>12.4</b>	<b>17.4</b>	<b>17.0</b>
<b>Note:</b> Figures are subject to rounding					

Table 3 Budgeted full time equivalent (FTE) employees	Forecast 2022 - 23	Budget 2023 - 24	Budget 2024 - 25	Budget 2025 - 26
Professional Regulation	740.8	725.3	703.3	676.3
Resources & Technology Services	114.0	131.7	131.7	131.7
People & Organisational Effectiveness	132.0	137.0	137.0	137.0
Professional Practice	55.4	64.5	63.4	60.4
Strategy & Insight	53.0	57.0	59.0	59.0
Communications & Engagement	40.4	41.4	41.4	41.4
<b>Total budgeted FTE employees</b>	<b>1,135.6</b>	<b>1,156.7</b>	<b>1,135.8</b>	<b>1,105.8</b>
<b>Note:</b> FTE attributed to individual Directorates exclude staff employed on projects and programmes FTE represent end-year (i.e. March) position				

Table 4 Movement in Free Reserves £ million	Forecast 2022 - 23	Budget 2023 - 24	Budget 2024 - 25	Budget 2025 - 26
Free reserves as at 1 April	47.6	44.2	29.8	12.3
Net surplus/(deficit) for the year	0.2	(8.0)	(7.0)	2.1
Depreciation	2.7	4.0	4.8	5.5
Less Capital Investment	(6.3)	(10.4)	(15.2)	(15.3)
<b>Free reserves at 31 March</b>	<b>44.2</b>	<b>29.8</b>	<b>12.3</b>	<b>4.6</b>

**Note:** figures are subject to rounding

<b>Table 5</b> <b>Forecast/Budget Cashflow</b>	<b>£ million</b>	<b>31 March</b> <b>2023</b>	<b>31 March</b> <b>2024</b>	<b>31 March</b> <b>2025</b>	<b>31 March</b> <b>2026</b>
<b>Cashflow from operating activities</b>					
Surplus/(deficit)		0.2	(8.0)	(7.0)	2.1
Adjustment for non-cash transactions		2.7	4.0	4.8	5.5
Interest/Dividend income from Stock Market Investments		(1.0)	(0.9)	(0.9)	(0.9)
(Increase)/decrease in current assets		(0.1)	(0.1)	(0.1)	-
Increase/(decrease) in liabilities		1.6	(1.0)	1.0	1.0
<b>Net cash inflow/(outflow) from operating activities</b>		<b>3.3</b>	<b>(6.0)</b>	<b>(2.2)</b>	<b>7.7</b>
<b>Cashflow from investing activities</b>					
Capital investment		(6.3)	(10.4)	(15.2)	(15.3)
<b>Cashflow from financing activities*</b>					
Stock Market Investments		(3.0)	-	-	-
<b>Net cash inflow/(outflow) from financing activities</b>		<b>(3.0)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash &amp; cash equivalent for the year</b>		<b>(6.0)</b>	<b>(16.4)</b>	<b>(17.4)</b>	<b>(7.6)</b>
Cash & fixed term deposits at beginning of year		70.0	64.0	47.6	30.2
<b>Cash &amp; cash equivalent at end of year</b>		<b>64.0</b>	<b>47.6</b>	<b>30.2</b>	<b>22.6</b>

**Note:** Figures are subject to rounding

\*Income from stock market investments are assumed to be reinvested so not a source of cash.



<b>Table 6 Forecast/Budget Balance Sheet £ million</b>	<b>31 March 2022</b>	<b>31 March 2023</b>	<b>31 March 2024</b>	<b>31 March 2025</b>	<b>31 March 2026</b>
<b>Non-current assets</b>					
Tangible and Intangible Fixed Assets	28.7	32.4	38.7	49.2	58.9
Stock Market Investments*	32.8	36.8	37.8	38.7	39.6
<b>Total non-current assets</b>	<b>61.5</b>	<b>69.2</b>	<b>76.5</b>	<b>87.9</b>	<b>98.5</b>
<b>Current Assets</b>					
Cash	70.0	64.0	47.6	30.2	22.6
Debtors	3.3	3.4	3.5	3.5	3.5
<b>Total current assets</b>	<b>73.3</b>	<b>67.4</b>	<b>51.1</b>	<b>33.7</b>	<b>26.1</b>
<b>Total Assets</b>	<b>134.8</b>	<b>136.6</b>	<b>127.6</b>	<b>121.6</b>	<b>125.6</b>
<b>Liabilities</b>					
Deferred Income	(55.2)	(57.1)	(57.5)	(58.4)	(59.4)
Other creditors, accruals, provisions	(3.3)	(3.0)	(1.6)	(1.7)	(1.7)
<b>Total Liabilities</b>	<b>(58.5)</b>	<b>(60.1)</b>	<b>(59.1)</b>	<b>(60.1)</b>	<b>(61.1)</b>
<b>Net Assets excluding pension liability</b>	<b>76.3</b>	<b>76.5</b>	<b>68.5</b>	<b>61.5</b>	<b>63.5</b>
Pension Liability**	-	-	-	-	-
<b>Net Assets, Total Reserves</b>	<b>76.3</b>	<b>76.5</b>	<b>68.5</b>	<b>61.5</b>	<b>63.5</b>
<b>Free Reserves (Net Assets less Tangible and Intangible Fixed Assets)</b>	<b>47.6</b>	<b>44.2</b>	<b>29.8</b>	<b>12.3</b>	<b>4.6</b>

Notes: Figures are subject to rounding

\* The increase in stock market investments between the actual value at 31 March 2022 and the expected value at 31 March 2023 reflects an additional £3 million invested in August 2022 as well as expected dividend/interest income on the overall investment portfolio. Growth in later years reflects expected investment income being reinvested rather than any assumptions about capital growth or deficit which is assumed to be nil.

\*\* Our pension liability is subject to an independent actuarial review of our Defined Benefit pension scheme at the year-end for accounting purposes. Following the valuation at the time, the pension scheme was shown in our annual accounts at 31 March 2022 as being as neither an asset nor a liability at that date and that position is reflected in our forecast and budget. It is possible that the position may change in future.

## **Reserves policy: annual review of target lower and upper limits of free reserves, and minimum cash and investments balance**

1. This paper proposes the target range of free reserves and the minimum cash and investments balances for the financial year 2023–2024.
2. Our reserves policy, contained within the financial strategy most recently approved by Council in March 2022, is to maintain free reserves within a target range, and to set a minimum level for the aggregate forecast cash and investments balance in the course of the coming financial year. The target range of free reserves and the minimum cash and investments balance is reviewed at least annually by the Council.
3. In the revised financial strategy also being considered by Council in March 2023, we are not proposing any change to this approach.
4. 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.
5. The purpose of the minimum level for the aggregate forecast cash and investments balance is to ensure liquidity without the need for borrowing facilities. Our investments are equities, funds and bonds capable of being liquidated within 14 days, so can be treated as a liquid asset and combined with cash for this purpose.
6. Since our registrants are required by law to pay our registration fees in order to practise, and they are required to pay their fees in advance, we have a highly secure income stream and we hold large cash balances, over and above our free reserves. Our need for free reserves is, therefore, much lower than many other charities.

### **Current and future reserves position**

7. We define free reserves as being total reserves less the net book value of our tangible fixed assets.
8. At 31 March 2022, our free reserves were £48 million, and our aggregate balance of cash and investments was £103 million. This means that if our free reserves had been nil at that date, we would still have had £55 million of cash and investments. This positive cash position is caused by the ‘financing effect’ of some 70% of registrants paying fees a year in advance, so that we had £40 million of deferred income at the same date. The financing effect also came from some £13 million of other creditors and accruals.

