Meeting of the NMC Council

to be held from 09:30 to 15:45 on Wednesday 1 October 2014
in the Council Chamber at 23 Portland Place, London W1B 1PZ

Agenda

Mark Addison
Chair of the Council

Matthew McClelland
Secretary to the Council

1.	**Welcome from the Chair**	NMC/14/83	09:30
2.	**Apologies for absence**	NMC/14/84	
3.	**Declarations of interest**	NMC/14/85	
4.	**Minutes of the previous meeting** Chair	NMC/14/86	
5.	**Summary of actions** Secretary	NMC/14/87	

Corporate reporting / matters for decision

6.	**Financial monitoring report: August 2014 results** Director of Corporate Services	NMC/14/88	09:40
7.	**Outcome of consultation and decision on the registration fee level** Chief Executive and Registrar	NMC/14/89	10:00

There will be an opportunity for questions and comments from observers before the Council reaches a decision on item 7.

Refreshments: 11:30

8.	**Chief Executive's report** Chief Executive and Registrar	NMC/14/90	11:40
9.	**Performance and risk report** Chief Executive and Registrar	NMC/14/91	11:55

10.	**Proposed changes to Fitness to Practise and Registration Rules: outcomes of consultation** Director of Fitness to Practise	NMC/14/92	12:30
11.	**Review of mandatory time limits for completion of education programmes** Director of Continued Practice	NMC/14/93	12:45

Questions from observers

12.	**Questions from observers**	NMC/14/94	13:00

Lunch: 13:15

Matters for discussion

13.	**Revalidation update** Director of Continued Practice	NMC/14/95	14:45
14.	**Strategic review revisit** Chief Executive and Registrar	NMC/14/96	15:15

Matters for information

Matters for information will normally be taken without discussion. Members should notify the Chair or the Secretary in advance of the meeting should they wish for any item to be opened for discussion.

15.	**Chair of the Council recruitment** Secretary	NMC/14/97
16.	**Chair's report** Chair	NMC/14/98

17. **Chair's actions taken since the last meeting of the Council** NMC/14/99

Chair

18. **Schedule of business** NMC/14/100

Secretary

The next public meeting of the Council is scheduled to be held on Wednesday 3 December 2014 at 9.30am in the Council Chamber at 23 Portland Place, London.

Meeting of the Council
Held at 09:30 on 30 July 2014
at 23 Portland Place, London W1B 1PZ

Minutes

Present

Members:

Mark Addison	Chair
Maura Devlin	Council member
Maureen Morgan	Council member
Quinton Quayle	Council member
Carol Shillabeer	Council member
Elinor Smith	Council member
Amerdeep Somal	Council member
Lorna Tinsley	Council member
Dr Anne Wright	Council member

NMC officers:

Jackie Smith	Chief Executive and Registrar
Jon Billings	Director of Strategy
Katerina Kolyva	Director of Continued Practice
Sarah Page	Director of Fitness to Practise
Alison Sansome	Director of Registration
Mark Smith	Director of Corporate Services
Matthew McClelland	Assistant Director, Governance and Planning (Secretary to the Council)
Paul Johnston	Council Services Manager (minutes)

The meeting of the Council commenced at 09:30.

Minutes

NMC/14/61 Welcome from the Chair

1. The Chair welcomed all attendees to the meeting.

NMC/14/62 Apologies for absence

1. Apologies for absence were received from Louise Scull and Stephen Thornton.

NMC/14/63 Declarations of Interest

1. There were no declarations of interest.

NMC/14/64 Minutes of previous meeting

1. The minutes of the previous meeting of the Council held on 4 June 2014 were agreed as a correct record, subject to amendment of NMC/14/47, 2 b) to clarify that, while the focus of the Shape of Caring Review was for England, the Chief Nursing Officers of the four nations had been invited to participate.

NMC/14/65 Summary of actions

1. The Council noted progress on responding to actions arising from previous meetings of the Council.

NMC/14/66 Chief Executive's report

1. The Council discussed the Chief Executive's report on key developments in the external environment, key developments internally, and key strategic engagement activity.

2. In discussion, the following points were noted:

    a) The report reflected a significant amount of activity and engagement with stakeholders.

    b) A senior registrant advisory group had been established to engage senior registrants in providing strategic advice to the NMC's executive team and had had a successful first meeting. The group consisted of members from the nursing and midwifery professions in the four nations; the three parts of the register; the Chief Nursing Officers; and independent practitioners. The membership had been formed following invitations and recommendations from key stakeholders. The NMC was keen to ensure that group members were in current practice and were not representing any particular organisation. Council members welcomed the establishment

of the advisory group as a positive step in engaging registrants.

c) NMC Online had been successfully implemented in early June 2014 and members praised the accessibility and usability of the system. Target numbers for registrants using the system had not been set at this stage. The Executive would continue to promote the use of the system to registrants and would gather feedback to inform continuous improvement. Updates on NMC Online would continue to be reported to the Council through the Chief Executive's report.

d) The House of Commons' Health Select Committee report on their enquiry into complaints and raising concerns had not yet been received.

Secretary's note: we understand the report is likely to be published in the autumn.

NMC/14/67 Performance and risk report

1. The Council discussed a report from the Director of Strategy regarding (a) quarter 1 progress against the corporate plan objectives; (b) KPI performance; (c) the corporate risk register; (d) the current version of the NMC's assurance map.

2. On the assessment of quarter 1 progress against the Corporate Plan 2014 – 17, the following points were noted:

a) 62 interim order extension applications had been made to the High Court in June 2014. In part, this represented a seasonal increase because the Court did not sit in July and August. The overall number of applications was expected to decrease as caseload ages decreased. There would always be instances where it was necessary to apply to extend interim orders in order to protect the public; for example, where investigations were delayed by third parties. The data would continue to be reported to the Council.

b) The development and publication of guidance on the duty of candour in partnership with the General Medical Council (GMC) was taking slightly longer than originally planned. The guidance was expected to be published in the last quarter of 2014 – 15.

c) Offers have been made to eight full time equivalent case examiners in advance of the legislative change that would be effected by the forthcoming section 60 Order. Further legislative change remained necessary to ensure that the timeliness, consistency and quality of early-stage decision

making could further improve.

d) The Director of Strategy was responsible for implementing the data strategy. Preparatory work was underway to ensure effective use of data and the use of intelligence were further embedded in the organisation.

e) The Audit Committee had, at its meeting on 24 June 2014, agreed to the principles underpinning a review of the delivery of the QA strategy after October 2014, when outcome 1 of the strategy was due to have been completed. The Committee would continue to monitor delivery of the strategy carefully. The Council asked that, given the findings of the internal audit review of the QA strategy, the green rating assigned to this work be reviewed. The Council asked the Secretary to confirm when the outcome of the review would be reported to the Council.

f) 36 of the high priority recommendations for the information security programme had been implemented; the remaining 15 recommendations were due to be implemented by the end of the financial year. Work was ongoing to restrict data breaches.

g) Phase 1 of the Pay and Grading review was complete. Phase 2 would focus on career progression and pathways, which was an important area for staff.

3. The Council welcomed the information that cross-referenced activity areas against PSA standards, and asked that future versions of the report set out those standards in full. The Council requested that, where applicable, examples be cited of improvements to fitness to practise processes in future corporate plan progress reports.

4. On progress against the Key Performance Indicators (KPIs), the following points were noted:

a) KPI 1 (Registrations): June 2014 had seen a reduction in performance. The year-end average forecast remained in line with the KPI target. Seasonal fluctuations in performance were anticipated. There was limited scope for staff to be flexible in working with both UK and EU / overseas applications, given the different regulations that applied to those two different application paths.

b) KPI 2 (Interim Orders): Performance remained above the target.

c) KPI 3 (Investigations): Performance was above the target. A number of older fitness to practise cases were at the

investigation stage, which could lead to fluctuations in forthcoming performance.

d) KPI 4 (Adjudications): The report contained further information setting out the profile of case closures and overall caseload at adjudication stage between August and December 2014.

e) Performance for June 2014 was below the profile that had been fixed in July 2013 using a forecasting model. The Executive now had a clear picture of the caseload that needed to be cleared by December 2014 in order to meet the target, and scheduling activity, and staffing resource to support this activity would increase to meet these caseloads. The Executive was also clear that it was important to ensure performance in this area remained consistently high after December 2014, and the recent efforts made to reduce the number of cases aged 18 months or older would see improvements in longer-term performance. Work was also ongoing to reduce the number of adjournments, which had historically had an impact on performance in this area.

f) The Council noted that achieving the KPI target was a condition of the grant from the Department of Health and asked that the report to Council in October 2014 reflect any changes to the profile of case closures from that reported to this meeting**.**

g) KPI 5 (Available free reserves): The Council agreed to discuss this KPI as part of the item on monthly financial monitoring.

h) KPI 6 (Staff turnover rate): The Council noted that staff turnover was marginally above the profile. The Council discussed the annual workforce report 2013 – 14 (Annexe 4). Staff turnover amongst other regulators varied significantly. The age profile of the NMC workforce – with a significant majority of staff under the age of 40 - was likely to be a driver for staff turnover.

i) 20% of permanent leavers in 2013 – 14 left for visa reasons. The NMC had reviewed and revised its recruitment campaigns and arrangements with staff agency providers to reduce such leavers in future.

j) The Council welcomed the additional information presented in the annual workforce report and asked that consideration be given to whether the turnover rate could be further broken down to distinguish between those leaving the organisation for ‘unavoidable’ reasons such as retirement and those leaving for other reasons.

5. The Council discussed the assurance map and noted that the QA function should serve to bolster assurance across all three 'lines of defence'.

6. The Council endorsed the Corporate Risk Register.

Action:	**Confirm to the Council when the outcome of the review of the delivery of the QA strategy will be reported to the Council**
For:	**Secretary**
By:	**1 October 2014**
Action:	**Amend future iterations of the quarterly progress report against the Corporate Plan to cite in full applicable PSA standards and include examples of improvements to fitness to practise processes**
For:	**Director of Strategy**
By:	**1 October 2014**
Action:	**Reflect any changes to the profile of case closures as part of reporting on KPI 4 from that reported to the July 2014 Council**
For:	**Director of Fitness to Practise**
By:	**1 October 2014**
Action:	**Present further information on staff turnover rate consistent with paragraph NMC/14/67, 4 (j)**
For:	**Director of Corporate Services**
By:	**1 October 2014**

NMC/14/68 Monthly financial monitoring: June 2014 results

1. The Council discussed the monthly financial monitoring information and noted that the current reserves position was ahead of target, largely as a result of timing of expenditure. Further clarity on forecast Fitness to Practise activity and costs would be available in August 2014. The Executive remained confident that the end of year target position would be achieved.

2. The Council noted that the Corporate Efficiency Steering Group, which reported to the Executive Board, continued to monitor, and explore further scope for, organisational efficiencies. Corporate efficiencies would be reported to the next meeting of the Council as part of the monthly financial monitoring report.

Action:	**Report to the Council on corporate efficiencies for 2014 – 15**
For:	**Director of Corporate Services**
By:	**1 October 2014**

NMC/14/69 Corporate Key Performance Indicators 2014 - 15

1. The Council considered the report, which set out proposed corporate Key Performance Indicators and targets for 2014 – 15.

2. The Council noted the five points that the Professional Standards Authority had made in the annual performance review overview report regarding the quality of performance management information presented to Councils of regulators. The Council agreed that the KPI information it received was appropriate and enabled it to scrutinise performance effectively.

3. In discussion of the proposed KPIs and targets, the following points were noted:

    a) The relatively small number of corporate key performance indicators was endorsed, as was the principle to propose, for the current financial year, only small changes to KPI targets.

    b) KPI4 reflected a commitment to the Department of Health and no change was proposed to the KPI. The Council would want to reconsider this KPI after December 2014, after which time the performance indicator may be subsumed under a wider indicator of the percentage of FtP cases completed within 15 months from start to end. Data on start to end completion of FtP cases would be reported to the Council in future iterations of the Performance and Risk report.

    c) The Council welcomed the emphasis in the report on capturing customer service management information, including development of directorate level reporting on customer service standards. Further proposals on qualitative measures on customer service would be presented to the Council in early – 2015; and an update on the development of those proposals would be presented at Council seminar in late 2014. Particular areas for focus included the experience of those, including witnesses, involved in the fitness to practise process; and customer satisfaction with the complaints process and complaints resolution. The Executive would give further consideration to capturing separate data on complaints on the merit of a fitness to practise decision against complaints on quality of service.

    d) The Council agreed that information on staff engagement through the staff survey be reported to the Council on an annual basis.

Decision: The Council agreed:

a) To approve a target of 90% for KPI 1 for reporting against in 2014 – 15;
b) To approve a target of 80% for KPI 2 for reporting against

in 2014 – 15;

c) **To approve a target of 90% for KPI 3 for reporting against in 2014 – 15;**
d) **To approve a target of £7.5m for KPI 5 for reporting against in 2014 – 15**
e) **To approve a target of 23% for KPI 6 for reporting against in 2014 – 15;**
f) **That the Executive reports to the Council on progress in relation to customer service in six months and twice yearly thereafter.**

Action:	**Report to the Council annually on staff survey outcomes, including staff engagement score**
For:	**Director of Corporate Services**
By:	**1 October 2014**
Action:	**Schedule discussion at Council seminar on customer service**
For:	**Secretary**
By:	**1 October 2014**

NMC/14/70 NMC Strategy 2015 - 2020

1. The Council considered a report and received a presentation from the Director of Strategy setting out the content in the draft NMC strategy, including overarching themes, and next steps for the further development of the strategy.

2. The Council made a number of detailed comments on the content of the draft strategy, including the following:

a) The strategy needed to be revised to ensure a stronger profile in the document for both the importance of improving customer service and the role of the quality assurance function. The document should also reflect the growing focus on cross-organisational work between healthcare professional regulators.

b) The external context needed to reflect potential implications of the Scottish referendum on membership of the UK; and the possible UK referendum on membership of the European Union;

c) The strategy needed to ensure that tangible outcomes for registrants were reflected rather than solely the processes that would deliver those outcomes.

d) The brevity and clarity of the draft strategy were welcomed. Further consideration was required as to whether the strategy would meet the requirements of the full range of target audiences.

3. The Council agreed that Council members provide any further commentary on the draft by early August. The draft strategy would then be subject to a targeted consultation with a range of key stakeholders, including patients and the public.

4. The Council agreed to receive a report on stakeholder views expressed through the targeted consultation in Autumn 2014. The Council agreed that the final sign-off of the document be delegated to the Chair of the Council and Chief Executive and Registrar.

Action:	**Report to the Council on stakeholder engagement on the draft NMC strategy 2015 - 2020**
For:	**Director of Strategy**
By:	**3 December 2014**

NMC/14/71 Policy for overseas registration

1. The Council considered a report setting out the revised high level registration process for overseas registrants that incorporated a test of competence, and proposing a revised policy for overseas registration.

2. In discussion, the following points were noted:

a) The revised registration process for overseas registrants was aimed at making the process more robust and more efficient. It included a two-stage test of competence.

b) Stakeholders had broadly welcomed the revised process. Applicants would undertake the first part of the test of competence in their home country without needing to incur the cost of travel to the UK. The second part of the test would be conducted in the UK through NMC approved education institutes. Guidance for overseas applicants was being developed that would underpin the new policy and process.

c) An equality impact assessment had been undertaken, which had informed the development of the process and system. A global testing provider with a presence in 175 countries was being used for the online test of competence. Where necessary, reasonable adjustments would be made by the providers of both the computer-based examination in the global test centres and the practical Observed Structure Clinical Exercise in the UK. The NMC would gather feedback on user experience and address any substantive themes gathered.

d) The two-stage nature of the test of competence, the secure management of global test centres, the provision of management information covering test responses and outcomes and the completion of the practical element in the

UK provided assurance on the overall robustness of the process.

Decision: The Council approved the revised policy for overseas registration to have effect from the date of introduction of the test of competence.

NMC/14/72 Registration fee payment by instalments

1. The Council considered the report, which sought the Council's approval to consult on proposed changes to the NMC's Rules to permit the payment of annual registration fees by instalments.

2. This was an essential requirement to allow the subsequent development and introduction of a phased payment facility. Given the potentially long lead times for legislative amendment, an opportunity had been identified to put this in place as part of current legislative work.

3. In discussion, it was noted that further work was required to establish how the permissive legislative changes could be applied, which would require further policy decisions by Council. Therefore, this activity would not allow a phased payment facility to be in place ahead of any fee rise that may result from the Council's consideration in of the future level of annual registration fees, at the October 2014 meeting, following completion and analysis of the current consultation on annual fees.