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9. At 31 January 2023, the position was similar with free reserves of £46 million and cash and investments of £104 million. Subject to the actuarial valuation of our defined benefit pension scheme, the performance of our investments and possible adjustments to our provisions, we expect that that our free reserves and cash and investments position at 31 March 2023 will be near these levels.
10. Looking ahead, based on the budgets presented and after the proposed deficits and capital investment, we expect free reserves to be about £5 million in March 2026 and cash and investments to be about £63 million. So, if free reserves were zero, we would still have more than £58 million of investments and cash.

### **Implications of current and future reserves position**

11. The level of cash and investments that we hold and expect to hold in the future means that it is still appropriate to have a lower limit of zero for our free reserves. Even if our free reserves go down to zero we will have a significant buffer of liquidity as well as a reliable income source.
12. In terms of a target range for free reserves defined by an upper limit, £25 million still seems an appropriate target, although its real terms value has diminished over time. It was £25 million in 2014, which would be about £32 million in today's terms. This relatively modest upper target is intended to ensure we do not accumulate unnecessary levels of fees provided by our registrants and it still seems an appropriate upper target given in current economic circumstances and our strong levels of cash and investments.
13. That our current level of reserves is higher is acceptable given the level of investment planned in accommodation and technology, as well as the level of non-recurrent spend needed to reduce the fitness to practise caseload that has built up due to the pandemic. As our plans and budgets indicate, we expect to reduce this level of reserves in the next two to three years at which point the upper range of £25 million will be an appropriate indicator.

### **Proposed target range of free reserves for 2023–2024**

14. **The target range of free reserves was set at zero to £25 million in March 2020. Given our review above, we propose to maintain this target level for 2023–2024.**

### **Proposed minimum level for cash plus investments for 2023–2024**

15. Because our zero lower limit of the target range of free reserves is significantly premised upon the financing effect of registrants paying in advance, we also set a minimum level of forecast cash plus investments, to provide further assurance of liquidity over the longer term. The minimum level of forecast cash plus investments was set at £20 million in March 2020.
16. The extent to which our cash and investment balances exceed our free reserves balance is significantly dependent on the proportion of registrants paying by quarterly direct debit and the level of the pension deficit.

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17. About 32 percent of our registrants now pay quarterly. Following the introduction of direct debits nearly seven years ago, the numbers paying quarterly initially rose quickly but that trend has flattened. So upfront payments of registrant fees will continue to be a reliable source of cash flow in the short and medium term.
18. We see no significant risk, therefore, that the zero lower limit of free reserves would not ensure sufficient liquidity, and no reason to increase the minimum level of aggregate forecast cash and investments. **We recommend it should stay at £20 million for 2023–2024.**

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## Contracts over £0.5 million expected to be signed in 2023–2024

This annexe provides details of new or revised contracts or other financial commitments with an estimated lifetime value greater than £0.5 million, including VAT that we expect to enter during the coming year.

No.	Directorate / team	Title and description	Retender / new requirement / Extension	Incumbent supplier?	Contract duration	Forecast contract award (FY quarter)	In-sourcing comments
1	P&OE	<b><u>Temporary staffing agency contracts</u></b> Our managed service contract with Hays expires in February 2024. New agency contract/s will be procured this year.	Retender	Yes – Hays	4 years	Q3	Will be considered when developing re-procurement plan
2	PP	<b><u>Education Quality Assurance</u></b> Our contract with Mott MacDonald expires in 2024 and will be re-tendered from summer 2023. The requirements have changed, and we are tendering differently this time – this was discussed at Council in January 2023.	Retender	Yes – Mott MacDonald	5 years	Q4	In-sourcing option discussed at Council in January 2023.

**Key:**

**Grey fill** = contract value expected to be less than £2m and approval to award will be sought from CE&R

**Blue fill** = contract value expected to be over £2m and approval to award to be sought from Council

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## Contracts over £0.5 million expected to be signed in 2023–2024

No.	Directorate / team	Title and description	Retender / new requirement / Extension	Incumbent supplier?	Contract duration	Forecast contract award (FY quarter)	In-sourcing comments
3	PR	<p><b><u>Centralised booking system for OSCE Test of Competence</u></b></p> <p>We are currently exploring options for implementing a single centralised booking system. At this point we do not know what solution we will implement or the cost. There may be a contract cost above £500k needing approval in 2023/24 but we will know more after the options exercise.</p>	New requirement – but TBC	Yes – our five test centres	TBC	May run into 2024-25	Will likely only involve procurement of IT software
4	PR	<p><b><u>Support for our FtP investigations in Professional Regulation</u></b></p> <p>We are re-tendering the contracts we have that support our investigations process. We are reviewing our requirements which may result in a different scope or number of contracts going forward.</p>	Retender	Yes – Blake Morgan and Capsticks	4 years	Q3	Partially already in-house – external legal expertise always expected to be required.

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## Contracts over £0.5 million expected to be signed in 2023–2024

No.	Directorate / team	Title and description	Retender / new requirement / Extension	Incumbent supplier?	Contract duration	Forecast contract award (FY quarter)	In-sourcing comments
5	PR	<p><b><u>Design &amp; Development of the Test of Competence</u></b></p> <p>Our contract with Alpha+ expires this year and is being re-tendered.</p>	Retender	Yes – Alpha+	4 years	Q1	Not suitable – specialist external expertise required.
6	PR	<p><b><u>Hearing Transcription contract/s</u></b></p> <p>We currently have three contracts that have one year extension options remaining. However, we have been testing Microsoft Teams functionality for this activity and our future requirement for external suppliers is changing so we may retender this year.</p>	Extension / retender	Yes – Marten Walsh Cherer, Epiq, Ubiquis	4 years	Q2	We consider it is more cost effective and lower risk to purchase these services.
7	PR	<p><b><u>Regulator Medical Support Services Framework</u></b></p> <p>Requires extending this year.</p>	Extension	Yes - multiple	Max 2-year extension	Q2	Not suitable – involves specialist medical and scientific skills.

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## Contracts over £0.5 million expected to be signed in 2023–2024

No.	Directorate / team	Title and description	Retender / new requirement / Extension	Incumbent supplier?	Contract duration	Forecast contract award (FY quarter)	In-sourcing comments
8	RTS - IT	<b><u>IT software/hardware reseller</u></b> We have been exploring options for procuring an IT reseller contract, to supply some of our software and IT hardware.	New requirement	No	3 years	Q2	Not possible – purchase of software and IT products
9	RTS - IT	<b><u>Partner agreements for MOTS phase 3b core</u></b> We are refining our requirements for the next phase of MOTS and will need to procure new partner agreements.	New requirement	Yes – Cloudsource , Fortesium	2 years	Q2	Specialist IT skills we do not have in-house.
10	RTS - IT	<b><u>Direct Debit Management System</u></b> We intend to re-procure our contract for our automated direct debit management solution.	Retender	Yes – Paypoint	3 years (TBC)	Q4	Not possible – purchase of software

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## Contracts over £0.5 million expected to be signed in 2023–2024

No.	Directorate / team	Title and description	Retender / new requirement / Extension	Incumbent supplier?	Contract duration	Forecast contract award (FY quarter)	In-sourcing comments
11	RTS – IT	<p><b><u>IT managed service provider contract (Telefonica)</u></b></p> <p>We are reviewing the current contract and options for delivery of this service and will present to Council for decision.</p>	To be determined – possible extension or retender	Yes – Telefonica	2 years if extended  Up to 7 years if tendered	Q3	Specialist IT services we do not have in-house, but aspects will be considered as part of review.
12	RTS – IT	<p><b><u>Microsoft Azure licensing</u></b></p> <p>This is our cloud storage, and we are currently working towards consolidating this requirement under one contract. This could lead to procuring a new contract with Microsoft.</p>	Retender	Yes – Microsoft, Telefonica	3 years	Q2	Not possible – purchase of IT software/systems.
No.	Directorate / team	Title and description	Retender / new requirement / Extension	Incumbent supplier?	Contract duration	Forecast contract award	In-sourcing comments

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## Contracts over £0.5 million expected to be signed in 2023–2024

						(FY quarter)	
13	RTS – property	<p><b><u>23PP refurb – contract for architectural/space planner services and associated services</u></b></p> <p>Required for refurbishment of 23 Portland Place programme.</p>	New requirement	No	4 years (TBC)	Q1	Not suitable – specialist skills required for time limited project.
14	RTS - property	<p><b><u>23PP refurb – contract for building works main contractor</u></b></p> <p>Required for refurbishment of 23 Portland Place programme.</p>	New requirement	No	3-4 years (TBC)	Q4	Not suitable – specialist skills required for time limited project.

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## Contracts over £0.5 million expected to be signed in 2023–2024

No.	Directorate / team	Title and description	Retender / new requirement / Extension	Incumbent supplier?	Contract duration	Forecast contract award (FY quarter)	In-sourcing comments
15	RTS - property	<p><b><u>23PP refurb – various other contracts</u></b></p> <p>No individual contract is expected to exceed £500k, but collectively will be approx. £750k. Required services may include: Building Regulation approved inspector, acoustic designer, mechanical and electrical services, structural engineering, Clerk of Works, BREEAM assessor, Heritage officer</p>	New requirements	No	3-4 years (TBC)	Q2-3	Not suitable – specialist skills required for time limited project.
16	RTS - property	<p><b><u>Office cleaning services</u></b></p> <p>Current contract may be extended or possibly retendered to align with 23PP refurbishment but is dependent on programme timeline.</p>	Extension or retender	Yes – Julius Rutherford	2 years	Q2	We consider it is more cost effective and less risk to purchase these services.

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## Contracts over £0.5 million expected to be signed in 2023–2024

No.	Directorate / team	Title and description	Retender / new requirement / Extension	Incumbent supplier?	Contract duration	Forecast contract award (FY quarter)	In-sourcing comments
17	RTS - property	<p><b><u>Premises for hearings</u></b></p> <p>To be confirmed, but possible requirement for new London hearings premises, to bridge gap between closure of 2 Stratford Place and completion of 23PP refurbishment. This could either be specialist serviced hearing space and/or short term lease or similar.</p>	New requirements	No	2+ years	Q4	Not possible as mainly involves building lease.
18	RTS - Corporate	<p><b><u>Business travel contract</u></b></p> <p>Our current contract expires this year and will be re-procured. Options for this are being explored as our organisational business travel needs have changed since the pandemic.</p>	Retender	Yes – TravelPerk (formerly Click Travel)	4 years	Q1	Not possible – contract mainly comprises purchase of IT platform, and costs associated with travel and hotel stays.

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## Contracts over £0.5 million expected to be signed in 2023–2024

No.	Directorate / team	Title and description	Retender / new requirement / Extension	Incumbent supplier?	Contract duration	Forecast contract award (FY quarter)	In-sourcing comments
19	RTS - finance	<p><b><u>Payment acceptance services</u></b></p> <p>Service allows for processing of card payments: card acquiring and gateway services and alternative payment methods.</p> <p>We are currently undertaking benchmarking of our fees, and if this shows reduced rates can be achieved through retendering, we will do this towards the end of the year.</p>	Retender	Yes – Barclaycard	3 years	Q4	Not possible – purchase of IT platform and services.
20	RTS – finance	<p><b><u>Insurance brokerage services</u></b></p> <p>We are currently reviewing options for re-procurement of this contract. The overall contract value mainly comprises various policy premium costs.</p>	Retender	Yes – Sydney Packett & Sons	5 years	Q4	Not suitable – specialist market expertise we do not have in-house.

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## Contracts over £0.5 million expected to be signed in 2023–2024

No.	Directorate / team	Title and description	Retender / new requirement / Extension	Incumbent supplier?	Contract duration	Forecast contract award (FY quarter)	In-sourcing comments
21	RTS - finance	<p><b><u>Pensions provider</u></b></p> <p>We are currently reviewing our staff pension provider solution, that may result in a retender this year.</p>	Retender (to be agreed)	Yes – The People’s Pension	TBC – but likely to be long term	Q3	Not possible to deliver in-house.

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## Council

### Panel Member Transfer

**Action:** For decision.

**Issue:** Panel Member transfer between Practice Committees.

**Core regulatory function:** Professional Regulation.

**Strategic priority:** Strategic aim 6: Fit for the future organisation.

**Decision required:** The Council is invited to accept the recommendation of the Appointments Board to transfer the Panel Member at paragraph 7 from the Fitness to Practise Committee to the Investigating Committee (**paragraph 8**).

**Annexes:** None.

**Further information:** If you require clarification about any point in the paper or would like further information, please contact the author or the director named below.

Author: Kelly O'Brien  
Phone: 020 7681 5151  
[Kelly.OBrien@nmc-uk.org](mailto:Kelly.OBrien@nmc-uk.org)

Assistant Director: Edina Ojeifo  
Phone: 020 7681 5700  
[edina.ojeifo@nmc-uk.org](mailto:edina.ojeifo@nmc-uk.org)

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- Context:**
- 1 At its March 2023 meeting, the Appointments Board considered the transfer of a Panel Member from the Fitness to Practise Committee (FtPC) to the Investigating Committee (IC).
  - 2 The Nursing and Midwifery Council (Midwifery and Practice Committees) (Constitution) Rules 2008 state that no Panel Member may serve concurrently as a member of the Fitness to Practise Committee and the Investigating Committee.

- Four country factors:**
- 3 The Nursing and Midwifery Council (Midwifery and Practice Committees) (Constitution) Rules 2008 apply to all four countries of the United Kingdom.

**Discussion: Transfer of a Panel Member between Practice Committees**

- 4 The Panel Member listed below at paragraph 7 advised that their professional obligations were changing and would impact on their availability to serve on the longer events that are typical of the FtPC.
- 5 Their new pattern of availability would better serve the events schedule of the Investigating Committee. The Panel Member requested that they be transferred to the Investigating Committee (IC).
- 6 The Board considered the reasons for the transfer request and reviewed the performance of the Panel Member against the performance monitoring framework. The Board concluded that the Panel Member continued to meet the required standards of performance, there have been no concerns about their conduct, and agreed to recommend the transfer to Council.
- 7 Full details of the Panel Member and their term of appointment can be found below:

Name	Date of appointment	Term	Registrant or Lay	Chair?	Days sat since Appointment	Performance concerns?
Yvonne O'Connor	23/03/2016	Second	Registrant	Yes	430	None.

- 8 **Recommendation: The Council is invited to accept the recommendation of the Appointments Board to transfer the Panel Member at paragraph 7 from the Fitness to Practise Committee to the Investigating Committee.**

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<b>Midwifery implications:</b>	9	The Panel Member requesting transfer is a registered midwife. There are sufficient midwives to meet operational demands in the FtPC. Their expertise as a registrant Panel Member and midwife can be utilised in IC hearings.	3.
			4.
<b>Public protection implications:</b>	10	Panel Members are required to make decisions at practice committee events that protect the public.	5.
			6.
<b>Resource implications:</b>	11	None identified. Costs associated with Panel Members are included in existing budgets.	7.
			8.
<b>Equality diversity and inclusion implications:</b>	12	There are no identified equality, diversity and inclusion implications from the issues within this paper. The transfer will not change the overall diversity makeup of the Practice Committees.	9.
			10.
<b>Stakeholder engagement:</b>	13	None.	11.
			12.
<b>Risk implications:</b>	14	The movement of this Panel Member will not impact the ability to allocate Panel Members to events on either committee.	13.
			14.
<b>Regulatory reform:</b>	15	No issues identified.	15.
			16.
<b>Legal implications:</b>	16	The Nursing and Midwifery Council (Midwifery and Practice Committees) (Constitution) Rules 2008 state that no panel member may serve concurrently as a member of the Fitness to Practise Committee (FtPC) and the Investigating Committee.	17.