Decision: The Council agreed to consult on amending the NMC's Rules to provide the legal ability for nurses and midwives to pay the annual registration fee in instalments.

NMC/14/73 Draft annual report and accounts 2013 - 14

1. The Council considered the draft annual report and accounts for 2013 – 14. The annual report and accounts had been considered by the Audit Committee on 24 June 2014, and the version before the Council had incorporated the Committee's comments. Members had notified a number of minor corrections before the meeting.

2. The Council praised the draft annual report and accounts 2013 – 14 for their clarity and asked that the Executive consider further how to ensure wider readership once laid in Parliament.

Decision: The Council agreed in principle the draft annual report and accounts 2013 – 14, subject to the corrections notified by members before the meeting;

The Council agreed to authorise the Chair to sign the draft letter of representation to the external auditors and the Chair and Chief Executive to sign the draft letter of representation to the

National Audit Office (NAO);

The Council approved the post balance sheet review process.

Secretary's note: Copies of the draft annual report and accounts 2013 – 14 were made available to public attendees at the Council meeting. All copies were collected at the end of the public session of the Council.

Action:	**Revise draft NMC annual report and accounts 2013 – 14 to reflect Council comments**
For:	**Director of Strategy**
By:	**1 October 2014**

NMC/14/74 **Draft annual Fitness to Practise report 2013 - 14**

1. The Council considered the draft annual Fitness to Practise report for 2013 – 14. The report had been considered by the Audit Committee on 24 June 2014, and the version before the Council had incorporated the Committee's comments.

2. The following points were noted in discussion:

a) A correction would be made to the report to reflect the fact that 41 appeals had been dismissed and 14 allowed.

b) It would be valuable to include further information about (i) efficiency and (ii) customer service in the 'future focus' section.

.

c) In future years, it would be valuable to consider whether it was possible to provide year-on-year comparative data, to break the data down by profession and field of practice, and to provide more information about types of misconduct.

Decision: The Council approved the draft annual Fitness to Practise report 2013 – 14, subject to the comments noted above.

Secretary's note: Copies of the draft annual Fitness to Practise report 2013 – 14 were made available to public attendees at the Council meeting. All copies were collected at the end of the public session of the Council.

Action:	**Revise draft NMC annual Fitness to Practise report 2013 – 14 to reflect Council comments**
For:	**Director of Strategy**
By:	**1 October 2014**

NMC/14/75 **NMC Health and Safety policy and Health and Safety annual report**

1. The Council considered the report, which included an annual report on health and safety matters at the NMC and a revised health and safety policy for the Council's approval.

2. The Council noted that issues such as first aid and mental health provision were discussed at the Health and Safety Steering Group, a cross-directorate management committee that reported to the Executive Board.

3. The Council noted that none of the health and safety incidents reported in 2013 – 14 were of a serious nature and agreed that yearly incident trends be reported to the Council.

Decision: the Council approved the health and safety policy.

Action:	**Report annually health and safety incidents and annual incident trends to the Council**
For:	**Director of Corporate Services**
By:	**1 October 2014**

NMC/14/76 PSA performance review report 2013 – 14

1. The Council discussed the PSA performance review report 2013 – 14.

2. In discussion, the following points were noted:

   a) The volume of Fitness to Practise caseloads for the NMC was significantly larger than other healthcare professional regulators, which posed unique challenges that could only in the longer term be fully addressed through legislative change.

   b) The Council welcomed the information setting out areas that the PSA had identified for improvement. While the PSA had acknowledged progress had been made across all functions, the Executive was not complacent about the need for further improvements, including on customer service, quality issues, information security as well as the proposed model for revalidation.

   c) The Council noted the overview of actions addressing PSA performance review findings; and requested that further information be provided not only on the actions being taken but also whether such actions were judged to be likely to meet PSA requirements.

   d) The Council was keen to be consulted as part of the PSA's proposed revision of its performance review process.

Action:	**Provide information as per paragraph Item 2 (c)**
For:	**Secretary**

By:	1 October 2014

NMC/14/77 Annual NMC equality and diversity report 2013 – 14

1. The Council discussed the annual NMC equality and diversity report for 2013 – 14.

2. The Council noted that there was a strong emphasis on more robust capture of equality and diversity data for future years and that processes such as NMC Online would assist with this data capture.

3. The Council requested that equality and diversity data on the Council's membership be included within the report in the future.

Secretary's note: Copies of the annual NMC equality and diversity report 2013 – 14 were made available to public attendees at the Council meeting. All copies were collected at the end of the public session of the Council.

NMC/14/78 Questions from observers

1. The Chair of the Council invited questions from observers.

2. In discussion, the following points were noted:

a) The implementation of the NMC data strategy and introduction of strategic systems would in due course allow for more refined Fitness to Practise data, including reflecting referrals of registrants from different professional groups. The development of a regional liaison model was also designed to more effectively gather stakeholder views on what data would be useful to capture. The Midwifery Committee was keen to see further improvements in the quality of fitness to practise data, particularly in the context of the ongoing review of midwifery regulation.

b) Only a small number of registrants were routinely removed from the register due to non-payment of annual registration fees. The proposals for payment by instalment had been designed in response to registrants' requests and to align with other benchmarked organisations which offered similar options.

c) The overseas registration process was being revised to incorporate a test of competency to address issues with the current process (such as the availability of quality practice placements) to give further assurance to employers on the suitability of overseas applicants to serve as a nurse or midwife in the UK; and to bolster the NMC's core regulatory function of public protection.

NMC/14/79 Chair's report

1. The Council received and noted the report.

NMC/14/80 Chair's actions taken since the last meeting of the Council

1. The Council received and noted the report.

NMC/14/81 Reports from Chairs of the Committees

1. The Council received and noted the reports from the Chair of the Audit Committee and from the Chair of the Midwifery Committee.

NMC/14/82 Schedule of business

1. The Council received and noted the Council and committee schedule of business.

The date of the next meeting is to be 1 October 2014.

The meeting ended at 12:45.

SIGNATURE (CHAIR) ……..

DATE ……

Item 5
NMC/14/87
1 October 2014

Council

Summary of actions

Action: For information.

Issue: A summary of the progress on completing actions agreed by the meeting of Council held on 30 July 2014 and progress on actions outstanding from previous Council meetings.

Core regulatory function: Supporting functions.

Corporate objectives: Corporate objective 8: "We will develop effective policies, efficient services and governance processes that support our staff to fulfil all our functions."

Decision required: To note the progress on completing the actions agreed by the Council.

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: Paul Johnston
Phone: 020 7681 5559
paul.johnston@nmc-uk.org

Secretary: Matthew McClelland
Phone: 020 7681 5987
matthew.mcclelland@nmc-uk.org

Summary of actions outstanding (Council)

Actions arising from the Council meeting on 30 July 2014

Minute	Action	For	Report back to: Date:	Progress
NMC/14/67	Confirm to the Council when the outcome of the review of the delivery of the QA strategy will be reported to the Council	Secretary	Council 1 October 2014	Scheduled to be reported to the Audit Committee in February 2015 and to the Council in March 2015.
NMC/14/67	Amend future iterations of the quarterly progress report against the Corporate Plan to cite in full applicable PSA standards and include examples of improvements to fitness to practise processes	Director of Strategy	Council 1 October 2014	To be included in next quarterly updated scheduled for December 2014.
NMC/14/67	Reflect any changes to the profile of case closures as part of reporting on KPI 4 from that reported to the July 2014 Council	Director of Fitness to Practise	Council 1 October 2014	An additional graph has been added to the KPI section of the Performance and Risk report reflecting case closures.
NMC/14/67	Present further information on staff turnover rate consistent with paragraph NMC/14/67, 4 (j)	Director of Corporate Services	Council 1 October 2014	Further information on the staff turnover rate will be presented in the next quarterly workforce report to Council in December 2014.

NMC/14/68	Report to the Council on corporate efficiencies for 2014 – 15	Director of Corporate Services	Council 1 October 2014	Completed. An update on corporate efficiencies is included in the monthly financial monitoring report.
NMC/14/69	Report to the Council annually on staff survey outcomes, including staff engagement	Director of Corporate Services	Council 1 October 2014	Next report to the Council on staff survey outcomes will be in July 2015. The Executive continue to oversee the development of directorate level action plans to respond to points arising from the 2014 staff survey.
NMC/14/69	Schedule discussion at Council seminar on customer service	Secretary	Council 1 October 2014	Discussions on customer service performance are scheduled for the Council twice-yearly in 2015; which will be preceded by discussions at seminar in early-2015.
NMC/14/70	Report to the Council on stakeholder engagement on the draft NMC strategy 2015 - 2020	Director of Strategy	Council 3 December 2014	Not yet due.
NMC/14/73	Revise draft NMC annual report and accounts 2013 – 14 to reflect Council comments	Director of Strategy	Council 1 October 2014	Completed.

NMC/14/74	Revise draft NMC annual Fitness to Practise report 2013 – 14 to reflect Council comments	Director of Strategy	Council 1 October 2014	Completed.
NMC/14/75	Report annually health and safety incidents and annual incident trends to the Council	Director of Corporate Services	Council 1 October 2014	The next annual health and safety report will be in July 2015 and will include trend information.
NMC/14/76	Provide information as per paragraph Item 2 (c) [on whether actions addressing PSA performance review findings were judged to be likely to meet PSA requirements]	Secretary	Council 1 October 2014	PSA standards will be used to frame Quality Assurance reviews in future to assess progress.

Actions arising from the Council meeting on 12 September 2013

Minute	Action	For	Report back to: Date:	Progress
NMC/13/146	Report on the cost-benefit analysis undertaken with the Department of Health [as part of the Council's decision to agree the recommended option three (as set out at Annexe 2) to inform the consultation phase and shaping of the revalidation model].	Director of Continued Practice	Council 1 October 2014	Ongoing.

Item 6
NMC/14/88
October 2014

Council

Monthly financial monitoring – August 2014 results and review of reserves

Action: For information and decision.

Issue: The provision of financial performance information for current and future reporting periods, incorporating the latest review of risks upon which the target reserve levels are based.

Core regulatory function: Supporting functions

Corporate objectives: This paper relates to Objective 8 of the Corporate Plan for 2014-2017, namely 'We will develop effective policies, efficient services and governance processes that support our staff to fulfil all our functions'.

Decision required:

- The Council is recommended to consider the latest position on risks to be covered by reserves, and to agree that the target risk-based reserves level should remain in the range of £10 million to £25 million (paragraph 29).

Annexes: The following annexes are attached to this paper:

- Annexe 1: Management results for 2014-2015 by month and year to date as at August 2014, plus the latest projections for the year to go and the full year 2014-2015.
- Annexe 2: Actual results and forecast projections by month to March 2015.
- Annexe 3: Graph showing forecast available free reserves versus the approved financial strategy available free reserves for 2014-2015.
- Annexe 4: Graph showing forecast available free reserves versus the approved financial strategy available free reserves for 2013-2017.
- Annexe 5: Graph showing forecast available free reserves versus the financial strategy available free reserves for 2013-2017, with the fee level held at £100.
- Annexe 6: Waterfall graph showing the main variances in available free reserves between the full year budget and forecast for 2014-

2015, by cost category.

- Annexe 7: Efficiency performance 2014-2015.
- Annexe 8: Risks to be covered by reserves October 2014
- Annexe 9 : Risks to be covered by reserves March 2014

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: Verity Somerfield
Phone: 020 7681 5670
Verity.somerfield@nmc-uk.org

Director: Mark Smith
Phone: 020 7681 5484
mark.smith@nmc-uk.org

Context: **Financial information**

1 The budget information used throughout these reports is based on the budget approved by Council on 26 March 2014, as adjusted for the final year end reserves level at 31 March 2014.

2 The budget was set in the context of the three year plan to achieve our Fitness to Practise KPIs by December 2014 and the minimum available free reserves target by January 2016. Progress towards meeting the available free reserves target is also regularly presented to Council in the KPI report.

3 On a monthly basis, meetings are held with each directorate to review progress against both the Corporate Plan and budget, and to update the activity and financial forecasts.

4 Detailed month end reporting packs are produced for the Executive Team, showing results by directorate, cost centres and projects, together with summary reports, commentary and an update of the Contingency position.

5 The Executive Board reviews and approves the financial results and forecast each month.

6 Where significant variances are identified during the year which would impact our achievement of our reserves target, directors will determine the necessary corrective actions.

Discussion: Executive summary

7 The latest forecast is for available free reserves at March 2015 to be on target at £7.5 million. The reserves level will fluctuate during the year based on the pattern of expenditure.

8 Available free reserves at August 2014 were £9.7 million, which is £2.1 million higher than the budget position. This was due to lower than budgeted expenditure, across all directorates, as set out below.

9 The expenditure variances are considered at this stage to relate to the timing of activity and associated expenditure, and therefore this expenditure has been reforecast to later in the year.

10 There has been some movement in the overall funding allocation within the full year, but activity is expected to be delivered within the overall budget funds approved by the Council. The principal items identified as requiring funding since the beginning of the financial year are additional funding for FtP to ensure delivery of its adjudication KPI by December 2014 and the costs associated with the fit-out of leased premises at Stratford Place.

Monthly management results

11 The detailed management results and forecast for August are set out at Annexe 1.

Actual results versus budget

12 The principal variances for the five months to August against budget are as follows:

12.1 Income is £0.8 million lower than budget, with lower grant and interest income offset by higher periodic fee and overseas applications income. The grant income reflects the level of costs incurred for government funded projects which has been lower than budget to date.

12.2 Costs in the Office of the Chair & Chief Executive were lower than budget by £0.2 million. This is owing to the re-allocation of the Programme & Change Management team to the Strategy directorate. As a result, the Strategy directorate is higher than budget by £0.2 million to date.

12.3 Costs in Continued Practice were lower than budget by £0.4 million due to lower than budgeted QA costs, professional and engagement costs relating to revalidation to date and vacancies within the directorate. At this point in the year, this is considered to be an issue of timing of expenditure.

12.4 FtP costs were £0.7 million lower than budget. This is principally due to lower than budgeted hearing activity (mainly

ICIOs and CCC substantive hearings) resulting in lower hearing-associated costs, combined with vacancies within the directorate.

12.5 The substantive hearing activity has been forecasted to increase over the next two months to 24 hearings per day in September and 31 per day in October, which will ensure that the December 2014 KPI is met.

12.6 Capital expenditure was £0.1 million higher than budget. This is due to the approved spend on the fit-out of leased premises at Stratford Place to date, offset to an extent by lower ICT capital expenditure than budgeted arising from the timing of spend on the replacement registration system and the transfer of contractor spend to ICT directorate expenditure.

Full year forecast versus budget

13 The principal variances for the full year forecast compared to budget are as follows:

13.1 Periodic fee income is forecast to be higher than budget by £0.5 million, reflecting higher volumes on the register than budgeted.

13.2 FtP expenditure is forecast to be £0.6 million higher than budget. The forecast reflects the updated hearing activity and additional headcount required to ensure the December 2014 KPI is met, and the re-phasing of expenditure from quarter 1 to later in the year.

13.3 Costs are forecast to be £1.0 million higher than budget in Strategy. £0.65 million has been added to the Governance forecast; £0.5 million in relation to the Programme & Change Management team (including £0.3 million budget transferred from OCCE) and £0.15 million for the independent review of progress against the PSA 2012 Strategic Review recommendations (including £0.1 million budget transferred from OCCE). £0.3 million additional costs are forecast in Policy due to the external review of midwifery regulation; this work was budgeted as part of the contingency as it was not fully defined at the time of the budget.

13.4 £0.4 million lower than budget in OCCE owing to the re-allocation of budgeted funds for both the Programme & Change Management team and the independent review of progress against the PSA 2012 Strategic Review recommendations to the Strategy directorate. These are now reported and controlled in the Strategy directorate.

13.5 ICT expenditure is forecast to be £0.6 million higher than

budget. £0.2 million is due to the requirement for specialist resource, which has been funded by the contingency, and £0.4 million due to a transfer from the capital budget. The latter has no impact on projected reserves.

13.6 Facilities is forecast to be £0.1 million higher than budget as costs associated with the new leased accommodation at Stratford Place are being incurred 4 months earlier than budgeted.

13.7 Continued Practice is forecast to be £0.1 million lower than budget owing to vacancies within the directorate.

13.8 NMC General is forecast to be £0.7 million higher than budget, which includes provision for the next stage of our reward strategy, and an updated employer contribution for the defined benefits pension scheme, following the latest valuation of the scheme. Both of these were budgeted in the contingency and have no impact on budgeted reserves.