## Council

### Governance: Council Committee membership 2023-2024 and Council meeting dates 2024-2025

<b>Action:</b>	For noting.
<b>Issue:</b>	Confirms Council Committee membership for 2023-2024 and sets Council meeting dates for 2024-2025.
<b>Core regulatory function:</b>	All regulatory functions
<b>Strategic priority:</b>	Strategic aim 6: Fit for the future organisation
<b>Decision required:</b>	None.
<b>Annexes:</b>	The following annexes are attached to this paper: <ul style="list-style-type: none"><li>• Annexe 1: Policy principles governing appointment to Council roles.</li><li>• Annexe 2: NMC Council members' and Associates' terms of office</li><li>• Annexe 3: Council Committee membership/appointments 2023-2024.</li><li>• Annexe 4: Proposed Council meeting dates for April 2024 to March 2025.</li></ul>
<b>Further information:</b>	If you require clarification about any point in the paper or would like further information, please contact the authors or the director named below.  Author: Alice Horsley Phone: 020 7681 5073 <a href="mailto:alice.horsley@nmc-uk.org">alice.horsley@nmc-uk.org</a>  Secretary: Matthew Hayday Phone: 020 7681 5516 <a href="mailto:matthew.hayday@nmc-uk.org">matthew.hayday@nmc-uk.org</a>

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**Context:**

- 1 Under Article 3(12) of the Nursing and Midwifery Order 2002 (as amended), the Council may establish discretionary Committees in connection with the discharge of its functions and delegate any of its functions to them.
- 2 The Remuneration, Audit, Investment and Accommodation Committees are discretionary Committees of the Council.
- 3 The Council's Standing Orders (paragraph 4.2.4) authorise the Chair of the Council to make appointments to Council Committees. The Chair also determines Vice-Chair and other Council appointments.
- 4 Council Committee appointment principles are at **Annexe 1**. NMC Council members' and Associates' terms of office are at **Annexe 2**.
- 5 Committee memberships and Council appointments are set out at **Annexe 3**. For completeness and transparency, this includes:
  - 5.1 Appointments Board membership – this is composed entirely of non-Council (partner) members.
  - 5.2 General Nursing Council for England and Wales Trust: NMC Trustee.
  - 5.3 NMC and associated employers Defined Benefit Pension Scheme: NMC Employer nominated Trustees.
- 6 The arrangements at **Annexe 3** account for the fact that three Council members' terms end on 30 April 2023 (see details of terms of office at **Annexe 2**):
  - 6.1 Hugh Bayley (Remuneration Committee member).
  - 6.2 Karen Cox (Vice-Chair).
  - 6.3 Marta Phillips (Audit Committee Chair).
- 7 Committee structure and membership will be subject to review during the year as:
  - 7.1 New members join the Council in the Spring.
  - 7.2 Part of the Council effectiveness review.
  - 7.3 The Council gives further consideration to steps towards transitioning to a Unitary Board governance model.

## Proposed Council meeting dates 2024-2025

8 Proposed dates for the Council's seminars and meetings are at **Annexe 4**.

### Four country factors:

9 Four country considerations are one of the factors taken into account in balancing roles across the Council (see **Annexe 1**, paragraphs 3.2, 9.5 and 16.2).

10 As is the ongoing commitment to holding one of the Council's Open meetings each year in either Wales, Scotland, or Northern Ireland on rotation.

### Discussion: Vice-Chair appointments

11 The Vice-Chairs are responsible, amongst other things, for conducting the annual appraisal of the Chair and presiding at any meeting should the Chair need to withdraw or be unexpectedly absent.

12 The Council currently has a Chair, Sir David Warren (lay member) and two Vice-Chairs, Karen Cox (registrant member); and Derek Pretty (lay member).

13 The Chair has appointed Ruth Walker as Vice-Chair, to succeed Karen Cox, and asked Derek Pretty to continue in his role as Vice-Chair for 2023-2024.

### Committee membership

14 The Chair proposes to maintain the current Committee structure and membership, except where members' term on Council ends in April 2023, and will await the discussion with the three new Council members before making arrangements for Audit Committee Chair and Remuneration Committee member vacancies.

15 Associates will be allocated to any Committees they wish to join, whilst continuing to be welcome to attend any other Committee meetings, should they wish to do so.

### Additional allowances

16 On 6 July 2022 (NMC/22/61), in line with the recommendations of the Independent Panel on Allowances, the Council agreed:

16.1 to adopt the principle of an additional annual allowance for Council Chairs of Committees and that the Chair of Council would determine the allowance attached to each Committee Chair role within the range of £0-£2,500.

16.2 that the process for appointing Committee Chairs should be reviewed, given the roles would attract an additional allowance.

17 The processes for supporting the Chair in determining additional allowances and appointing Committee Chairs were agreed by the Remuneration Committee and are included at **Annexe 1**.

18 In line with these processes, the Chair is proposing the following annual allowances for Committee Chairs:

18.1 Audit Committee: £2,000

18.2 Remuneration Committee: £2,000

18.3 Investment Committee: £250

18.4 Accommodation Committee: £250

### **Appointments Board**

19 The Appointments Board's current membership, comprised of non-Council members, is set out at **Annexe 3** for completeness.

### **Nursing and Midwifery Council and Associated Employers: Defined Benefit Pension Scheme NMC Employer nominated Trustees**

20 The NMC, as one of the two scheme employers, has two nominated trustees (non-Council members) on the Defined Benefit Pension Scheme Trustee Board.

### **General Nursing Council for England and Wales Trust: NMC Trustee**

21 Lynne Wiggins (registrant member) was appointed by the Chair as the NMC Trustee on the General Nursing Council for England and Wales Trust from November 2020.

### **Proposed Council meeting dates 2024–2025**

22 Council meeting dates for 2023-2024 were approved in March 2022. These dates are published on the website, with one amendment: 30 and 31 January 2024 (originally 23 and 24 January), to assist with the challenges for colleagues in producing the data required for the first meeting of the year.

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- 23 Proposed Council meeting dates for **2024–2025** are at **Annexe 4**.
- 24 The Council has taken the view in principle that ‘full meetings’ (January, March, May, July, September, and November) will be held ‘in-person’ where possible and Seminars will be held virtually, and that each Committee should determine its own balance of virtual and ‘in-person’ meetings. This will be reviewed in light of the outcomes of the Council Effectiveness Review in 2023.
- 25 It is proposed to hold the September 2024 meeting in Scotland. We are exploring opportunities for Council to hold meetings in England, outside of London, during 2024-2025.
- 26 Committee dates will be added once discussed and agreed with Committee Chairs and members.
- 27 **The Council is asked to note the Council meeting dates for 2024-2025 as set out at Annexe 4.**

**Midwifery implications:**

28 None.

**Public protection implications:**

29 None.

**Resource implications:**

30 There are no resource implications arising from this paper.

**Equality diversity and inclusion implications:**

31 Equality and diversity impacts and the NMC’s obligations under the Equality Act 2010 are taken into account in Council appointments, including as set out in **Annexe 1** at paragraph 9.5.

**Stakeholder engagement:**

32 None.

**Risk implications:**

33 Regular review of Council roles and Committee appointments are consistent with good governance and mitigate against any governance risks.

**Regulatory reform:**

34 Committee membership may be subject to review during the year, as part of any Council effectiveness review and/or as the Council gives further consideration to preparing for Regulatory Reform.

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35 The proposed meetings and dates for 2024-2025 are based on the current governance arrangements. We will keep these under review as the legislative timetable for Regulatory Reform and any consequent changes to the governance model become clearer.

**Legal implications:**

36 The proposals in this paper are compliant with the Nursing and Midwifery Order 2001 and the Council’s Standing Orders and Scheme of Delegation.

## **Policy principles governing appointment to Council roles**

- 1 Under Article 3(12) of the Nursing and Midwifery Order 2002 (as amended), the Council may establish discretionary committees in connection with the discharge of its functions and delegate any of its functions to them.
- 2 The Council's Standing Orders (paragraph 4.2.4) authorise the Chair of the Council to make appointments to Council Committees. The Chair also determines Vice-Chair appointments in accordance with the Scheme of Delegation (paragraph 4.2).

### **Principles for appointment of Council Vice-Chair(s)**

- 3 The following principles will be applied by the Chair of the Council when appointing Vice-Chair(s) of the Council.
  - 3.1 The Chair of the Council is responsible for determining whether there should be one or more Vice-Chair(s).
  - 3.2 Factors to be taken into account in making appointment(s) should include skills and expertise, diversity, representation across the four countries and distribution of workload across members.
- 4 In the event of the Chair of the Council needing to withdraw for one or more items during a meeting or being absent from a meeting, the Council will normally nominate the Vice-Chair to preside for the relevant items or the duration of the meeting. If more than one Vice-Chair is in place, a rota established for the purpose, will identify which Vice-Chair is available to be nominated to preside for the items or meetings.
- 5 The above principles do not apply where there is a vacancy or where the Council is on notice that the Chair is unlikely to be available for more than one meeting or more than a month. In such circumstances, the Nursing and Midwifery Constitution Order (2008) and the Council's Standing Orders (paragraph 3.3) provide for the Council to nominate a deputy to serve as Chair during the vacancy or prolonged period of absence.
- 6 These Principles are subject to review at the Council's discretion.

*Agreed by the Council on 25 November 2015 (NMC/15/61c), amended on 20 May 2020 (NMC/20/39).*

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## Principles for appointments to Council Committees

- 7 Under Article 3(12) of the Nursing and Midwifery Order 2002 (as amended), the Council may establish discretionary committees in connection with the discharge of its functions and delegate any of its functions to them.
- 8 The Council's Standing Orders (paragraph 4.2.4) authorise the Chair of the Council to make appoint the Chairs and members of Council Committees.
- 9 The following principles will be applied by the Chair of the Council when making appointments to Council Committees.
  - 9.1 Committee appointments should be informed by an agreed skills matrix and aim to optimise individual member skills, experience, interests and expertise.
  - 9.2 Committee members should be appointed for a specified term of office, usually two to three years.
  - 9.3 Committee membership should be reviewed annually and refreshed regularly, whilst also maintaining appropriate continuity and avoiding unnecessary disruption.
  - 9.4 Where possible Committee appointments should aim to distribute responsibilities evenly amongst members, in any given year and over terms of office, and to spread the opportunities to Chair committees.
  - 9.5 Committee appointments should seek to balance factors including diversity, registrant and lay members and four country representation, where possible.
- 10 These Principles are subject to review at the Council's discretion.

*Agreed by the Council on 25 November 2015 (NMC/15/61c).*

## Processes for appointing Council Committee Chairs and determining additional allowances

- 11 On 6 July 2022 (NMC/22/61), in line with the recommendations of the Independent Panel on Allowances, Council agreed:
  - 11.1 to adopt the principle of an additional annual allowance for Council Chairs of Committees and that the Chair of Council would determine the allowance attached to each Committee Chair role within the range of £0-£2,500.
  - 11.2 that the process for appointing Committee Chairs should be reviewed, given the roles would attract an additional allowance.

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12 Remuneration Committee reviewed these areas in September 2022 (RC/22/44c) and December 2022 (RC/22/56c) and processes for supporting the Chair in determining additional allowances and appointing Committee Chairs are provided below.

**Process for appointing Council Committee Chairs**

13 The Standing Orders set out that the Chair will appoint Chairs of Committees (Standing Order 4.2.4). This process is designed to support the Chair in reaching such decisions.

**Term length**

14 To provide stability, Chairs are appointed for terms of two or three years.

**Timeline for appointment**

15 In January, Council is informed that:

15.1 A Committee Chair’s term is due to end, and that the Chair of Council will be appointing a Committee Chair ahead of March Council. The role description for the Committee Chair will be shared with all Council members.

15.2 Although not necessary for consideration for the role, any interested members are welcome to discuss the role further with the Chair. A clear deadline for requesting a discussion with the Chair will be provided.

16 In February, following any discussions with members, in line with the appointment principles agreed by Council, the Chair will identify a Committee Chair by reflecting on:

16.1 Members’ skills, interests, expertise and past performance.

16.2 The Committee’s diversity, registrant and lay membership and four country representation.

17 The Chair will then approach the member they have identified as most suitable to offer them the role.

18 In March, the appointment is reported to Open Council.

**Temporary Committees**

19 In most instances the Chair would follow a similar process when appointing a Chair of a temporary Committee, although the timelines will likely be significantly condensed.

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**Involving other Council members in the decision**

20 In reaching their decision on any of these matters, the Chair may wish to seek views from, for example, Vice-Chairs. In particular when appointing a Chair to a new Committee.

**Chair’s prerogative**

21 This process is intended to support the Chair’s decision making but there may be circumstances when adopting an alternative approach will, in the Chair’s view, be in the best interests of the NMC. In such cases, given the powers of the Chair noted at paragraph 13, the Chair will be able to amend this process as they see fit.

**Process for determining additional allowances for Council Committee Chairs**

22 Council agreed that additional allowances for Committee Chairs should be within the range of £0-£2,500 and that the Chair should determine any additional allowance (NMC/22/61). This process is designed to support the Chair in reaching such decisions.

**Information used to determine the allowance**

23 The Chair’s decision will be informed by the following information, which will be provided by the Governance team.

- 23.1 Committee terms of reference, remit and responsibilities, as well as any particularly complex pieces of work being considered that year.
- 23.2 Number of meetings held in the previous year and the number of meetings scheduled in the upcoming year.
- 23.3 Average days per month spent on Committee business by the Chair, including activities outside of formal Committee meetings.

**Determining the allowance**

24 The Chair may choose to set the allowance at the same rate for all Chairs or set it at a different rate for different Chairs. Considering the range of allowances offered by other health care regulators, a standard additional allowance would be £2,000 for chairing a Committee. The Chair will use this as an initial starting point when determining additional allowances. Where there is a significant divergence in workload this would be increased or decreased. On this basis most allowances will be at £2,000 and any variation would be by exception and justified by a significant difference in workload and responsibility.

**Timeframe for setting the allowance**

25 Additional allowances will be reviewed every year in February. This will allow for any changes to the allowance to reflect any significant changes in the Committee’s forward workplan and for changes to be reported to Council ahead of the new financial year.

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**Temporary Committee**

26 If the Council establishes a temporary Committee, the Chair will need to consider if an additional allowance is appropriate. The Chair will use information at paragraph 2 to reach a decision. Given a temporary Committee is likely to have a narrow focus and a limited number of meetings, such roles would only attract an additional allowance in exceptional circumstances.

**Involving other Council members in the decision**

27 In reaching their decision on any of these matters, the Chair may wish to seek views from, for example, Vice-Chairs. In particular when setting allowance levels for the first time.

**Chair’s prerogative**

28 This process is intended to support the Chair’s decision making but there may be circumstances when adopting an alternative approach will, in the Chair’s view, be in the best interests of the NMC. In such cases, given the powers of the Chair noted at paragraph 22, the Chair will be able to amend this process as they see fit.