13.9 The forecast now reflects the capital expenditure required to fit out the new leased hearing accommodation at Stratford Place. This is higher than the budgeted amount, but this overspend will be offset by lower than budgeted rental payments in future years. The total agreed for Stratford Place (rental costs and fit-out) is within the envelope agreed by Council. The budget was based on the costs incurred with the Old Bailey fit-out. Since then the market has changed and the new accommodation will provide extra capacity, hence the increased costs this year.

13.10 Increases in forecast expenditure have been funded from the contingency. The contingency fund is set up as part of the budget to fund items which could not be budgeted at the time, either because they could not be accurately quantified or were not envisaged.

Efficiencies

14 Performance against efficiency initiatives is set out in Annexe 7.

15 As part of the financial strategy, efficiency savings of £55 million were identified in Fitness to Practise for 2014-2015 to 2016-2017 and are being actively targeted. £17 million of savings are currently forecasted to be achieved for 2014-2015, and although this currently shows a shortfall to the budget, the overall target is expected to be met by the end of the three year period.

16 Further efficiency savings are being monitored, identified and targeted via the Corporate Efficiency Board, which reports to the Executive Board.

Review of risks underpinning the reserves target level

17 The Council reviews the risks underpinning the available free reserves target levels on an annual basis.

18 When the Council reviewed the risks and reserve target levels in March 2014, it was agreed that these would be reviewed again in October 2014 to inform discussion on the financial position and the decision on the level at which to set the registration fee.

19 A proposed amended risk profile is set out at Annexe 8 – *Risks to be covered by reserves October 2014.* The risk profile considered by the Council in March is included for reference at Annexe 9 – *Risks to be covered by reserves March 2014.*

20 As risks and risk levels are dynamic, a number of changes have been proposed in relation to the latest assessment of the likely financial impact, and the addition of several new risks.

21 The new risks added are in relation to:

21.1 The risk arising from a reduction in the closure rate of FtP cases at investigation stage, which would give rise to an increased number of substantive hearings. The current assumption is for a closure rate of 49%, which is a considerable improvement on the rates achieved in earlier years. However this rate would be vulnerable to an increase in more complex cases coming through which warranted progression to CCC.

21.2 The risk arising from an increase in the proposed PSA levy. Whilst our planning assumption is based on an expectation of a levy of £0.8 million (based on prior discussions with the PSA), the methodology upon which the charge to regulators is based would appear to be in contention, and on this basis we are at risk of a charge of some £2.2 million which is significantly above our planning assumption.

21.3 The risk in relation to a reduction in registrant volumes in the over-55 age category and therefore a reduction in income arising as a result. Over half of the over-55 age group who responded to the consultation question on whether a fee rise would have an impact on their decision to continue as a nurse or midwife, indicated that it would have an impact. There are over 132,000 registrants in this age category on the register; the risk has been assessed on the basis of a two to five percent decrease in the number of registrants and periodic fee income in this category.

21.4 The risk associated with the implementation of the accommodation strategy, following an accommodation review

which we are about to undertake. Depending on the outcome, funding may be required for such items as early termination of leases on London properties, decanting of staff and the impact arising from possible relocation.

21.5 The risk associated with the implementation of payment of the registration fee by instalments. This is likely to give rise to additional costs such as administration and finance charges arising as a result of more frequent collection, and reduced interest income.

22 The potential financial impact has been amended on several risks, in the light of progress to date or further consideration.

23 Risks associated with FtP indicators have been recalibrated in the light of latest volume and performance assumptions, and are stated over a two year period.

24 The risk associated with the EU mutual recognition of professional qualifications directive has been increased to reflect the progress made in detailed consideration of the likely impacts. The requirements include the implementation of language controls for EU applicants, the introduction of the European Professional Card, and the implementation of an alert mechanism across member states. The costs associated with these initiatives are not currently in our financial plan.

25 The ICT strategy implementation risk has been reduced following completion of the stabilisation phase. Investment funding over and above the amounts set aside in the financial plan may be required to facilitate our transformation to a technology-driven, effective and efficient regulator.

26 The re-assessment of the risks and their potential financial impact gives rise to a potential exposure in a range of between £23 million and £42 million. Using the previous methodology adopted by the Council of covering between half the minimum and 75% of the maximum exposure, would give rise to a target available free reserves level in the range of £11.5 million to £32 million.

27 However, at this stage we are not recommending a change to the target range approved by the Council in March 2014, of between £10 million and £25 million. This is because of the highly subjective nature of the risks and their evaluation, and the fact that taken broadly as a whole the target is in the same indicative range as that approved in March 2014.

28 This will be reviewed again as part of the annual review in March 2015.

Recommendation:

29 **The Council is recommended to consider the latest position on risks to be covered by reserves, and to agree that the target risk-based reserves level should remain in the range of £10 million to £25 million.**

Public protection implications:

30 The monitoring of financial results and forecasts enables the NMC to ensure it has sufficient resources to deliver continued public protection.

Resource implications:

31 The key financial indicators for current and projected levels are discussed in this paper.

Equality and diversity implications:

32 None.

Stakeholder engagement:

33 None

Risk implications:

34 There are a number of risks which should be considered on an ongoing basis when reviewing the financial position.

34.1 Council's risk based reserve policy is that available free reserves should be held in a target range of £10 million to £25 million. Our available free reserves are £9.7 million at August 2014, which is in breach of our reserves policy. A reduction in reserves from the policy level should only be authorised by trustees where there is a clear and robust plan to rebuild reserves. In our case, our financial and fee strategy is designed to build reserves back up to the required level.

34.2 There is a risk around the FtP forecast assumptions for case closures via alternative case disposal methods. If the most recent trend continues, rather than forecast, FtP will potentially require an additional £0.7 million if these cases require a full substantive hearing at the average 3.5 hearing days to maintain their latest forecast.

Legal implications:

35 None.

Annexe 1

Actual, budget & forecast 2014-2015
£000's

	Month of August				April to August					September to March					Full Year				
2014/2015	Actual	Budget	Prior Forecast	vs budget	Actual	Budget	Prior Forecast	vs budget	vs prior forecast	Forecast	Budget	Prior Forecast	vs budget	vs prior forecast	Actual\Forecast	Budget	Prior Forecast	vs budget	vs prior forecast
Grant Income	10	360	17	(350)	189	1,131	196	(942)	(7)	1,446	524	1,446	922	0	1,635	1,654	1,642	(19)	(7)
Periodic Fee Income	5,664	5,629	5,672	35	28,354	28,144	28,362	210	(8)	39,777	39,476	39,777	301	0	68,131	67,620	68,139	511	(8)
Overseas Applications	9	18	18	(8)	121	89	130	32	(8)	125	125	125	0	0	246	214	254	32	(8)
Eu Assessment Fee	71	40	45	31	298	199	272	98	26	315	279	315	36	0	613	478	587	134	26
Interest Income	53	73	56	(20)	275	387	278	(112)	(3)	392	515	392	(123)	0	667	902	670	(235)	(3)
Other Income	23	32	32	(9)	112	161	121	(49)	(9)	225	225	225	0	0	337	386	346	(49)	(9)
Total Income:	**5,831**	**6,152**	**5,840**	**(321)**	**29,348**	**30,110**	**29,358**	**(762)**	**(9)**	**42,280**	**41,144**	**42,280**	**1,136**	**0**	**71,629**	**71,255**	**71,638**	**374**	**(9)**
Office of the Chair & Chief Executive	**(44)**	**77**	**(44)**	**122**	**220**	**374**	**221**	**153**	**0**	**331**	**583**	**331**	**252**	**(0)**	**552**	**956**	**552**	**405**	**0**
Communication	54	74	95	20	305	377	345	72	40	624	540	596	(84)	(28)	929	916	941	(12)	12
Council Services	(14)	20	20	34	219	229	253	10	34	289	231	255	(58)	(34)	509	461	509	(48)	(0)
Governance	236	109	232	(127)	797	557	793	(240)	(4)	1,223	784	1,229	(439)	5	2,020	1,341	2,022	(679)	2
Policy	134	77	134	(57)	519	483	519	(36)	(0)	831	572	832	(258)	1	1,350	1,056	1,351	(294)	1
Strategy	**411**	**281**	**482**	**(130)**	**1,840**	**1,646**	**1,910**	**(194)**	**71**	**2,968**	**2,128**	**2,911**	**(840)**	**(56)**	**4,808**	**3,774**	**4,822**	**(1,034)**	**14**
Registration	**342**	**333**	**348**	**(10)**	**1,500**	**1,516**	**1,506**	**16**	**6**	**2,275**	**2,247**	**2,270**	**(28)**	**(6)**	**3,775**	**3,763**	**3,775**	**(13)**	**0**
Continued Practice	**270**	**331**	**284**	**61**	**1,262**	**1,634**	**1,276**	**372**	**14**	**2,545**	**2,229**	**2,531**	**(317)**	**(14)**	**3,808**	**3,863**	**3,808**	**55**	**0**
ICT	472	345	442	(127)	2,205	2,108	2,175	(98)	(30)	3,146	2,638	3,176	(508)	30	5,351	4,745	5,351	(606)	0
Finance	177	166	187	(11)	912	906	922	(6)	10	1,352	1,330	1,342	(22)	(10)	2,264	2,236	2,264	(28)	(0)
Facilities Management	485	460	528	(25)	2,241	2,328	2,284	87	43	3,419	3,203	3,375	(215)	(43)	5,659	5,531	5,659	(129)	0
HR&OD	229	218	199	(10)	1,061	1,084	1,031	24	(30)	1,678	1,563	1,707	(114)	30	2,738	2,647	2,738	(91)	(0)
Corporate Services	**1,362**	**1,189**	**1,356**	**(173)**	**6,419**	**6,426**	**6,412**	**7**	**(6)**	**9,594**	**8,734**	**9,601**	**(861)**	**6**	**16,013**	**15,160**	**16,013**	**(853)**	**(0)**
Directors office	60	53	64	(7)	307	266	312	(41)	5	405	371	396	(35)	(9)	713	636	708	(76)	(5)
Screening	75	123	123	48	504	616	552	112	48	862	862	862	0	0	1,366	1,477	1,414	112	48
Case Investigations - Total	421	424	424	3	2,147	2,034	2,150	(113)	3	3,199	2,985	3,082	(214)	(117)	5,345	5,019	5,232	(327)	(114)
Investigations - IC	69	116	116	47	350	581	397	232	47	954	1,004	954	50	0	1,304	1,585	1,351	281	47
Case Management	0	24	24	24	44	122	69	77	24	170	170	170	0	0	215	292	239	77	24
Scheduling	114	80	80	(34)	368	389	334	21	(34)	610	560	610	(50)	0	977	949	944	(29)	(34)
Case Preparation	126	121	121	(5)	552	605	547	53	(5)	869	829	869	(40)	0	1,421	1,434	1,416	13	(5)
Admin / General	95	109	109	15	546	567	560	21	15	809	826	809	17	0	1,354	1,393	1,369	39	15
Adjudication	302	247	247	(55)	1,399	1,217	1,345	(182)	(55)	1,882	1,750	1,882	(132)	0	3,282	2,967	3,227	(314)	(55)
CCC	1,464	1,353	1,559	(110)	7,186	7,054	7,281	(132)	95	9,428	8,623	9,428	(804)	0	16,613	15,678	16,709	(936)	95
HC	128	95	95	(33)	602	474	569	(128)	(33)	547	581	547	34	0	1,149	1,055	1,116	(94)	(33)
Investigations - ICIO	76	323	323	246	821	1,642	1,067	822	246	2,381	2,397	2,381	16	0	3,202	4,040	3,448	838	246
Regulatory Legal Team	385	384	394	(2)	2,149	1,945	2,157	(203)	8	2,537	2,536	2,537	(1)	0	4,686	4,482	4,694	(204)	8
Panel support	48	60	54	11	356	316	361	(40)	5	574	586	574	12	0	930	902	936	(28)	5
Case Investigations Team 5	0	33	33	33	0	165	33	165	33	231	231	231	0	0	231	396	264	165	33
FtP Programme Initiatives	0	6	0	6	8	30	8	22	0	390	282	390	(108)	0	398	312	398	(86)	0
FTP	**3,363**	**3,552**	**3,767**	**188**	**17,337**	**18,022**	**17,740**	**686**	**403**	**25,849**	**24,594**	**25,723**	**(1,255)**	**(126)**	**43,185**	**42,616**	**43,463**	**(569)**	**278**
Projects	14	441	17	427	366	1,378	369	1,012	4	1,759	754	1,759	(1,005)	0	2,125	2,131	2,128	7	4
Depreciation	306	294	296	(12)	1,480	1,467	1,470	(13)	(10)	2,141	1,962	1,961	(180)	(180)	3,621	3,429	3,430	(193)	(191)
NMC Corporate/General	58	5	58	(53)	307	24	307	(284)	0	403	33	403	(370)	0	710	57	710	(653)	0
Contingency	0	250	0	250	0	1,250	0	1,250	0	520	1,750	224	1,230	(296)	520	3,000	224	2,480	(296)
Revenue Spend	**6,082**	**6,752**	**6,563**	**670**	**30,731**	**33,736**	**31,212**	**3,006**	**481**	**48,386**	**45,012**	**47,714**	**(3,374)**	**(672)**	**79,116**	**78,748**	**78,925**	**(368)**	**(191)**
Surplus / (Deficit)	**(252)**	**(600)**	**(723)**	**348**	**(1,382)**	**(3,626)**	**(1,854)**	**2,243**	**472**	**(6,105)**	**(3,868)**	**(5,433)**	**(2,238)**	**(672)**	**(7,488)**	**(7,493)**	**(7,287)**	**6**	**(201)**
Capital	**782**	**248**	**354**	**(534)**	**1,345**	**1,198**	**917**	**(147)**	**(428)**	**2,947**	**3,007**	**3,385**	**60**	**438**	**4,292**	**4,205**	**4,302**	**(87)**	**10**
Total free reserves					**18,706**	**16,596**	**18,652**	**2,110**	**54**						**15,792**	**15,680**	**15,792**	**112**	**0**
Pension deficit					**9,005**	**9,023**	**9,005**	**18**	**0**						**8,324**	**8,213**	**8,324**	**(111)**	**0**
Available free reserves (excluding pension deficit & restricted funds)					**9,701**	**7,573**	**9,648**	**2,128**	**54**						**7,468**	**7,467**	**7,467**	**1**	**0**
Restricted funds					**9,145**	**9,145**	**9,145**	**0**	**0**						**5,148**	**5,148**	**5,148**	**0**	**0**
Cash at bank					**72,048**	**70,010**	**72,066**	**2,038**	**(18)**						**72,471**	**72,359**	**72,471**	**112**	**0**
Net inflow/(outflow) of funds					**(6,202)**	**(8,240)**	**(6,184)**	**2,038**	**(18)**						**(5,779)**	**(5,891)**	**(5,779)**	**112**	**0**