**NMC Council members' terms of office**

Office held	Name	Date appointed	Term number	Term ends	Notes
Chair	David Warren	21/06/2021	1	31/03/2025	<b>Eligible for reappointment</b>
Registrant member	Claire Johnston	01/09/2018	2	31/03/2025	
Lay member	Marta Phillips	01/05/2017	2	30/04/2023	
Lay member	Hugh Bayley	01/05/2017	2	30/04/2023	
Registrant member	Karen Cox	01/05/2015	2	30/04/2023	
Lay member	Sue Whelan Tracy	01/10/2020	1	30/09/2023	<b>Eligible for reappointment</b>
Registrant member	Lynne Wiggins	01/10/2020	1	30/09/2023	<b>Eligible for reappointment</b>
Registrant member (Wales)	Ruth Walker	01/09/2016	2	30/04/2024	
Lay member	Derek Pretty	01/09/2016	2	30/04/2024	
Registrant member (Northern Ireland)	Eileen McEaney	01/10/2020	1	30/09/2024	<b>Eligible for reappointment</b>
Lay member	Anna Walker	01/10/2020	1	30/09/2024	<b>Eligible for reappointment</b>
Registrant member (Scotland)	Margaret McGuire	01/05/2022	1	31/03/2025	<b>Eligible for reappointment</b>

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## Associates' terms of office

Office held	Name	Date appointed	Term number	Term ends	Notes
Associate	Jabulani Chikore	01/03/2023	1	28/02/2025	Maximum of one two year term.
Associate	Navjot Kaur Virk	01/03/2023	1	28/02/2025	Maximum of one two year term.

## Council Committee membership/appointments 2023-2024

This annexe sets out Council Committee membership/appointments for the period 1 April 2023 - 31 March 2024.

<b>Chair</b>	
David Warren (lay member)	From 21 June 2021
<b>Vice-Chairs</b>	
<i>Karen Cox (registrant member)</i>	<i>Vice-Chair June 2021 to 30 April 2023 Deputy Chair, October 2020</i>
Derek Pretty (lay member)	From June 2021
<i>Ruth Walker (registrant member)</i>	<i>From 1 May 2023</i>

<b>Remuneration Committee</b>	<b>Term</b>
The remit of the Remuneration Committee is to ensure that there are appropriate systems in place for remuneration and succession planning at the NMC.	
Additional annual allowance for chairing the Committee: £2,000	
Ruth Walker (Chair) (registrant member)	1 October 2020 <i>Committee member since 1 April 2020</i>
Hugh Bayley (lay member)	<i>Committee member April 2018 to 30 April 2023</i>
Lynne Wiggins (registrant member)	1 April 2023 to 31 March 2024 <i>Committee member since 1 October 2020</i>
Anna Walker (lay member)	1 April 2023 to 31 March 2024 <i>Committee member since 1 October 2020</i>
Jabu Chikore (Associate)	1 April 2023 to 31 March 2024 <i>Invited to attend as wishes</i>
Navjot Kaur Virk (Associate)	1 April 2023 to 31 March 2024 <i>Invited to attend as wishes</i>

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Audit Committee	Term
<p>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.</p> <p>Additional annual allowance for chairing the Committee: £2,000</p>	
<p>Marta Phillips (Chair) (lay member)</p> <p><b><u>Chair from 1 May 2023 TBC</u></b></p>	<p>Council member Chair 1 May 2017 to 30 April 2023  <i>Independent Chair 1 June 2016 to 30 April 2017</i></p>
<p>Derek Pretty (lay member)</p>	<p>1 April 2023 to 31 March 2024  <i>Committee member since 1 January 2017</i></p>
<p>Eileen McEaney (registrant member)</p>	<p>1 April 2023 to 31 March 2024  <i>Committee member since 1 October 2020</i></p>
<p>Sue Whelan Tracy (lay member)</p>	<p>1 April 2023 to 31 March 2024  <i>Committee member since 1 October 2020</i></p>
<p>Jabu Chikore (Associate member)</p>	<p>1 April 2023 to 31 March 2024  <i>Invited to attend as wishes</i></p>
<p>Navjot Kaur Virk (Associate member)</p>	<p>1 April 2023 to 31 March 2024  <i>Invited to attend as wishes</i></p>

Accommodation Committee	Term
<p>The remit of the Accommodation Committee is to oversee implementation of the Accommodation Strategy, including any proposed refurbishment of 23 Portland Place, within the financial and other parameters set by the Council.</p> <p>Additional annual allowance for chairing the Committee: £250</p>	
<p>Derek Pretty (Chair) (lay member)</p>	<p>1 April 2023 to 31 March 2024  <i>Chair since 1 January 2021  Committee member since 1 May 2020</i></p>
<p>Anna Walker (lay member)</p>	<p>1 April 2023 to 31 March 2024  <i>Committee member since 1 October 2020</i></p>
<p>Lynne Wiggins (registrant member)</p>	<p>1 April 2023 to 31 March 2024  <i>Committee member since 1 October 2020</i></p>



Jabu Chikore (Associate member)	1 April 2023 to 31 March 2024 <i>Invited to attend as wishes</i>
Navjot Kaur Virk (Associate member)	1 April 2023 to 31 March 2024 <i>Invited to attend as wishes</i>

<b>Investment Committee</b>	<b>Term</b>
<p>The remit of the Committee is to oversee implementation of the Council’s investment strategy; determine the allocation and movement of funds in accordance with the investment strategy; and monitor the Council’s investment portfolio. Decision-making and implementation of the investment strategy is delegated to the Investment Committee.</p> <p>Additional annual allowance for chairing the Committee: £250</p>	
Derek Pretty (Chair) (lay member)	1 April 2023 to 31 March 2024 <i>Chair since 10 October 2018</i>
Claire Johnston (registrant member)	1 April 2023 to 31 March 2024 <i>Committee member since 10 October 2018</i>
Sue Whelan Tracy (lay member)	1 April 2023 to 31 March 2024 <i>Committee member since 1 October 2020</i>
Nicholas McLeod-Clarke (independent member)	15 April 2019 to 14 April 2024 <i>Reappointed for a second term from 15 April 2021 to 14 April 2024</i>
Thomasina Findlay (independent member)	15 April 2019 to 14 April 2024 <i>Reappointed for a second term from 15 April 2021 to 14 April 2024</i>
Jabu Chikore (Associate member)	1 April 2023 to 31 March 2024 <i>Invited to attend as wishes</i>
Navjot Kaur Virk (Associate member)	1 April 2023 to 31 March 2024 <i>Invited to attend as wishes</i>

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**For information only**

<b>Appointments Board All non-council (Partner) members</b>	<b>Term</b>
The remit of the Appointments Board is to assist the Council in connection with the exercise of any function or process relating to the appointment of Panel Members and Legal Assessors to the Practice Committees (the Investigating Committee and the Fitness to Practise Committee) and the appointment of Registration Appeal Panel Members to the Registration Appeals Panel.	
Jane Slatter (Chair)	6 August 2021 to 5 August 2024 Chair since 6 August 2018
Angie Loveless	1 March 2021 to 29 February 2024 <i>Board member since 1 March 2018</i>
Clare Salters	1 March 2021 to 29 February 2024 <i>Board member since 1 March 2018</i>
Robert Allan	1 October 2021 to 30 September 2024 <i>Board member since 1 October 2018</i>
Vacant position	In process of recruiting

<b>NMC and Associated Employers: Defined Benefit Pension Scheme NMC Employer Nominated Trustees</b>	
John Halladay	Chair of the Trustee Board From 18 July 2013
Phil Hall	From 11 April 2019
There are five other Trustees who are not appointed by the Council: DHSC Employer Nominated Trustee (appointed) Two Pensioner Trustees (elected) Two Deferred Member Trustees (elected): Both vacant	

<b>NMC Trustee General Nursing Council for England and Wales Trust</b>	<b>Term</b>
Lynne Wiggins (registrant member)	From November 2020

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## **Proposed Council Meeting Dates**