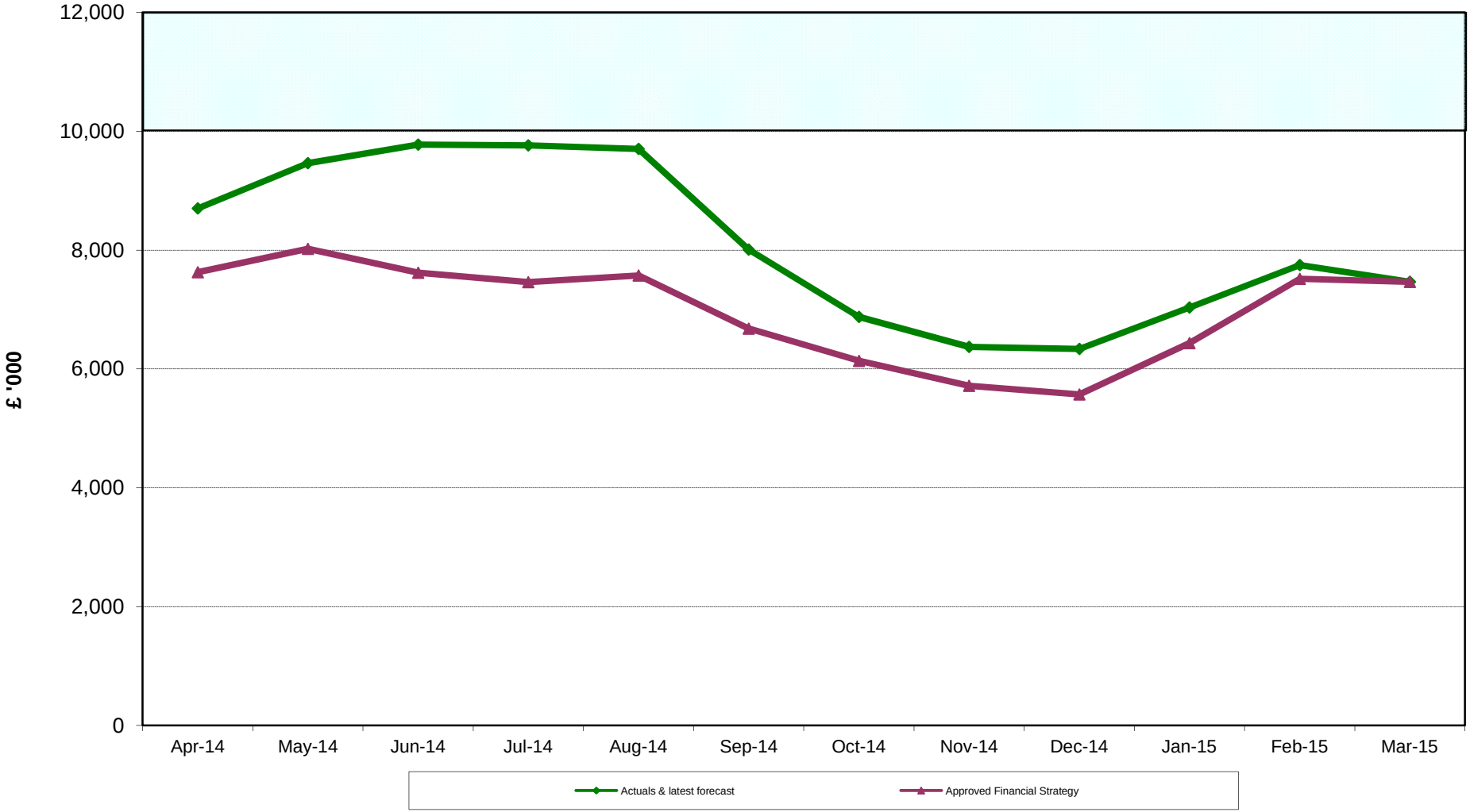
Actual and Forecast per month 2014-2015

Annexe 2

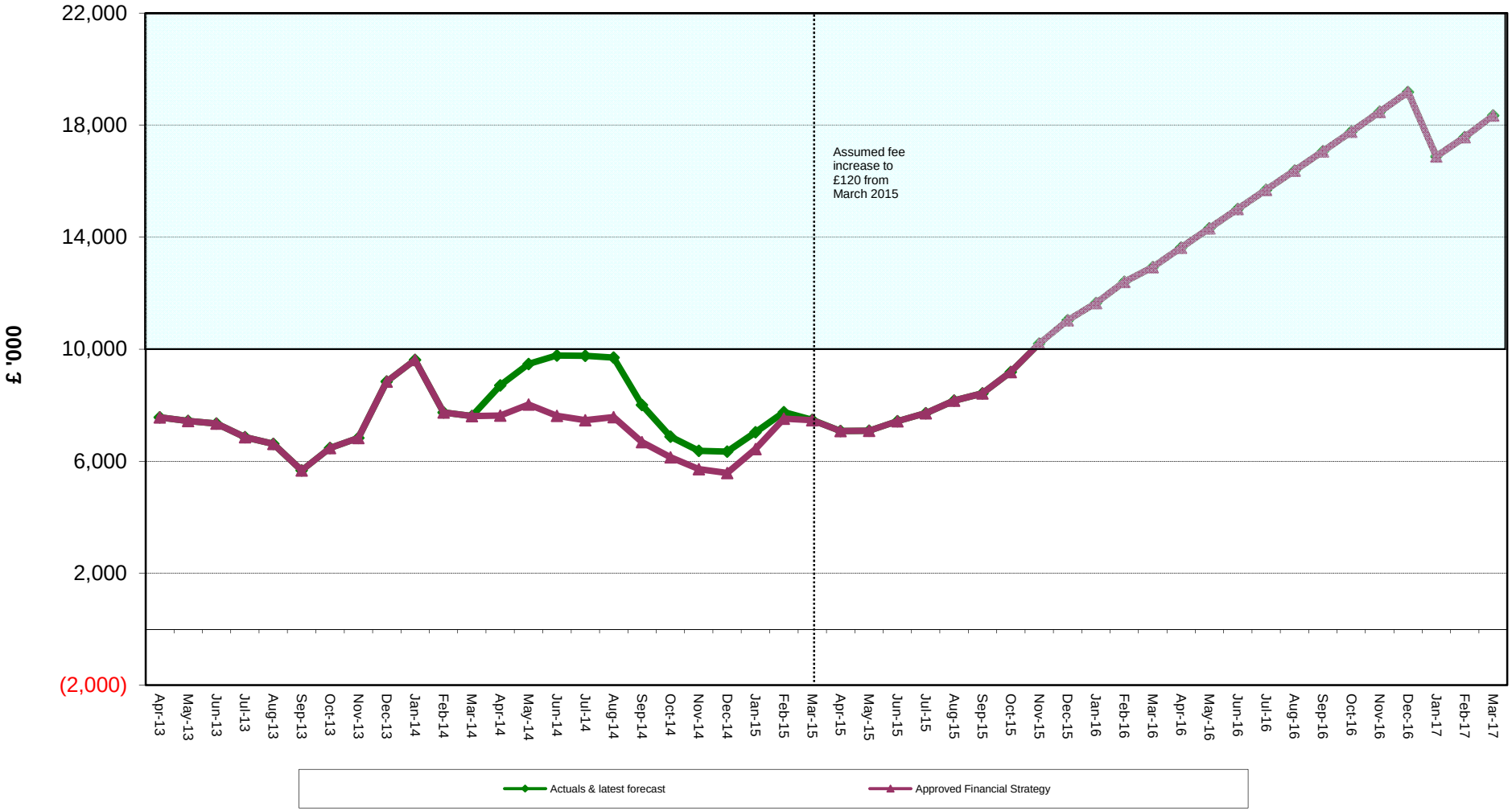
£000's

	Apr-14 Actual	May-14 Actual	Jun-14 Actual	Jul-14 Actual	Aug-14 Actual	Sep-14 Forecast	Oct-14 Forecast	Nov-14 Forecast	Dec-14 Forecast	Jan-15 Forecast	Feb-15 Forecast	Mar-15 Forecast	Full Year 2014-2015
Grant Income	73	41	44	21	10	36	1,126	192	36	18	18	18	1,635
Periodic Fee Income	5,670	5,674	5,675	5,671	5,664	5,672	5,672	5,672	5,672	5,672	5,672	5,747	68,131
Overseas Applications	22	25	37	28	9	18	18	18	18	18	18	18	246
Eu Assessment Fee	53	55	50	69	71	45	45	45	45	45	45	45	613
Interest Income	52	56	57	56	53	56	56	56	56	56	56	56	667
Other Income	23	18	21	27	23	32	32	32	32	32	32	32	337
Total Income:	**5,893**	**5,870**	**5,882**	**5,873**	**5,831**	**5,859**	**6,949**	**6,015**	**5,859**	**5,841**	**5,841**	**5,916**	**71,629**
Office of the Chair & Chief Executive	**67**	**61**	**67**	**70**	**(44)**	**48**	**56**	**44**	**45**	**47**	**45**	**47**	**552**
Communication	47	68	70	66	54	93	79	85	71	144	75	77	929
Council Services	33	65	74	61	(14)	30	43	29	28	60	49	51	509
Governance	94	100	153	215	236	140	183	188	183	175	171	184	2,020
Policy	65	32	146	141	134	34	165	128	128	125	125	126	1,350
Strategy	**239**	**264**	**442**	**484**	**411**	**296**	**469**	**431**	**411**	**504**	**419**	**437**	**4,808**
Registration	**273**	**325**	**292**	**268**	**342**	**374**	**337**	**307**	**303**	**316**	**323**	**316**	**3,775**
Continued Practice	**209**	**192**	**285**	**307**	**270**	**269**	**358**	**366**	**347**	**419**	**377**	**410**	**3,808**
ICT	286	475	508	464	472	487	440	491	439	395	415	480	5,351
Finance	160	156	189	230	177	202	248	197	181	161	165	200	2,264
Facilities Management	448	435	443	431	485	563	531	545	448	464	435	434	5,659
HR&OD	183	226	228	195	229	224	302	236	231	235	224	225	2,738
Corporate Services	**1,077**	**1,292**	**1,367**	**1,320**	**1,362**	**1,476**	**1,520**	**1,469**	**1,298**	**1,255**	**1,239**	**1,338**	**16,013**
Directors office	60	68	60	60	60	72	53	53	53	53	53	66	713
Screening	118	112	101	97	75	123	123	123	123	123	123	123	1,366
Case Investigations - Total	422	365	458	480	421	451	456	456	456	456	456	471	5,345
Investigations - IC	88	56	89	48	69	116	183	183	151	151	151	18	1,304
Case Management	24	20	0	0	0	24	24	24	24	24	24	24	215
Scheduling	59	57	66	72	114	100	100	90	80	80	80	80	977
Case Preparation	101	106	108	111	126	141	138	118	118	118	118	118	1,421
Admin / General	112	140	95	104	95	129	105	105	125	105	105	135	1,354
Adjudication	273	259	281	284	302	302	301	274	247	247	247	265	3,282
CCC	1,403	1,437	1,363	1,518	1,464	1,678	2,282	1,361	1,346	732	729	1,300	16,613
HC	136	123	91	124	128	95	89	90	90	46	46	93	1,149
Investigations - ICIO	198	172	180	194	76	349	338	338	341	338	337	340	3,202
Regulatory Legal Team	383	469	486	426	385	406	404	389	411	269	275	383	4,686
Panel support	52	61	77	117	48	93	60	60	72	60	60	170	930
Case Investigations Team 5	0	0	0	(0)	0	33	33	33	33	33	33	33	231
FtP Programme Initiatives	0	0	0	8	0	21	21	43	103	67	67	67	398
FTP	**3,430**	**3,446**	**3,455**	**3,642**	**3,363**	**4,135**	**4,710**	**3,738**	**3,774**	**2,902**	**2,904**	**3,686**	**43,185**
Projects	73	156	101	22	14	812	539	289	47	22	29	20	2,125
Depreciation	291	303	282	297	306	299	299	299	282	321	321	321	3,621
NMC Corporate/General	5	5	56	184	58	58	58	58	58	58	58	58	710
Contingency	0	0	0	0	0	0	0	0	0	173	173	174	520
Revenue Spend	**5,663**	**6,044**	**6,347**	**6,595**	**6,082**	**7,766**	**8,346**	**7,000**	**6,563**	**6,016**	**5,888**	**6,807**	**79,116**
Surplus / (Deficit)	**230**	**(174)**	**(465)**	**(721)**	**(252)**	**(1,907)**	**(1,397)**	**(985)**	**(704)**	**(175)**	**(47)**	**(891)**	**(7,488)**
Capital	**90**	**33**	**183**	**257**	**782**	**753**	**705**	**485**	**280**	**116**	**230**	**377**	**4,292**
Total free reserves	**18,100**	**18,767**	**18,972**	**18,862**	**18,706**	**16,916**	**15,684**	**15,083**	**14,952**	**15,553**	**16,168**	**15,792**	
Pension deficit	**9,397**	**9,303**	**9,199**	**9,102**	**9,005**	**8,907**	**8,810**	**8,713**	**8,616**	**8,519**	**8,421**	**8,324**	
Available free reserves (excluding pension deficit & restricted funds)	**8,703**	**9,464**	**9,773**	**9,761**	**9,701**	**8,009**	**6,874**	**6,370**	**6,336**	**7,035**	**7,746**	**7,468**	
Restricted funds	**11,429**	**10,858**	**10,287**	**9,716**	**9,145**	**8,574**	**8,003**	**7,432**	**6,861**	**6,290**	**5,719**	**5,148**	
Cash at bank	**76,546**	**75,227**	**73,439**	**71,548**	**72,048**	**76,028**	**74,440**	**72,976**	**70,677**	**67,824**	**67,979**	**72,471**	
Net inflow/(outflow) of funds - monthly	**(1,704)**	**(1,319)**	**(1,788)**	**(1,891)**	**500**	**3,980**	**(1,588)**	**(1,464)**	**(2,299)**	**(2,854)**	**156**	**4,492**	**(5,779)**

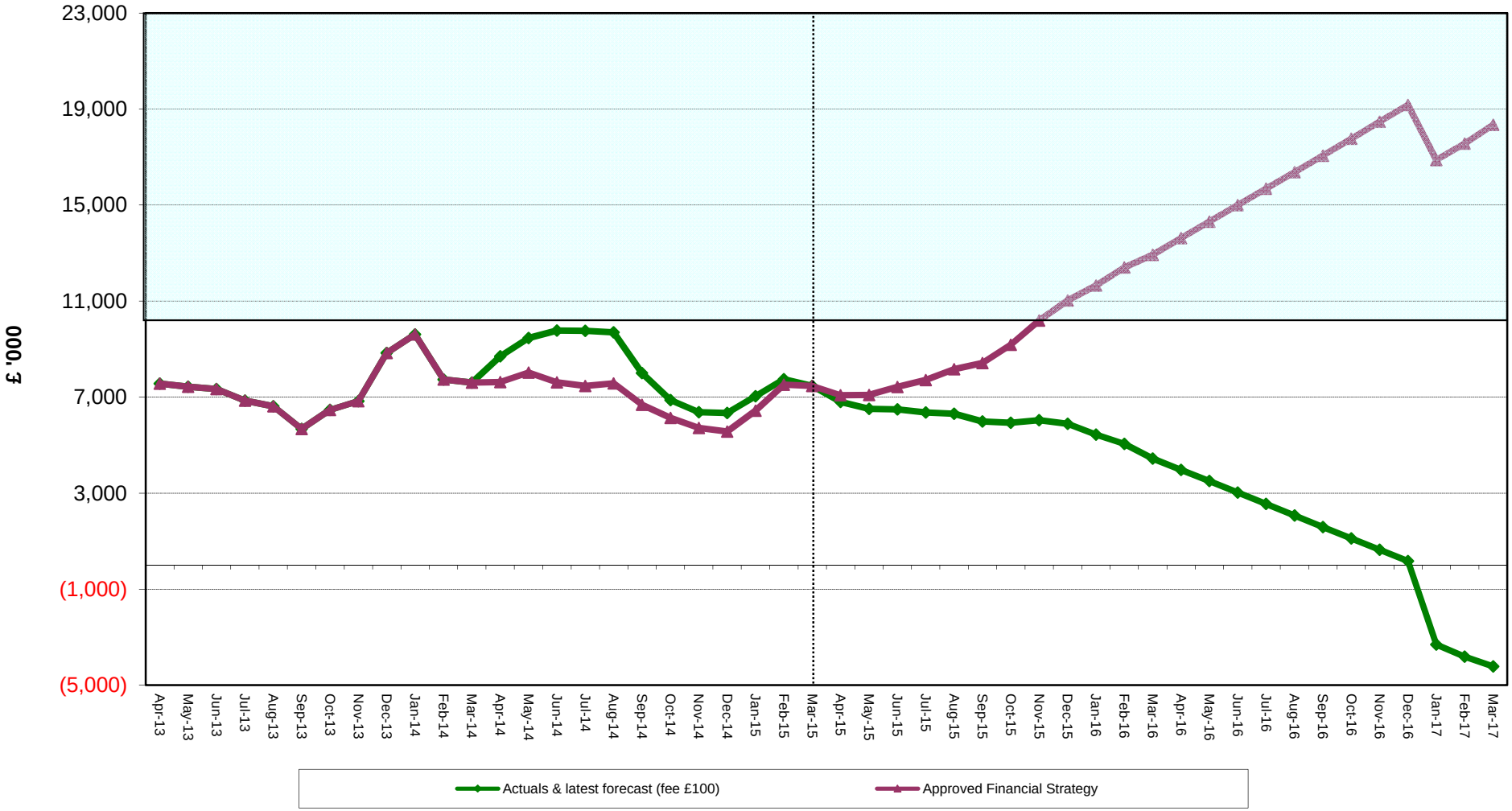
August forecast & approved financial strategy available free reserves 2014-2015
Annexe 3



August forecast & approved financial strategy available free reserves for 2013-2017
Annexe 4

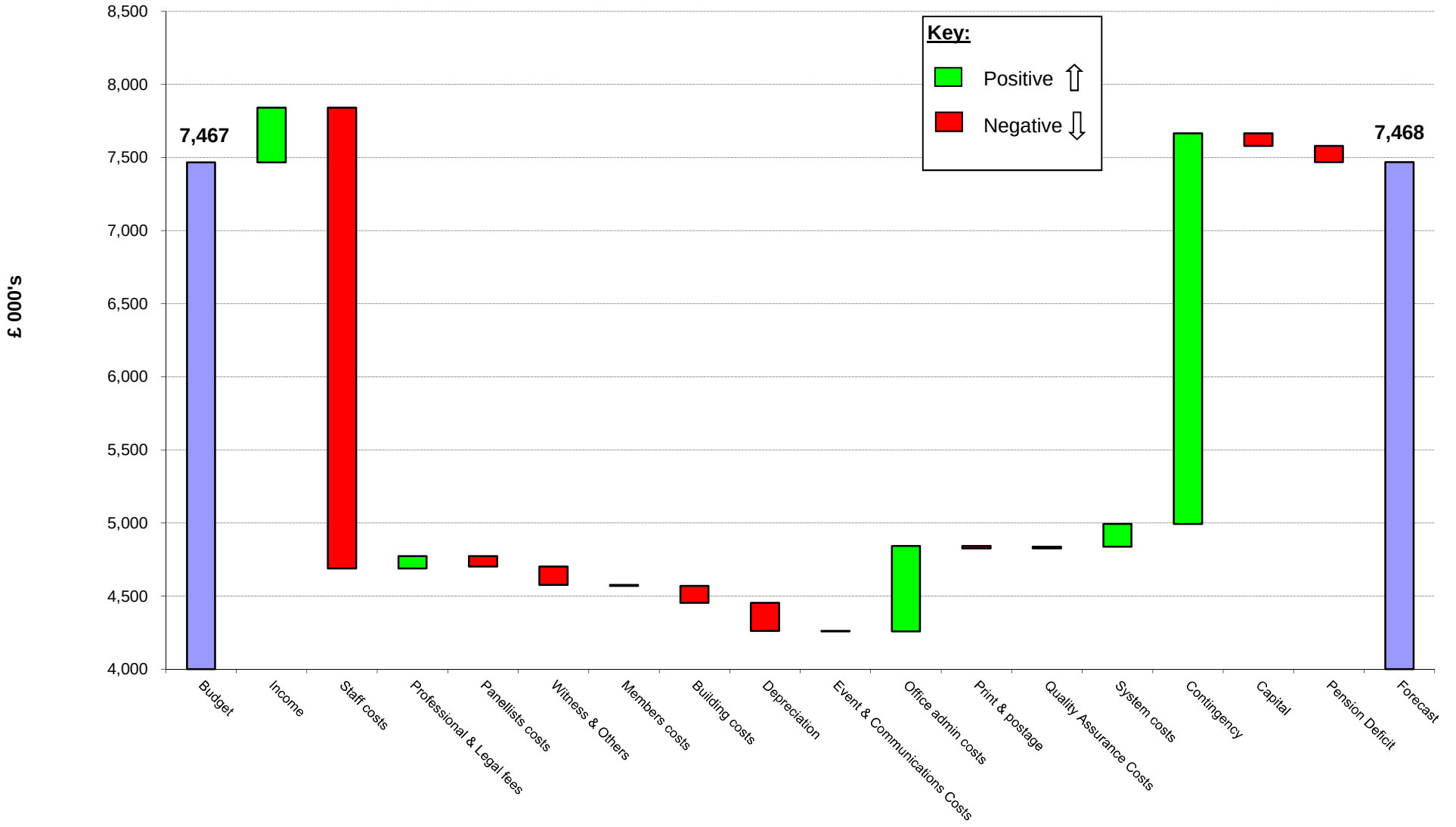


August forecast with fee at £100 & approved financial strategy available free reserves for 2013-2017
Annexe 5



Annexe 6

Available Free Reserves
2014-2015 Budget versus forecast by operational category



Efficiency performance 2014-2015

Aug-14

£000's

		Efficiencies assured by KPMG		Actual\Forecast		Variance	
		2014-2015	Total	2014-2015	Total	2014-2015	Total
In-house investigations		8,184	8,184	7,516	7,516	(668)	(668)
Shorthand writers		1,583	1,583	2,142	2,142	559	559
Cases to investigating committees		1,336	1,336	995	995	(341)	(341)
Alternative methods to case disposal		6,251	6,251	6,076	6,076	(175)	(175)
Introduction of case examiners		(36)	(36)	(36)	(36)	0	0
Total		**17,318**	**17,318**	**16,692**	**16,692**	**(626)**	**(626)**

Efficiencies assured by KPMG		2014-2015	2015-2016	2016-2017	Total
In-house investigations	Note 1	8,184	9,664	10,762	28,610
Shorthand writers	Note 2	1,583	1,385	1,453	4,421
Cases to investigating committees	Note 3	1,336	30	30	1,396
Alternative methods to case disposal	Note 4	6,251	5,835	6,055	18,141
Introduction of case examiners	Note 5	(36)	903	1,054	1,921
Total		**17,318**	**17,817**	**19,355**	**54,490**

Key

Note 1: In-house investigations — The savings are based on the difference between cases being investigated in-house and the cost of those cases being sent externally for investigation.

Note 2: Shorthand writers — The cost of transcribing hearings is high and previously all hearings would have transcripts requested. To reduce costs, the use of 'loggers' has been implemented and transcripts are only requested on demand.

Note 3: Cases to investigating committees — This saving is driven by a change in process. Previously, cases would go to the Investigating Committee (IC) for confirmation where an investigation is required, and then subsequently following the investigation for a decision on whether they need to go to adjudication. The new process has removed the first visit to the IC.

Note 4: Alternative methods to case disposal — There are three alternative methods to case disposal; Voluntary Removal, which is equivalent to zero full hearing days, meetings equivalent to 0.5 hearing days and consensual panel determinations equivalent to 1.0 hearing days. These three methods reduce the hearing days by dealing with cases in different ways based on their circumstances. The saving is driven from the reduction in hearing days against the average length of a case, which currently stands at 3.5 days.

Note 5: Introduction of case examiners — The NMC, with support from the Department of Health, proposed changes to the Fitness to Practise legislation and process with the introduction of case examiners. Case examiners will be permanent NMC employees, with the efficiency saving based on comparing the monthly cost of the cases previously going to the Investigating Committee (IC) with the cost of employing the case examiners who will take on the decision making process, with just a single IC meeting every other month, once fully implemented.

Annexe 8

Risks to be covered by reserves October 2014	2014-2017 Lowest Risk £m	2014-2017 Highest Risk £m
Extraordinary reviews - Another Stepping Hill; Mid Staffs, etc. The estimated total costs for Mid Staffs £1m including cases arising. If three were to happen at once then potential cost could be £3m. Legal costs for mid-Staffs were some £0.3m so this risk is based on legal and support costs arising from such events; referral increases are factored into FtP referral risks.	0.5	1.0
Revalidation: If we had to increase scope/ sample size of revalidation then additional costs will arise, of administration and review costs	1.0	2.0
Impact of EU mutual recognition of professional qualifications directive; implementation is due by 2016 and this risk is increasing as the implications and requirements are being worked through. Implications include setting up a process for language controls for all EU applicants; setting up a process for the issuing and receiving of the European Professional Card; and setting up a system for receiving and issuing alerts. The costs include IT system changes, legal costs, stakeholder engagement and the resource required to deliver these requirements, which are not currently in our financial plan.	2.0	3.0
FtP caseload: if the level of referrals increases beyond the 10% that we have planned for necessitating a further fee rise; then this would need to be funded. This range caters for a further increase between 8% and 12% over a two year period.	2.7	3.9
FtP hearing duration- if the average length of a hearing increased beyond the planned 3.5 days to say 4 or 4.5 days, then we would need to fund the time lag between the identification of the increase and increasing the fee. The range caters for an increase of between 4 and 4.5 days over two years.	4.0	8.0
FtP alternative disposal methods – covering the risk of not achieving the projected alternative disposal methods target. At present the targets for alternative disposals are ambitious with a planning assumption of 30% of substantive decisions. If these targets are not met, then cases must go for substantive hearing.	1.0	2.0
FtP IC/CE closure rate – covering the risk of a lower closure rate at the investigation stage. The current assumption is a 49% closure rate; if this reduced to 40% there is a cost impact in terms of additional hearings required at CCC. A year's worth of additional substantive hearings arising from a reduction in closure rate to 40% would cost £3m pa; for 2 years it would cost £6.6m. Assume a range of 45% to 40%, over two years	3.0	6.0
PSA levy: our current estimates are for £0.8m per annum but there is a risk that PSA will consult on an alternative basis to that proposed in 2011, resulting in potential costs in the region of £2.2m.	1.4	1.4
PII - Income risk : reduction in register (1% to 2%) resulting in loss of income (at £100 fee).	0.7	1.3
Revalidation - Income risk : reduction in register (2% to 5%) as a result of registrants being unable to revalidate successfully resulting in loss of income.	1.3	3.3
Increasing age of registrants - Income risk : over half of over-55s who responded to the consultation question on whether a fee increase would impact their decision to continue working as a nurse or midwife said that it would impact. 20% of the register is over 55 (132k); an estimate of between 2% and 5% leaving is considered possible.	0.3	0.7
ICT transformation - sufficient investment to fund technological advance and to facilitate transformation to a more effective, efficient regulator	2.0	4.0
Accommodation strategy - sufficient funding to allow us to invest in possible changes and moves required to fulfil the requirements of the accommodation strategy, eg early termination of leases, decanting, impact on staff etc.	2.0	4.0
Other risks:		
Disaster recovery and business continuity - currently identifying the gaps to be filled; considerations of heightened security concerns		
Devolutionary impacts - arising from Scottish referendum and impact across the four countries		
Phased payments - costs and interest foregone as a result of moving to facilitate payment of the annual registration fee in instalments		
General reserve covering the above risks	1.0	2.0
Total	**22.9**	**42.6**

Risk Calculation (50% of minimum and 75% of maximum)	**11.5**	**32.0**

Recommended risk range October 2014	**10.0**	**25.0**

Annexe 9

Risks to be covered by reserves March 2014	2013-2014		2014-2017	
	Lowest Risk £m	Highest Risk £m	Lowest Risk £m	Highest Risk £m
Extraordinary reviews - Another Stepping Hill; Mid Staffs, etc. estimated costs for Mid Staffs £1m. If three were to happen at once then potential cost could be £3m. However legal costs for mid-Staffs was some £0.3m, and referral increases are factored in below so the suggested range has been revised downwards	1.5	2.0	0.5	1.0
Revalidation: If we had to increase scope/ sample size of revalidation then the cost could be	4.0	4.0	1.0	2.0
EU additional screening tests: mainly external consultancy and legal costs. Language testing is now more likely and we would incur set up costs. This covers EU directive implications as well.	0.4	0.4	0.5	1.0
FtP caseload: if the level of referrals increases beyond the 8% that we have planned for necessitating a further fee rise; then this would need to be funded. This range caters for a further increase between 8% and 12% over the three year period.	4.0	6.0	3.5	5.5
FtP hearing duration- if the average length of a hearing increased beyond the planned 3.5 days to say 4 or 4.5 days, then we would need to fund the time lag between the identification of the increase and increasing the fee. The range caters for an increase of between 4 and 4.5 days.	3.0	6.0	3.0	6.0
FtP alternative disposal methods – covering the risk of not achieving the projected alternative disposal methods target. (maximum likely exposure at present is £9m - £11m over 2 years)	3.0	6.0	3.0	6.0
Fraud exposure: risk of a bogus registrant impersonating another	0.1	0.1	0.0	0.0
Income risk (PII): reduction in register (2% to 5%) resulting in loss of income.	1.3	3.3	1.3	3.3
Overseas registrations – enhanced ID checking. This represents set up costs; the higher ongoing cost will be reflected in a higher fee going forward.	0.8	1.0	0.0	0.0
Overseas registrations – validation. This would be a one off exercise so a range in unlikely	2.0	2.0	0.0	0.0
Income risk (Revalidation): reduction in register (2% to 5%) resulting in loss of income.			1.3	3.3
ICT strategy implementaion risk	0.0	0.0	5.0	10.0
Law Commission				
Historic EU register				
Disaster recovery				
Scottish Independence				
General Provision covering the above risks			1.0	2.0
Total	**20.0**	**30.8**	**20.1**	**40.1**
Risk Calculation	**10.0**	**25.0**	**10.1**	**30.1**

Item 7
NMC/14/89
1 October 2014

Council

Decision on the registration fee level

Action: For decision.

Issue: The Council are asked to consider the responses to the consultation on an increase to the annual registration fee from 2015-16, together with the latest financial information, in order to determine the level at which to set the fee.

Core regulatory function: Supporting functions.

Corporate objectives: Corporate objective 8: "We will develop effective policies, efficient services and governance processes that support our staff to fulfil all our functions."

Decision required: The Council is recommended to:

- Consider the responses to the consultation on a registration fee increase (paragraph 34)
- Consider the latest financial position of the NMC (paragraph 72)
- Approve the level at which to set the annual registration fee from March 2015, from the options set out in this paper (paragraph 89).

Annexes: The following annexes are attached to this paper:

- Annexe 1: Alpha Research final report on registration fee consultation
- Annexe 2: RCN response to registration fee consultation
- Annexe 3: RCM response to registration fee consultation
- Annexe 4: Unison response to registration fee consultation
- Annexe 5: Unite response to registration fee consultation
- Annexe 6: NMC report on the responses to the registration fee consultation

- Annexe 7: Consideration of Equality Impact assessment
- Annexe 8:Report from KPMG on their review of NMC expenditure assumptions
- Annexe 9: Graph of progress towards meeting the reserves target at varying fee levels.

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: Verity Somerfield
Phone: 020 7681 5670
verity.somerfield@nmc-uk.org

Director: Mark Smith
Phone: 020 7681 5484
mark.smith@nmc-uk.org

Context:

1 The Nursing and Midwifery Council is the professional healthcare regulator for nursing and midwifery in the UK. We exist to protect the health and wellbeing of the public.

2 Our role, functions and powers are set out in the Nursing and Midwifery Order 2001 ('the Order').

3 Nurses and midwives pay an annual registration fee to us, which is currently £100.

4 Under our Order, we are funded by the registration fee. The fee therefore must cover the cost of regulation to allow us to fulfil our duty to protect the public.

5 The Council undertakes an annual review of registration fees. This is primarily to ensure that the NMC has sufficient funds in order to carry out its regulatory functions to the level required to protect the public.

6 At its meeting on 26 March 2014, the Council agreed to commence consultation to increase the annual registration fee to £120 from March 2015.

7 The Council made their decision to commence consultation on the basis of the paper '*Corporate and Financial Plans 2014-2017*' (NMC/14/31). This paper set out our commitments for 2014-2017 and the allocation of financial resources required to achieve those commitments.

8 In arriving at the decision to consult on a fee rise, the Council took into account the views expressed by members of the audience at the meeting.

9 All members of the Council recognised that any increase in fees would have an impact on nurses and midwives who were working in challenging economic circumstances.

10 The Council noted that it would consider consultation responses at its 1 October 2014 meeting, in the light of the latest financial position, in order to inform the decision they would make in relation to the registration fee level.

11 This paper sets out:

11.1 Stakeholder engagement and responses to the consultation on registration fees

11.2 A consideration of the Equality Impact Assessment performed in relation to the fee proposal

11.3 A review of the financial position and assumptions on which

the decision to consult on a fee of £120 was made, together with the latest financial position of the NMC

11.4 Registration fee options:

11.4.1 To increase the fee to £120 – benefits and risks.

11.4.2 To increase the fee to £110 – benefits and risks

11.4.3 To hold the fee at £100 – benefits and risks

11.5 A prospective timeline for implementation if a change to the fee level were agreed.

12 To mitigate the impact on nurses and midwives of the annual fee payment, the Council is proposing to introduce payment of the registration fee by instalments. We have committed to implement this by 2016. We recognise that this will help to spread the cost of regulation to individuals to make payment more manageable.

Discussion: Stakeholder engagement and responses to the consultation

13 The consultation on the registration fee was launched on 8 May 2014 and ran for twelve weeks, closing on 31 July 2014.

14 The purpose of the consultation was to seek views on our proposal to increase the annual registration fee from its current level of £100 to £120.