### **April 2024 to March 2025**

#### **Bank Holidays 2024:**

**1 April (England, Wales & Northern Ireland); 6 May (UK wide); 27 May (UK wide); 12 July (Northern Ireland); 5 August (Scotland); 26 August (England, Wales & Northern Ireland); 2 December (Scotland); 25 & 26 December (UK wide)**

#### **Bank Holidays 2025:**

**1 January (UK wide); 2 January (Scotland); 17 March (Northern Ireland)**

#### **Please note:**

- *Council Seminar start times & Open meeting finish times may vary*
- *The meetings and dates proposed are based on current governance arrangements, and will be repurposed as we transition to the new Unitary Board model. We will endeavour to keep changes to dates to a minimum.*

<b>Month</b>	<b>Date</b>	<b>Meeting/Event</b>	<b>Time</b>
<b>April 2024</b>	Tuesday 23 April	Council Seminar/or Awayday	09:00 – 16:00
<b>May 2024</b>	Tuesday 21 May	Council Seminar & Confidential Meeting	10:00 – 17:30
	Wednesday 22 May	Council Open Meeting	09:30 – 14:00
<b>June 2024</b>	Tuesday 11 June	Council Seminar	09:00 – 16:00
<b>July 2024</b>	Tuesday 2 July	Council Seminar & Confidential Meeting	10:00 – 17:30
	Wednesday 3 July	Council Open Meeting	09:30 – 14:00
	Wednesday 24 July	Council Seminar and/or Confidential and /or Open Meeting	09:30 – 16:00
<b>September 2024</b>	Monday 23 September	<b>Travel to Scotland Provisional</b>	
	Tuesday 24 September <b>(Provisional: to take place in Scotland)</b>	Council visits, stakeholder engagement, Dinner	All day

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Month	Date	Meeting/Event	Time
	Wednesday 25 September <b>(Provisional: to take place in Scotland)</b>	Council Open & Confidential Meeting	09:30 – 15:00
October 2024	Tuesday 22 October	Council Seminar	09:00 – 16:00
November 2024	Tuesday 26 November	Council Seminar & Confidential Meeting	10:00 – 17:30
	Wednesday 27 November	Council Open Meeting	09:30 – 14:00
December 2024 <i>(Provisional in case Regulatory Reform requires this)</i>	Tuesday 10 December	Council Seminar	09:00 – 16:00
January 2025	Tuesday 28 January	Council Seminar & Confidential Meeting	10:00 – 17:30
	Wednesday 29 January	Council Open Meeting	09:30 – 14:00
February 2025	Tuesday 25 February	Council Seminar	09:00 – 16:00
March 2025	Tuesday 25 March	Council Seminar & Confidential Meeting	10:00 – 17:30
	Wednesday 26 March	Council Open Meeting	09:30 – 14:00

***Note: Committee dates to be discussed and agreed with Committee Chairs and members.***

## Council

### Audit Committee Report

**Action:** For information.

**Issue:** Reports on the work of the Audit Committee.

**Core regulatory function:** Supporting functions.

**Strategic priority:** Strategic aim 6: Fit for the future organisation.

**Decision required:** None.

**Annexes:** None.

**Further information:** If you require clarification about any point in the paper or would like further information please contact the author named below.

Secretary: Peter Clapp  
Phone: 020 7681 5842  
[peter.clapp@nmc-uk.org](mailto:peter.clapp@nmc-uk.org)

Chair: Marta Phillips

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- Context:**
- 1 Reports on the last meeting of the Audit Committee held on 1 March 2023. Key Issues considered by the Committee included:
    - 1.1 Progress on the Internal Audit work plan and the draft Internal Audit Opinion for 2022-2023
    - 1.2 Update on Corporate Learning Approach
    - 1.3 Update on cyber security
    - 1.4 Approval of the internal audit work plan for 2023-2024.
    - 1.5 Review of the plans for the external audit for 2021-2022.

**Four country factors:** 2 None directly arising from this report.

**Discussion: Internal Audit work plan 2022-2023**

- 1 The Committee reviewed progress against the Internal Audit work plan for 2022-2023, with delivery progressing largely in line with the plan.
- 2 The Committee considered four internal audit reports:
  - 2.1 **Regulatory Consultations** which had an opinion of substantial assurance. The Committee was pleased with the very positive report and asked for its thanks and congratulations to be passed on the staff concerned.
  - 2.2 **Appraisals**, which had an opinion of reasonable assurance. The Committee was pleased to note the importance the Executive placed on this area of work and looked forward to reviewing progress made through the People Plan. The Committee remained concerned about the comprehensiveness of the completion of annual reviews across the organisation and noted the steps being taken to improve this by the introduction of a more flexible system.
  - 2.3 **Projects and Programmes – Outcomes and Realisations**, which had an opinion of reasonable assurance. The report noted that overall there was a good process in place for agreeing and realising benefits through key projects. Further work would be undertaken to strengthen how these benefits are tracked from start to finish.
  - 2.4 **Core financial systems**, which had an opinion of reasonable assurance. The report noted that Core Financial Systems were well designed and conducted with sufficient segregation of duties.

- 2.5 The audit had identified some areas for improvement relating to raising purchase orders and timeliness of month end reconciliations which the Executive was actioning.

### **Internal Audit Recommendations**

- 3 The Committee was pleased to note the progress in completing management actions, with only two outstanding actions.

### **Draft Internal Audit Opinion 2022-2023**

- 4 The Committee considered the draft Internal Audit Opinion for 2022-2023 and welcomed the Head of Internal Audit's positive assessment, noting that the Opinion was similar to 2021-2022. The Committee was content with the basis on which the Annual Internal Audit Opinion was given and considered that it fairly reflected the work of Internal Audit for 2022-2023.
- 5 The Committee thanked the Internal Auditors and NMC colleagues for their collaborative approach to the audits which had produced productive outcomes for the NMC.

### **Internal Audit Work plan 2023-2024 and Comprehensive Assurance Review schedule**

- 6 The Committee reviewed the proposed internal audit work plan for 2023-2024 and the proposed schedule of Comprehensive Assurance Reviews. Taken in combination with other external review work, the Committee was satisfied that the plans provided appropriate coverage, taking into account organisational priorities and key risk areas.

### **Whistleblowing and anti-fraud, bribery and corruption**

- 7 The Committee noted that no fraud, bribery or corruption had been detected in 2022-2023 and that there had been no reported incidents of offences under the Modern Slavery Act 2015 in the NMC's supply chain.
- 8 There had been two instances of the whistleblowing policy being used since the last Audit Committee meeting. As these related to professionals on the register they had been referred to the Regulatory Intelligence Unit.

### **Update on Corporate Learning Approach**

- 9 The Committee considered an update on the pilot of the Corporate Learning Approach. This approach is intended to capture learning from across the organisation and identify improvements that can be shared with relevant teams and embedded into ways of working.

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- 10 Having identified and prioritised key themes, the pilot is now looking to identify root causes and establish action plans to address the issues.
- 11 The Committee was pleased to note the progress the pilot had made; noting the importance of the work to the Committee and Council and how it aligns with the People Plan. The Committee looked forward to receiving a further update in November 2023.

### **Update on Cyber Security Report**

- 12 The Committee considered an external review on its cyber security arrangements. Overall, whilst there is still work to be done, the Committee is pleased with the progress that has been made in cyber security at the NMC in recent years.

### **External Audit plans for the audit of accounts for the year ending 31 March 2022**

- 13 Subject to one amendment, the Committee considered and approved the plans by the external auditors, HW Fisher, for the audit of accounts for year ending 31 March 2023. Now that the HW Fisher external audit plan is available, the Committee will consider the NAO's external audit plan at its April meeting.

#### **Midwifery implications:**

- 14 No midwifery implications arising directly from this report.

#### **Public protection implications:**

- 15 The Committee considered a paper on cyber security. Failure to protect the NMC against cyber attacks could lead to significant public protection issues.

#### **Resource implications:**

- 16 No resource implications arising directly from this report.