15 The consultation was in the form of an online survey which asked three key questions:

15.1 Do you agree or disagree that the registration fee should be increased to £120 from March 2015?

15.2 Do you think the fee should be kept at £100?

15.3 Do you favour another option (whether mentioned in the consultation document or not)?

16 Six further questions related to demographics and ten questions related to the collection of equality and diversity data.

17 In meeting our statutory obligation to consult with representatives likely to be affected by both the proposed rise in the registration fee and subsequent Rule changes, we used a variety of approaches to publicise and encourage stakeholders to engage with the consultation. Our approach aligns with government guidance on consultation principles.

18 Responses to the consultation have been analysed by an independent research company (Alpha Research). The Alpha

Research final report on findings is attached at Annexe 1.

19 The Royal College of Nursing (RCN), Royal College of Midwives (RCM), Unison and Unite provided individual responses to the consultation, which are attached at Annexes 2 to 5. Unison and Unite both carried out their own surveys to inform their responses.

20 We have set out the key findings and themes emerging from stakeholders, and our analysis and consideration of these at Annexe 6.

21 We received 4,532 responses to our consultation. 27 responses were from organisations and 4,505 responses were from individuals.

22 The response rate was significantly lower than that in the 2012 fee consultation, which elicited 26,483 responses (110 from organisations and 26,373 from individuals). It is not clear why the response rate has been so much lower this time. However it should be noted that the signatures on an e-petition to government on fees exceeded 100,000 on 1 May 2014 (see below), whereas the level in the previous consultation reached 75,775.

23 Our consultation was advertised in a number of ways. Participants then made a choice about whether to participate in the survey and therefore the NMC did not have control over the selection process. Consequently, the results of the survey may not be representative of the wider registrant population.

24 Participants in the consultation were self-selecting rather than being selected as part of a randomised sample. The NMC consultation methodology relied on asking people to take a view based on consideration of detailed information in the consultation document, which would have made a random sample difficult to achieve.

25 The majority of respondents to our consultation were registrants.

26 The methodology employed in our consultation ensured that:

26.1 All statistical data was analysed using a bespoke software package (SNAP)

26.2 All qualitative responses from organisations were analysed

26.3 Qualitative responses from individuals were sampled on a 1 in 2 basis and coded until no new themes emerged.

27 The key findings in response to the proposal to increase the registration fee from £100 to £120 were:

27.1 Of individual respondents, 96% disagreed with a proposed increase. 96% of nurses and 94% of midwives disagreed.

27.2 2% of individuals agreed with our proposal to increase the fee, and 2% were not sure.

27.3 25 out of the 27 organisations responding to the proposed increase disagreed with the proposal.

27.4 At least nine in ten of all subgroups disagreed with the proposed increase, although nursing/midwifery students (9%), educators (6%), the over 55s (5%) and midwives (4%) were more likely than other groups to agree with the increase.

28 Respondents were invited to comment on their view. The minority of those who were in support of an increase indicated that they understood and accepted why NMC costs have increased and supported the functions of a regulator of nurses and midwives. However, they also called for more efforts to be made to streamline FtP processes, and steps to be taken to prevent further increases in referrals.

29 The comments of those who disagreed with the proposed increase can be grouped under the following headings:

29.1 General disagreement

29.2 Current financial situation for nurses and midwives

29.3 Current registration fee and size of the proposed increase

29.4 Concerns about the NMC and support provided for registrants

29.5 Concerns about the funding of fitness to practise when the majority of registrants practise safely

29.6 Practice issues and workplace stresses

30 Further analysis of the comments and themes emerging is at Annexe 6.

31 Respondents who did not agree with the proposed increase were then asked if they thought the fee should remain at £100. The key findings were as follows:

31.1 A clear majority (78% of individuals) agreed that it should stay at this level, whilst one in five (20%) felt that it should not.

31.2 17 of the 25 organisations who disagreed with the proposed rise to £120 felt that the fee should remain at £100.

31.3 The views expressed in relation to this question were similar to those expressed in relation to the proposed increase, in particular in relation to the financial hardship many are

experiencing.

32 A third question, open to everyone, asked if another option was preferable. The key findings were as follows:

32.1 Only six organisations out of the 27 responding commented on this question and provided an alternative option, of which three suggested that more of the funding for the NMC should come from government.

32.2 The main suggestions (made by at least 5% of those individuals who commented) were as follows:

32.2.1 Improve efficiencies in working practices at the NMC

32.2.2 Secure more funding from the government or from taxes

32.2.3 Reduce rather than raise the fee

32.2.4 Introduce payments by instalments immediately

32.2.5 Pass regulation of nurses and midwives to a different body

32.2.6 Vary the fee depending on band, pay level, salary or whether in full time or part time employment

32.2.7 Move out of London/ reduce property costs

32.2.8 Fine nurses and midwives who are found unfit to practise

32.2.9 Improve FtP efficiencies and/or reduce FtP referrals

32.2.10 Require employers to pay the registration fees

32.3 Consideration of these points is included in Annexe 6. These need to be considered in detail, although the responses were generally light on supporting analysis and financial information.

33 A final question was in relation to the impact of a fee rise on those aged 55 and over, who were asked if the fee rise might impact on their decision to continue working as a nurse or midwife.

33.1 Over half (56%) of 55+ year olds said that it would impact and a further one in six (17%) were not sure.

33.2 Part time workers were significantly more likely to say that their decision might be affected, with almost two thirds (63%) saying it would impact and a further 15% not sure.

34 Unison and Unite asked their members additional questions to inform their responses. The comments and themes arising were in line with those expressed by those responding to the consultation, and are considered in Annexe 6 as part of the consideration of responses.

Recommendation: The Council is recommended to consider the responses to the consultation on a registration fee increase.

E-petition

35 An e-petition[1] was established by a registrant on the HM Government website calling on the government to review the NMC registration fee, and the process by which the fee is decided. When the petition passed 10,000 signatures, the government was obliged to issue a statement on the matter, which is on the e-petition web page. The government stated that the NMC is an independent regulator responsible for determining the level of an annual registration fee. In doing so, the NMC must consult with stakeholders and take account of their views. The government also acknowledged the challenges we faced set out in our consultation, and that no decision had been taken as to whether to have the debate.

36 Signatures to this petition exceeded 100,000 on 1 May. This means that the petition requires consideration by the Backbench Business Committee as to whether a debate in parliament is required on the matter. Currently, a decision on whether there should be a debate and when has not been made. We have, however, written to the Backbench Business Committee to inform them that a consultation paper containing the evidence as to why a fee rise was proposed is available, and setting out the process by which we set the registration fee.

Conclusion on the consultation

37 Information about the consultation was widely disseminated, which is reflected in the range of stakeholder engagement activities and media coverage.

38 There is a consistent message of disagreement with the proposed fee rise by respondents to our consultation, as well as the union responses and the additional activities informing the consultation.

39 The Council must consider and analyse all the views expressed by respondents. Consideration is informed by government 'best practice' approach to consultations. This requires the Council to consider all responses, determine the evidence provided to support these responses, and whether as a result of these, a material change is required in the proposals.

[1] http://epetitions.direct.gov.uk/petitions/60164

40 The Council should not feel bound to any proposal set out in the consultation paper. It should consider all input in good faith, and without pre-judgement.

Stakeholder engagement

41 Before, during and after the consultation period we monitored the level of stakeholder engagement with other relevant activities and the flow of responses.

42 Prior to the consultation going live, stakeholder engagement included:

42.1 Briefings and discussions with the Department of Health (DH)

42.2 Briefings with the professional bodies and unions

42.3 A news story on the NMC website about the fee rise

43 At regular intervals during the period of the consultation we placed articles in our email newsletters, engaged on our social media platforms, used a dedicated email inbox for consultation issues, monitored parliamentary questions and other activity, and monitored media coverage. Details and quantification of our stakeholder engagement activity is set out in Annexe 6.

44 In addition to the formal consultation and related engagement, the fee proposals have been discussed in the majority of recent engagement activities such as those in relation to revalidation, the Code and midwifery regulation.

Equality Impact

45 We have carried out a full equality impact assessment (EQIA) in relation to our proposal to increase the registration fee. It focuses on whether the proposed fee increase impacts adversely on those with protected characteristics as defined in the Equality Act 2010.

46 The initial EQIA completed ahead of the consultation was revised following the completion of the consultation period. The views of respondents in relation to the potential impact of a fee rise on protected characteristics have been considered and assessed.

47 The full EQIA is available on our website.

48 An assessment of the EQIA is set out in Annexe 7.

49 The current and proposed fee provides all nurses and midwives, regardless of their financial position or status, with equal access to the NMC's services.

50 We recognise that the proposed increase in the fee will impact on

registrants and deeply regret this. We also recognise that the protected characteristics of gender, age and maternity/pregnancy status may be affected.

51 However, having paid due regard to this, we believe that a fee rise is objectively justified and proportionate to achieve the legitimate aim of enabling us to protect the public by ensuring we have sufficient funding to achieve our statutory functions to the level expected of a regulator. Not to do so would have significant public protection implications as set out in our consultation document.

52 To mitigate the impact of the annual fee payment, we are proposing to introduce payment of the registration fee by instalments. We have committed to implement this by 2016. We recognise that this will help to spread the cost of regulation to individuals to make payment more manageable. We launched a consultation on 11 August 2014, which is live until 3 October, seeking to gain the legislative ability to collect the registration fee in instalments.

Financial position

53 The background and business case for a fee increase has been set out in detail in our consultation on registration fees.

54 The current cost of regulation is equivalent to £120 per year for each registrant. This level would reflect the true cost of regulation, unaffected by any adjustment. We therefore consulted on increasing the fee from £100 to £120.

55 In May 2012 we identified £120 per registrant per year as the true cost of regulation, and consulted on increasing the fee to this level, at that time. However, following acceptance of a £20 million grant from the UK government, we were able to hold the fee at £100 instead of £120. We are now required to cover the full actual cost of regulation ourselves.

56 The NMC is the professional healthcare regulator for the professions of nursing and midwifery. The model of professional regulation is based on the premise that regulation is funded by those professionals who are regulated. This is the case for all professional healthcare regulators in the UK.

57 The government has consistently stated that the NMC is an independent regulator, and that it is for the NMC to set an appropriate fee level. However, in doing so it states that we must consult and take account of respondents' views, and that any outcome must be fully evidenced. Our approach is consistent with this.

58 Our proposed fee is predicated on:

58.1 The need to generate sufficient income to finance the level of activity and expenditure required to deliver our core regulatory functions and public protection, in particular in Fitness to Practise.

58.2 The requirement to maintain financial sustainability

59 Our expenditure assumptions underpinning the level of required activity and expenditure have been externally assured by KPMG. Their methodology was:

59.1 To review the evidence backing up our assumptions.

59.2 To discuss the assumptions and projections with members of the Executive team.

59.3 To consider our assumptions in the light of the experience of the three healthcare regulators closest to us in size and nature (GMC, GDC and HCPC) through discussions with senior staff at those regulators.

59.4 To review sensitivity analysis around the assumptions to consider the impact of changes in the underlying assumptions on the proposed fee level.

60 Their report of findings is attached at Annexe 8. They have provided assurance that the expenditure assumptions are reasonable.

61 The principal expenditure assumptions and drivers are in relation to Fitness to Practise, and are:

61.1 There will be a 10% increase in referrals to Fitness to Practise year on year, beginning in 2014-15

61.2 An average fitness to practise substantive hearing at Conduct and Competence Committee will take 3.5 hearing days

61.3 FtP efficiency savings will be realised through a number of initiatives, saving £54.5 million over three years

61.4 The requirement to achieve and maintain the current investigation and adjudication key performance indicators

61.5 The pressure to further reduce the length of time taken to conclude cases.

62 The efficiencies being targeted in FtP include:

62.1 Bringing case investigations inhouse

62.2 Alternative methods of case disposal, comprising consensual panel determinations, holding meetings instead of full

hearings where appropriate, and Voluntary Removal from the register

62.3 Changes to the use of shorthand writers

62.4 Introduction of case examiners to replace the majority of Investigating Committee meetings

62.5 Reduction in repeated Investigating Committee meetings.

Reserves

63 The Council decided in September 2012 to adopt a risk-based reserves policy, and agreed that, on the basis of the risks as assessed at that time, available free reserves should be in a range of £10 million to £20 million.

64 Our reserves policy and target level is based on the identification and costing of the major risks facing the NMC. If one or several of these risks were to crystallise, the intention is that once the target level of reserves is reached, the Council will have the headroom to maintain its financial sustainability whilst dealing with the event or seeking additional funding e.g. in the form of a fee rise.

65 The target range is reviewed annually by the Council as part of the annual review of fee levels. In March 2013, this was amended to a range of £10 million to £25 million, and this range was again endorsed by the Council in March 2014 following a review of the risks underpinning reserves.

66 Against a background of no material change in reserve requirements, we are making progress as planned towards the required level of available free reserves as set out in our financial strategy. The NMC's available free reserves were £7.5 million at March 2014 and are forecast to be £7.5 million at March 2015. In the meantime (and as identified by Unite in their response to the consultation), reserves are currently higher than profiled, by approximately £2 million. However this is a temporary variance arising from the timing of expenditure versus plan. This trend is forecast to be resolved in the latter part of the year.

67 We have committed, as part of the acceptance criteria of the Government grant of £20 million, that our available free reserves will be restored to a minimum level of £10 million by January 2016. We meet quarterly with the Department of Health (‘DH’) to monitor progress and compliance with that commitment, and report on it in each Council meeting, both as part of our KPI suite and as a fundamental part of our monthly financial reporting.

68 Principal risks identified for coverage include a further increase in FtP referral rates and hearing lengths, shortfalls in meeting targets for alternative case disposal methods, risks relating to our ICT and

accommodation strategies and risks to income from reductions to the register. These risks apply in the current year and in future years.

69 Until we reach the minimum level, we are still vulnerable to unexpected events.

70 A reduction in reserves from the policy level should only be authorised by trustees where there is a clear and robust plan to rebuild reserves. In our case, the plan to rebuild reserves is via the proposed fee increase, and the DH grant.

71 At this stage our financial projections show that the current minimum reserves target level of £10 million will be achieved in a sustainable way in the last quarter of 2015. Our financial projections are based on the assumption of an increase in the annual registration fee to £120 from March 2015. Anything short of this would jeopardise compliance with the commitment to DH as set out above.

72 In their review of the financial assumptions underpinning the fee proposal, KPMG also considered our approach to reserves and have concluded that 'the target levels of reserves are sufficient to guard against reasonable fluctuations in key assumptions over the forecast period'.

Recommendation:

The Council is recommended to consider the latest financial position of the NMC.

73 If no fee rise is approved, we would scale back our fitness to practise activity through a planned reduction. The impact of that would be:

73.1 We would not be able to deal with increased activity and case complexity, based on our current assumptions, and achieve our fitness to practise investigation and adjudication key performance indicators.

73.2 We would have to reduce the throughput of case investigations and reduce the number of substantive conduct hearings per day. In effect this means the caseload would build and would never be cleared, and the number of cases awaiting a hearing would increase.

73.3 Waiting times for hearing cases would increase which would have a significant adverse effect on parties to the hearings.

73.4 This would mean that we would not be able to deliver public protection to the standard required of a regulator.

Registration fee options

74 As the professional healthcare regulator for nursing and midwifery, we are funded by the nurses and midwives who we regulate.

75 The government has consistently said that the NMC is an independent regulator and that it is for the NMC to determine an appropriate registration fee level.

76 Therefore the options under consideration arise from considerations of the registration fee level only.

77 In deliberating on the fee options, the Council should take the following factors into account:

77.1 The responses to the consultation; in particular the challenging economic climate in which nurses and midwives are being faced with pay and pension restraints. We are acutely aware that in the current economic environment, a fee increase will be very difficult for nurses and midwives to bear.

77.2 The requirement to secure sufficient funding to deliver our core regulatory functions to the performance standards expected of a regulator, to deliver public protection.

77.3 The length of time it will take to achieve the minimum available free reserves level in a sustainable way. For the intervening period, the Council will be vulnerable to adverse events.

78 We consulted on two options with regard to the fee level, to increase the level to £120 or to maintain the fee at its current level of £100. However, in response to the views expressed in the consultation, in particular in relation to economic circumstances, we have included a third option, of £110, for the Council to consider. The options under consideration therefore are as follows:

78.1 an increase to the annual registration fee to £120 per registrant per year

78.2 an increase to the annual registration fee to £110 per registrant per year

78.3 holding the registration fee at its current level of £100 per registrant per year.

79 The impact on available free reserve levels of each option is shown in graphical format in Annexe 9. Similar graphs were provided to the Council in the March 2014 paper leading to the decision to consult on a fee rise. The projections have been updated for the latest position, and in line with the forecasts presented to the Council on a

regular basis in the financial monitoring reports.

80 There is no material change in the financial position indicated under each of these options, from those reviewed by the Council in March 2014.

81 Were the fee to increase to £120, we would reach our committed minimum available free reserves level of £10 million by the final quarter of 2015, i.e. within the agreed timescale of January 2016. Our reserves would then increase gradually, within the agreed range of £10 million to £25 million as agreed by the Council. This would provide the financial resilience and flexibility to allow the Council to deal with unplanned circumstances, and also to take advantage of opportunities for investments which would deliver significant benefits, for the public and for registrants, in the longer term.

82 Were the fee to increase to £110, we would not reach our committed minimum available free reserves level of £10 million until 2019-20. With this timescale, we would not have the financial resilience or flexibility to allow the Council to deal with unplanned circumstances, or to take advantage of opportunities for investment.

83 Were the fee to remain at £100, our available free reserves would reduce rapidly, and would reduce to zero by December 2016. We would not reach our committed minimum available free reserves level of £10 million at any point.

Benefits and risks of fee options

Option 1 – Fee to increase to £120 per annum

84 The benefits of this option are:

84.1 This fee level would allow us to deliver our fitness to practise and other regulatory activity at safe levels, to deliver public protection.

84.2 We would be able to deal with increased activity and case complexity, based on our current assumptions, and achieve our investigation and adjudication key performance indicators.

84.3 We would reach our committed target minimum available free reserves level by the final quarter of 2015. Whilst we are still vulnerable to adverse events and in breach of our reserves policy in the meantime, we and our stakeholders will have assurance that the target level would be met within our committed timeframe.

84.4 There may be scope in later years to reduce the fee level, depending on what happens to the volume and complexity of cases in the meantime.

85 The risks of this option are:

85.1 Some registrants might choose to leave the professions, as indicated by the responses to the consultation

85.2 This would be the least popular option with stakeholders including registrants and unions, due to the challenging economic climate in which nurses and midwives are being faced with pay and pension restraints.

85.3 Moreover, selecting this option would perhaps make it appear that we are not acting on the concerns expressed in the consultation.

85.4 There may be an objection or delay to the passage of the fee legislation. There is always a risk of challenge to legal processes. However, there has been no indication from the consultation that this would be the case.

Option 2 – Fee to increase to £110 per annum

86 The benefits of this option are:

86.1 More registrants may be encouraged to stay in the professions than would perhaps be the case if the fee were set at £120.

86.2 This fee level could be more popular with stakeholders including registrants and unions, than the £120 option, bearing in mind the challenging economic climate in which nurses and midwives are being faced with pay and pension restraints.

86.3 This option would demonstrate that we are acting, to an extent, on the concerns expressed in the consultation

86.4 This option may enhance support of their regulator by its registrants.

87 The risks of this option are:

87.1 Some registrants might choose to leave the professions because of an increase to the fee level.

87.2 We would not meet our committed minimum available free reserves level of £10 million, within the timescales as agreed with the Department of Health, nor within a reasonable timescale.

87.3 In order to achieve our reserve commitments, we would very probably have to scale back our regulatory activity. We would not be able to fund the level of activity required to deliver our

core statutory remit and protect the public.

87.4 Whilst this would not be as acute as would be the case with no fee rise, our ability to deal with increased activity and case complexity, based on our current assumptions, and achieve our investigation and adjudication key performance indicators, would be impaired.

87.5 We would have to reduce the throughput of case investigations and reduce the number of substantive conduct hearings per day. The reduction in revenue arising from a lower increase to the fee equates to some seven substantive hearings per day. In effect this means the caseload would never be cleared and the number of cases awaiting a hearing would increase.

87.6 Waiting times for hearing cases would increase which would have a significant adverse effect on parties to the hearings.

87.7 This would mean that we are not delivering our primary remit of public protection, which is not acceptable.

87.8 We would be constantly vulnerable to adverse events which could jeopardise our financial sustainability as an organisation.

87.9 There may be an objection or delay to the passage of the fee legislation. There is always a risk of challenge to legal processes. However, there has been no indication from the consultation that this would be the case.

Option 3 – Hold registration fee at its current level of £100

88 The benefits of this option are:

88.1 Registrants would not choose to leave the professions, because of the registration fee level

88.2 This would be the most popular option with stakeholders including registrants and unions, bearing in mind the challenging economic climate in which nurses and midwives are being faced with pay and pension restraints.

88.3 Selecting this option would demonstrate that we are clearly acting on the concerns expressed in the consultation.

88.4 This option would foster support of their regulator by its registrants.

89 The risks of this option are:

89.1 Our available free reserves would deteriorate, and by the final

quarter of 2016 we would have run down our available free reserves completely. Therefore we would very probably have to scale back our regulatory activity before this point. We would not be able to fund the level of activity required to deliver our core statutory remit and protect the public.

89.2 We would not be able to deal with increased activity and case complexity, based on our current assumptions, and achieve our investigation and adjudication key performance indicators.

89.3 We would have to reduce the throughput of case investigations and reduce the number of substantive conduct hearings per day. The reduction in proposed revenue arising from holding the fee at its current level equates to some 15 hearings per day. In effect this means the caseload would never be cleared and the number of cases awaiting a hearing would continue to increase.

89.4 Waiting times for hearing cases would increase which would have a significant adverse effect on parties to the hearings.

89.5 This would mean that we are not delivering our primary remit of public protection, which is not acceptable.

89.6 We would be constantly vulnerable to adverse events which could jeopardise our financial sustainability as an organisation.

89.7 We would never meet our committed minimum available free reserves level, as agreed with the Department of Health.

Recommendation: The Council is recommended to approve an option at which to set the annual registration fee from March 2015, from the options set out at paragraph 78.

Next steps

90 If a decision is taken to hold the registration fee at £100, no further action is required.

91 If the Council decides to change the registration fee level, amendments to the Nursing and Midwifery Council (Fees) Rules 2004 would be required. The proposed amendments would be put to the Council for decision by correspondence, in accordance with the procedure set out in Standing Order 5.10.

92 The amended Fees Rules would then be required to be laid in Parliament by 4 December 2014.

93 The amended Fees Rules would come into force by the end of

January 2015.

Payment of registration fees by instalments

94 To mitigate the impact of the annual fee payment, we are proposing to introduce payment of the registration fee by instalments. We have committed to implement this by 2016. We recognise that it will help to spread the cost of regulation to individuals to make payment more manageable. We launched a consultation on 11 August until 3 October seeking to gain the legislative ability to collect the registration fee in instalments.

Tax relief

95 Nurses and midwives are able to claim tax relief on their annual registration fee through HM Revenue and Customs (HMRC).

96 In 2013 we carried out a survey which highlighted that over 70% of registrants were not claiming tax relief on their annual fee, and that 50% were not aware that they were able to do so.

97 We strongly encourage all nurses and midwives to claim this tax relief, to mitigate the burden of the fee. If the fee were raised to £120, a claim for tax relief would reduce this to £96 (and less for higher-rate taxpayers). In practice this would mean an increase of £16, from £80 to £96, after tax relief.

Law Commission

98 We operate within a complex legislative framework which is restrictive and difficult to change. Many of our registration and fitness to practise processes are directly prescribed by this legislation. A more modern, flexible legislative framework would enable us to be more responsive, efficient and effective.

99 We continue to call on the government, and all political parties, to make a public commitment to reforming health professional regulation in the first parliamentary session after the 2015 general election. The Law Commission published their draft Bill on 2 April 2014 recommending such a change, but unfortunately this was not included in the government's legislative programme as a priority matter for the final session of parliament ahead of the general election. We strongly support the development of this draft Bill as it would give us the flexibility we need to better protect the public, as well as providing a more flexible legislative framework that could allow us to reduce the cost of regulation and therefore the registration fee level, in the long run.

Public protection implications:

100 The setting of an appropriate fee level enables the NMC to ensure it has sufficient resources to deliver continued public protection.

Resource implications:	101	Consultation and legal costs associated with amendments to Rules are approximately £50k. In addition, there is considerable investment in staff time.
Equality and diversity implications:	102	An Equality Impact Assessment on the proposal to increase the registration fee to £120 has been completed and is discussed in this paper. The full EQIA is available on our website.
Stakeholder engagement:	103	We have undertaken significant stakeholder engagement through meetings with key stakeholders both before and during the consultation period and have undertaken a formal consultation. This is set out in more detail in this paper and in Annexe 6.
Risk implications:	104	The setting of an appropriate level of registration fee in itself mitigates the risk that the NMC has insufficient resources to ensure public protection.
Legal implications:	105	Changes to fee levels require changes to the Nursing and Midwifery Council (Fees) Rules 2004.

Item 7 – Annexe 1
NMC/14/89

Consultation on a possible increase in NMC registration fees

Report on findings

Prepared for:

Nursing & Midwifery Council

Prepared by:
Derek Mitchell
Alpha Research Ltd
01844 260248
derekm@alpharesearch.co.uk
www.alpharesearch.co.uk

August 2014

Contents

Background

The Nursing and Midwifery Council (NMC) consulted in 2014 on a rise in the registration fee for nurses and midwives, from £100 to £120 per annum. The increase would be in effect from March 2015.

The NMC prepared a questionnaire and launched the Fees consultation online on their website on the 8th May 2014. It was live for twelve weeks until the 31st July, hosted and managed by Alpha Research.

The consultation elicited 4532 valid responses, 4505 of which came from individuals and 27 from organisations.

This paper looks at the findings from the full dataset.

Details of the method, questionnaire, respondents and analysis are appended.

Management Summary

Amongst respondents to the consultation, there was almost a consensus (96%) ***against*** a proposed increase from £100 to £120 per annum in the NMC registration fee in March 2015. This clear rejection was consistent amongst organisations and individuals and amongst all subgroups analysed. A lot of anger was in evidence, with descriptions of the proposal commonly described as 'disgusting', 'outrageous' or 'unfair'.

However, there was also a little acceptance that the NMC requires more funds to administer the fitness to practise processes and clear the backlog of cases.

The primary arguments against the rise were that it would come at a time of financial pressure on nurses and midwives, and that it is too soon after a quite significant increase from £76 to £100 per annum last year.

Nurses and midwives who responded to the consultation strongly expressed how they are now struggling to keep up with rising costs of living whilst wages stagnate or grow at rates well below inflation. Pressures on the household budget are coming from many sources, including increased travel, fuel and parking costs, rising pension contributions and union subscriptions, and reductions in antisocial hours payments.

Coupled with reported burdens of longer hours, increased stress, understaffing and low morale, some are considering leaving the profession altogether. Around three quarters of those aged 55 years or over stated that a rise to £120 would be likely or might be likely to impact on their decision to keep working.

This latest proposal is seen to come after a number of fee increases in recent years and many nurses and midwives categorically do not feel that it can be justified to raise the fee again by the proposed margin of 20%. A small increment in line with salary rises might be tolerable.

Significant concern was in evidence that the fitness to practise (FtP) caseload is driving the registration fee ever upward. Whilst it is understood that there is a backlog that needs to be cleared, there is a lot of anxiety that the numbers of cases will continue to rise and that the process is more complex and administratively burdensome than it might be. There were many calls for streamlining how FtP cases are dealt with, with a little acknowledgement that it has not been possible to date to put through the legislation which may foster such changes. It was also suggested that employers are referring too many individuals to the NMC in cases that could be dealt with using internal disciplinary procedures.

Of those who disagreed with the proposed increase, four in five (when asked directly) felt that the fee should remain at £100, with most of the remainder calling for a *reduction* because they felt that even this was too much. A significant minority argued that they should not have to pay at all, with NMC funding instead coming from (or at least subsidised by) the government or employers.

Given the opportunity to suggest other options to a registration fee rise, most focus was on looking for efficiencies within the NMC (particularly with regard to fitness to practise) and to securing funding from elsewhere such as taxes. Fining nurses and midwives who are found unfit to practise was thought viable, whilst monthly rather than annual payments and varying the fee by band, salary, or hours worked could help to reduce the impact on some households. Some called for the regulation of the sector to be moved to or shared with another body such as the Health and Care Professions Council.

Overall, the proposal is very unwelcome at this time. There seems to be some understanding that the NMC has a large fitness to practise caseload, but passing the costs on to nurses and midwives via a significant registration fee increase, in the current climate, is unpalatable.

Key Findings

In this section, the proportions (percentages) of respondents indicated as agreeing, disagreeing or unsure about each proposal are based on all those expressing an opinion. Respondents who indicated that they had no opinion or who declined to respond to a particular question are excluded from the base for the calculation of these percentages.

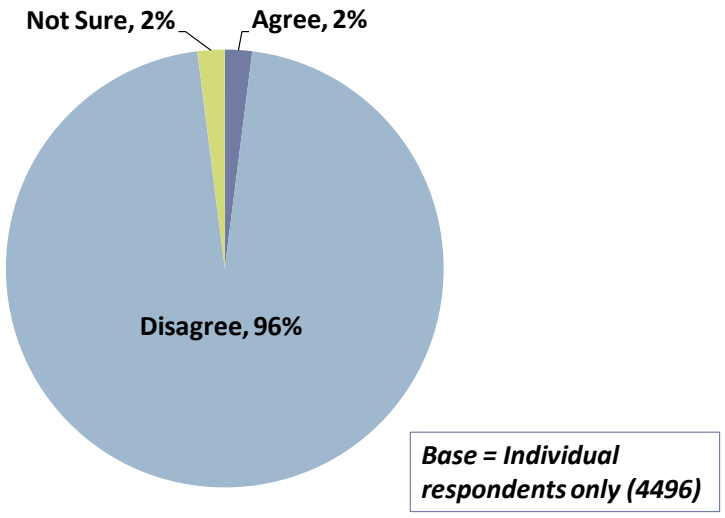
Results are shown in the form of a percentage and a fraction (e.g. 17/20) for sample sizes up to 99 or just a percentage if the sample size is 100 or more.

Results for subgroups within the sample have been highlighted in the report where there was a clear degree of statistically significant difference (99%) between categories, as well as sufficient (25+) responses. Slightly less statistically significant differences (at the 95% level) are also generally reported. Findings referred to as 'significant' in the body of the report are statistically significant to at least the 95% level.

Proposed fee increase to £120

The NMC is proposing to increase the registration fee to £120 per annum from March 2015. Respondents were asked first (Q1) **if they agreed or disagreed with this increase**. Nearly all (96% of individuals) disagreed. 96% of nurses and 94% of midwives disagreed.

Q1. Based on the information in the NMC background paper, do you agree or disagree that the registration fee should be increased to £120?



At least nine in ten of all subgroups disagreed with the proposal to raise the fee to £120 per annum, although nursing/midwifery students (9%, 4/47), educators (6%), the over 55s (5%) and midwives (4%) were significantly more likely than other groups to ***agree*** with this change.

All but two (25/27) of the organisations responding to this question disagreed with the proposal.

Opportunity was given here to comment (Question 2). The small minority of individuals who were in support of an increase to £120 indicated that they understood and accepted why NMC costs have increased and supported the functions of a regulator of nurses and midwives. However, they also called for more efforts to be made to streamline the administration of fitness to practise (FtP) and steps taken to prevent further increases in the numbers of cases coming through. Some also would prefer to be able to pay their registration fee in monthly instalments.

We need to clear any backlog and ensure that the FTP hearings are conducted very quickly. I'm aware that NMC FTP panel members travel around the country and are put up in hotels and receive expenses but I think that this should be cut as much as possible and that they should undertake duties nearer to their home if possible to reduce costs.

Individual 3926

The two organisations in agreement with the rise [both were happy to be identified] were a LSAMO forum and St John Ambulance. Both accepted the rationale that an increase was necessary to continue to clear the backlog of FtP increases, but St John Ambulance also noted the need for legislative change to further streamline the processes involved.

Given that the NMC is largest professional regulator in Europe, and that currently the NMC registration fee is in the bottom 10% when compared to other regulators this seems like the only viable option in order to continue professional self regulation. The cost of conducting hearings under the current legislation is placing a burden on the registrants to fund a process which you are trying to get improved via legislative change. All registrants would expect that the NMC ensures they deliver efficient and effective use of resources in the coming years and that the NMC will press government for any legislative changes necessary to support improved efficiency and effectiveness. There is undoubtedly a real challenge for some nurses to be able to pay an increase given their level of salary increases and it is difficult to get a whole organisation consensus on this difficult topic. There are many nurses who are very concerned about this increase and potentially further increases unless the change to legislation identified by the NMC to ensure efficiencies is achieved.