#### **Equality and diversity implications:**

- 17 Whilst the Internal Audit work programme does not include a specific audit of EDI, the audits do focus on EDI, for instance the work planned on panellist appointments for 2023-2024. The work on consultations and appraisals is also supportive of our EDI objectives.

#### **Stakeholder engagement:**

- 18 None.

#### **Risk implications:**

- 19 No risk implications arising directly from this report.

#### **Legal implications:**

- 20 None identified.



## Council

### Appointments Board report

**Action:** For noting.

**Issue:** Reports to the Council on the work of the Appointments Board.

**Core regulatory function:** Supporting functions.

**Strategic priority:** Strategic aim 6: Fit for the future organisation.

**Decision required:** None.

**Annexes:** None.

**Further information:** If you require clarification about any point in the paper or would like further information, please contact the author named below.

Author: Mary Anne Poxton	Chair of Appointments Board
Secretary to the Appointments Board	Jane Slatter
Phone: 020 7681 5440	
<a href="mailto:maryanne.poxton@nmc-uk.org">maryanne.poxton@nmc-uk.org</a>	

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- Context:**
- 1 Reports on the Appointments Board meeting on 8 March 2023.
  - 2 The Appointments Board’s remit is to assist the Council in connection with the exercise of any function or process relating to the appointment of Panel Members, Registration Appeal Panel Members and Legal Assessors.
  - 3 The Board is clear that reducing the fitness to practise caseload is the NMC’s top priority. To support this, we need to ensure that we have sufficient Panel Members and Legal Assessors to undertake planned hearings activity.

- Four country factors:**
- 4 The Board is mindful that the NMC is a four-country regulator and pays particular attention to four country issues.
  - 5 The upcoming selection process for new Panel Members and Legal Assessors will be open to applicants from all four UK countries.

**Discussion: Providing assurance to Council**

- 6 The Board considered how best to provide further assurance to Council to support recommendations for appointment/reappointments of Panel Members and Legal Assessors in future reports. The Council had raised this at its November 2022 meeting.
- 7 The Board asked the Executive to be mindful of the Council’s request when drafting future reports. For reappointments, additional information will be included on the requirements of the performance monitoring framework and how these have been met by individuals being recommended for reappointment. For appointments, reports will include an overview of the selection process and outcomes.

**Panel Member transfer**

- 8 The Board agreed a recommendation to Council on the transfer of a Panel Member from the Fitness to Practise Committee to the Investigating Committee. This recommendation is the subject of a separate paper on the Council’s agenda.

**Panel Member and Legal Assessor appointments 2023**

- 9 The Board is overseeing work to prepare for a selection process for up to 70 new Panel Members (including at least 47 registrant Panel Members) to replace those coming to the end of their final terms in 2023 and 20 Legal Assessors. Recommendations for appointments will be brought to the Council in November 2023.

- 10 The Board noted that a fully compliant procurement process had been undertaken to appoint an external partner to support the selection process. Four bids were received, and the successful firm has been appointed.
- 11 The Executive will be working with the appointed partner to design and develop the selection methodology and materials. There will be a keen focus on learning from previous campaigns and, in line with the NMC's commitment to being a diverse and inclusive regulator, on increasing the diversity of the Panel Member and Legal Assessor pools. The Board looks forward to considering the proposed methodology at its May 2023 meeting.

### **Panel Member and Legal Assessor Services Agreements**

- 12 The Board is overseeing a review to streamline and update the Panel Member Services Agreement (PMSA) and the Legal Assessor Services Agreement (LASA), the contracts that govern Panel Member and Legal Assessor services.
- 13 The Board commented on the draft specification for the redrafting of the agreements and will review initial drafts of the revised specifications in May.
- 14 As part of this work, the Board also reviewed draft revised role specifications for Panel Chairs, Panel Members and Legal Assessors. The Board's comments will be factored into the next iterations which will be brought back to the Board for approval in May 2023.

### **Panel Member training update**

- 15 The Board continues to monitor training uptake and seeks to understand drivers in relation to completion/non-completion of training and to implement any learning.

### **Panel Chair induction**

- 16 The Board noted the outcomes of a survey completed by Panel Chairs appointed in September 2022 on the induction training process. All 47 Panel Chairs completed the required training.
- 17 The Board was pleased to note the 85 percent response rate to the survey and the mainly positive feedback about the content and delivery of the training. There was some feedback, including on pace and required reading, which will be taken into account when developing future training programmes.

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**2023 Refresher training programme**

- 18 The Board approved the refresher training programme for Panel Members in October 2022. The programme is designed to ensure that Panel Members have the capability to make robust, considered and proportionate decisions which protect the public, while maintaining an emphasis on our values; a person-centred approach; and the NMC’s commitment to tackling discrimination and inequality and to promoting diversity and inclusion.
- 19 The Board noted that the delivery of the refresher training programme for existing Panel Members had been due to run in February/March 2023 but had been delayed due to capacity issues of an external partner. The training will be run in the summer.

**Panel Member register of interests**

- 20 The Board was pleased to note that, in line with good governance, a revised approach to a Panel Member register of interests, had been launched in January 2023.
- 21 Panel Member declarations will be reviewed ahead of publication on the NMC’s website on 1 May 2023. Arrangements are in place to ensure that declarations are kept up to date.

**Whistleblowing concern**

- 22 The Board has been reviewing progress since September 2021 against an action plan developed by the Executive to address whistleblowing concerns raised by a Panel Member.
- 23 Of the seven actions, two are outstanding. Of these, one is due to be completed before the Board’s next meeting in May 2023 and the other will be picked up in the review of the Panel Member Services Agreement referred to above. The Board anticipates receiving a report in May 2023 with a final overview of the actions taken to address the concerns raised.

**Regulatory Reform**

- 24 The Board continues to be sighted on the indicative timetable for Regulatory Reform and received an update from the Executive Director, Strategy and Insight.

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<b>Midwifery implications:</b>	25	Panel membership includes registered midwives. The Board is mindful of the need to ensure sufficient Registrant Panel Members who are registered midwives in order to meet the requirement that a registered midwife forms part of the panel for substantive cases involving a registered midwife.	3.
			4.
<b>Public protection implications:</b>	26	The Board's work programme aims to provide highly competent Panel Members who consistently make high quality decisions that protect the public. The assurance provided by the Board to Council on the appointment of Panel Members, Panel Chairs and Registration Appeals Panel Members contributes to public protection.	5.
			6.
<b>Resource implications:</b>	27	The Board must ensure that we have sufficient Panel Chairs and Members to undertake planned hearings activity.	7.
	28	Costs associated with the planned selection process for Panel Members and Legal Assessors will be built into budgets for 2023-2024.	8.
			9.
<b>Equality diversity and inclusion implications:</b>	29	The Board has the following objectives in relation to equality, diversity and inclusion:	10.
	29.1	Ensuring the membership of the practice committees reflects the professions we regulate and the wider UK population.	11.
	29.2	Ensuring Panel Members are equipped with the necessary knowledge and training to ensure equality, diversity and inclusion matters are understood, supported and well managed.	12.
<b>Stakeholder engagement:</b>	30	The Executive will be engaging with a wide range of key stakeholders to promote the campaign for new Panel Members and Legal Assessors, including diversity networks.	13.
<b>Risk implications:</b>	31	If we do not have high quality panels, there is a risk that panels will not make decisions which protect the public and maintain public confidence in the NMC and in regulation. The Board has approved a strategic approach to delivering high quality panels which mitigates this risk.	14.
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**Regulatory reform:**

32 The Board continues to be sighted on developments in relation to Regulatory Reform and is due to receive a further update in July 2023.

**Legal implications:**

33 The Nursing and Midwifery Council (Practice Committees) (Constitution) Rules 2008 set out the eligibility criteria for Panel Members, including that no person may serve more than two terms.