St John Ambulance

Nearly all who commented here, however, had recorded that they were against the increase in the fee to £120. Their comments could be broadly grouped under the following headings:

- general disagreement
- current financial situation
- current registration fee and the size of the proposed increase
- concerns about the NMC
- concerns about fitness to practise
- practice issues

General disagreement

Many merely expressed the view that the proposed increase was 'unfair', 'unreasonable', 'outrageous', 'disgusting', 'insulting' or 'unjustified', without giving further explanation.

Seriously? The fact that the NMC ask for a reason is insulting.

Individual 32

Worries were voiced that a pattern seems to be emerging of frequent, significant rises, and nurses and midwives felt powerless to stop this or avoid the fee because they have to be registered to work:

We are a captive audience and as we are unable to practise without being registered I feel that we are seen as an easy target for funds and I can see no justified reason why registration fees need to be increased.

Individual 966

Current financial situation

The most prominent argument against a rise was that nurses and midwives have had little or no pay increase in recent years – about a third of coded comments noted this. Salary increments have been capped at 1%. The recession and rising costs of living (including pension contributions and hospital parking) are seen to have lead effectively to a net reduction in income and disposable funds. As a result, many are feeling significant financial pressures on their household

budgets, saying that the increase would have a significant impact on them and they would struggle to pay the increased fee:

The RCM estimates that a top of band 6 midwife (the vast majority of midwives in the NHS are band 6) has had a real terms loss of income of £4045 over the last four years. For midwives who work the minimum hours in order to maintain their registration, the fee overall is an effective tax of £9.50 for each 12 hour shift worked. If midwives like these choose to cease practising, not only will they be lost to the profession but the NMC will lose registration fees for future years.

Royal College of Midwives (RCM)

Due to lack of pay rises for nurses and increasing costs of living, nurses' financial circumstances are stretched more now than ever. WE CAN'T AFFORD IT.

Individual 172

A 20% increase in fees is not fair to nurses and midwives who have suffered many years of extremely limited pay increases. In the current financial climate, even to propose this is obscene.

Individual 312

Fees were risen [sic] last year - you asked us then if we wanted to pay almost double what we were already having to pay - JUST TO BE A NURSE - and we said no. So you put the fees up to £100 which has hit us all hard. And now you want to raise it again? Are you expecting people to agree? Nurses across the country are not able to pay their bills, pay the mortgage, feed their children!! This is disgusting.

Individual 2894

There were calls for the fee increases to reflect the 1% pay caps or small percentage rises that nurses and midwives have experienced in recent years, or at least to be no more than inflation.

Nurses pay has not increased. Increase by a few pounds not 20%.

Individual 2190

When asked [in a Unite the Union survey] whether NMC registrants agreed with the proposal to increase the fee to £120, 98% of respondents said they did not, 0.5% stated they agreed and 1.5% stated they did not know. When asked whether any increase in fees should be linked to inflation, 39% agreed, 52% disagreed and 9% did not know. Our members are still reeling from the 58% increase in their fees in 2012. Since that time their terms and conditions have been eroded still further with little or no pay rise, increased pension contributions, reductions in unsocial hours payments, down banding and the amount they have to pay to work has increased (car parking charges, DBS checks,

PLI). A further increase will add to this and will cause real hardship to already struggling, hardworking registrants. This poses a potential threat to the professions of nursing, midwifery and specialist community public health nursing with a surprising number of members indicating they would consider leaving their job if the increase goes through. ... 'I haven't had a pay rise for years! Can't even survive, can't feed my family and now a rise in fees again!' 'As a single parent of two children working part time, term time only as a school nurse, I find this fee crippling financially!' 'The fee rise means that I will not renew my registration and will resign from my local NHS staff bank!'

Unite the Union

Current registration fee and size of proposed increase

The current amount of £100 was felt to be sufficient, or already too much, to pay for the NMC registration fee and it was suggested that it should be *lowered* rather than increased to £120. It was felt that a further rise would be unjustifiable given the number of increases in the fee in recent years, most notably two years ago from £76 to £100. The size of the proposed increase (20%) was also heavily criticised as excessive.

I object to what I have to pay now. I do not see the fee as anything near value for money. I really don't know what the NMC does that supports or represents me at all.

Individual 1280

It is outrageous. Fees have been pushed up and up since I can remember. Not so long ago it was £70 then £100 now £120! That would make it almost a 100% increase in 3 or 4 years. BANG OUT OF ORDER. All this whilst wages have been kept well below the rate of inflation. SHAME ON YOU.

Individual 1268

I've seen fees change from below £40 per three years to the current exorbitant level within just over a decade and can see no justification for this

Individual 308

Given the current economic climate, the cost of living increase and pay freezes, I feel it imperative we keep the fees at £100. I personally have three children and live on one full time and one part time wage. This is becoming increasingly difficult and have had to make cut backs on the cut backs we have already made.

Individual 320

Concerns about the NMC

Some registrants criticised the service that the NMC provides, feeling that the organisation does not provide sufficient support for its registrants to justify an increased fee. The registration fee was seen to represent poor value for money, for it accrued few benefits for those on the register.

Only a minority (12.36%) of respondents [to a UNISON survey] stated that they were confident or very confident in the NMC's ability to perform its regulatory functions.

UNISON

I feel that the NMC have lost sight of setting policies and safe guarding procedures and has become more about protecting the general public. Why should we as nurses pay to have our organisation policed? Why can this not come from the government? The NMC have never come and stood up for nurses and stood up for the nurses rights to provide safe care. It's always about guilty until proven otherwise.

Individual 378

It was observed that the organisation has been described as not fit for purpose, or lacking in leadership, at times in recent years. Others perceived poor financial management to be at the heart of the NMC's funding shortfall.

I am not responsible for the NMC's apparent inability to control its finances and live within its means...the NMC does not give a good account of its stewardship and is an organisation that is not fit for purpose. I have experienced a 1000+% increase in registration fees over the last 12 years and still they can't manage. Shame on the NMC, shame on its managers.

Individual 540

Some felt that improvements had not been made since the last rise, and argued that this makes a further increase unjustifiable. Instead, it was hoped that the NMC could look at using the money it currently receives more effectively and looking to make (more) savings, rather than passing on costs for inefficiencies to cash-strapped registrants. For example, it was thought that savings could be made by moving out of 23 Portland Place. [An NMC factsheet accompanying the consultation states that the rent is currently £250 per annum.]

The NMC need to explore other ways of generating income or working within its current budget.

Organisation 3904

The £20m granted last year was to ensure targets for historic cases were met. This has not been achieved. There should be NO fee rise until the NMC can demonstrate financial capability.

Individual 518

A few calls were made for the government to take more responsibility for funding the NMC, in the interests of public protection.

If the government and the great British public believe we are a danger to them, let registration and policing of professional standards be paid for out of taxes. Other emergency services and members of the armed forces do not have to pay for a "professional body" in order to practise, why should we?

Individual 2496

Concerns about Fitness to Practise

There was some bitterness that nurses and midwives that have been practising safely could be perceived to be funding the administration of the fitness to practise (FtP) caseload, which has been the main contributor to the rise in the NMC running costs. There were worries that FtP cases might continue to rise and consequently inflate registration fees. It was hoped that measures would be taken to reduce the volume of FtP cases emerging, or that efficiencies would continue to be made in the processing and management of FtP cases by the NMC.

Appreciate that there are more fitness to practise hearings being referred to you, but unsure why I am having to fund these, surely work should actually be done to reduce the issues that are being faced requiring nurses to face fitness to practise hearings? This is the same as any insurance company, raise the fees of those that don't necessarily use the service to cover the costs of those that do.

Individual 824

The main reason for increase appears to be around fitness practice referrals and cases. Consideration should be given as to how this process could be better managed within either the current budget or by employers - could costs be recovered from other areas?

Individual 1588

UNISON believes that the 133% increase in fitness to practise referrals merits a more root and branch review of the reasons why the number of referrals has increased so dramatically since 2008. Any review should include working with employers, as the largest group who make referrals to the NMC, to examine the reasons behind the increase in referrals from this group. The need for this is heightened by the fact that in 2012/13 almost 40% of referrals were closed at the initial assessment stage which draws the conclusion that employers are using the NMC referral process rather than their internal procedures to deal with performance and disciplinary issues or are making referrals to the NMC in an attempt to demonstrate to their own regulators and commissioning bodies that they are being tough on fitness to practise, professional conduct and training issues.

Respondents to the UNISON survey recognised that in 2012/13 77% of the NMC's income is spent on 0.6% of NMC registrants. UNISON members believed then as they do now that this an unsustainable financial model and that it has a detrimental effect on the overwhelming majority of registrants. This is because it prevents the NMC from taking a more proactive role, for example in developing professional advice and guidance.

UNISON

Practice issues

Some felt that an increase in how much registrants have to pay to be able to practise was difficult to endorse when working in practice was perceived to be more challenging than it used to be. Not only was there a feeling that nurses and midwives are poorly paid in comparison to other healthcare professionals, but they cite long hours in high stress environments, where they are contending with low morale and insufficient staffing levels. There were those who plainly said that they would be unlikely to renew their registration:

We are all working in an environment where we are all being forced to work harder and be extremely cost effective. The NMC has increased fees significantly in recent times. It would be good to see that the NMC has an understanding of registrants' situation. In my service a number of employees are taking early retirement. Some would consider banking but refuse to pay the already high subscriptions. These are workers we really need at the current time.

Organisation 4481 (NHS Employer)

Surveys have shown nurses are leaving the profession (disillusionment, poor patient care, lack of support to name just a few reasons). Nurses should be encouraged to stay to "make a difference" once again as this is why most of us wanted to become nurses. Those who have left should be encouraged to return without having to face further training and yet another registration fee.

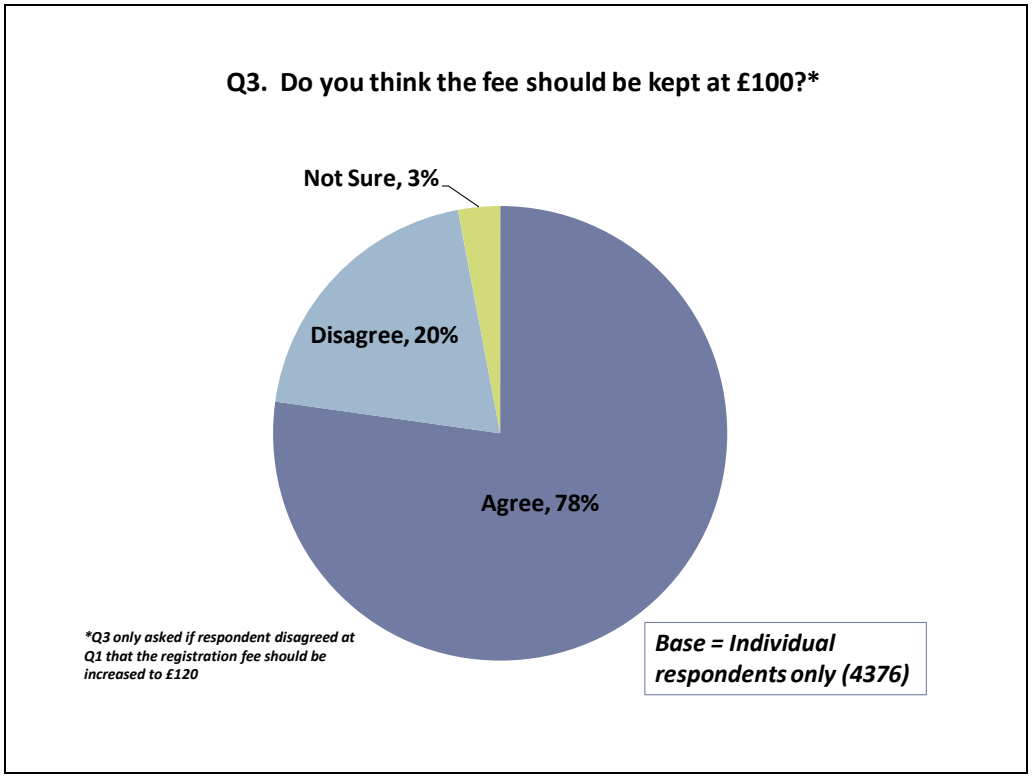
Individual 1812

Although I understand that your costs have risen, as your fees raise it becomes harder for people to afford your fees. I am currently a 1st year student nurse and am already worrying about funding my first year's registration once I qualify. I believe the cost of being a nurse is one of the main reasons why many people choose not to enter/continue employment as a nurse when considering it.

Individual 3432

Retaining a £100 registration fee

Respondents who did not agree with the fee rise to £120 per annum were then asked (Q3) if they thought **the fee should remain at £100 per annum**. A clear majority (78% of individuals) agreed that it should stay at this level, whilst one in five (20%) felt that it should not.



Two thirds or more of every subgroup (of those who had disagreed with a rise to £120) felt that it should stay at £100 per annum.

17 of the 25 organisations who disagreed with a rise to £120 per annum felt that the fee should remain at £100. The eight who felt that it should not be increased to £120 (Q1) or remain at £100 (Q3) were from a mix of sectors:

- 2/7 professional organisations or trade unions

- 3/11 NHS employers
- 1/1 education provider
- 2/4 other* organisations

**i.e. neither any of the above nor a government department, regulator, independent sector employer or consumer or patient organisation*

About half (48%) of those who were uncertain about a rise to £120 at Q1 were not sure that it should stay at £100 either.

Participants in the consultation were given the opportunity to comment here. Amongst those commenting who had disagreed with a rise to £120 but agreed to the fee remaining at £100, many of the same arguments were reiterated, most prominently the financial hardship many are already experiencing, due to pay freezes, cost of living increases, and job-related expenditure such as pensions, union subscriptions, travel and fuel costs, or workplace parking. They stressed that it seemed fair only to increase the registration fee once wages went up:

I have not had a rise in my wage therefore it is unfair to ask nurses to pay more. Once pay rises become more sustained then possibly it could be suggested then.

Individual 3172

The NMC needs to be more accountable in how it spends its members' money. According to the most recent audit report this is clearly not the case. Therefore no more money should be given to an organisation that appears to waste money. In fact the NMC should be looking at ways to reduce its costs to its members and become more efficient. The members have been on a two year pay freeze followed by a 1% pay increase with increases in Superannuation, National Insurance, food and fuel and are struggling in this financially challenged environment without the added pressure of unnecessary increases in NMC fees.

UNISON Down Lisburn Branch, Northern Ireland

It seemed too soon to many (especially registrants under the age of 35 years) for another rise, given there had been an increase regarded as both significant and recent. Concerns were expressed that rises in the fee are coming too frequently. Some wanted to see the fee moving in the other direction to counter the financial difficulties being experienced, although often they accepted that this was unlikely to happen.

I already think this is too expensive. Cuts should be made to keep the fees as they are.
Individual 3226

Those commenting who had both disagreed that the fee should be raised to £120 and disagreed that it should stay at £100 were particularly keen to see the fee lowered. About three quarters felt that the existing fee was too high and/or that the last increase was excessive:

It should be reduced in price, in the same way that our earnings have not kept up with inflation...hence a pay-cut in real terms
Individual 708

They too felt, vociferously, that the registration fee should reflect the pay freezes that have been in place and that the NMC should look to make more efficiencies and provide better value for money for nurses and midwives. A significant minority of this group felt that having to pay anything to be able to practise was not acceptable:

The fee should be abolished!!! We get very little in the way of perks as being a nurse or midwife and at the very least the amount should be halved. We simply cannot afford this!!! Give us a pay rise and then maybe we'll discuss it!!
Individual 1104

I don't believe we should even have to pay this fee to do our job; it should be paid for by the company you work for. It is more than most professions pay.
Individual 3128

Many again stressed the need for the NMC to review its expenditure, bring down overheads and use revenue from registration fees more prudently.

The fee has already been massively increased over recent years. The basic hardworking, caring, responsible, honest, reliable nurse gets nothing extra for this increase, rather we are being penalised, and with the cost of living increasing

it is unfair to just keep upping NMC prices when you know people have to pay it, there is no other option apart from leaving the profession

Individual 2572

Our members recognise that essentially they are paying fees for judicial processes and not for advice and guidance to support them in providing high quality care. The regulatory cycle of setting high standards for entry to the register, providing rules and guidance to assist midwives in their practice (separate from the support provided by RCM) and only then taking action if conduct or competence falls short, appears to have been overly skewed towards fitness to practise at the expense of the other elements.

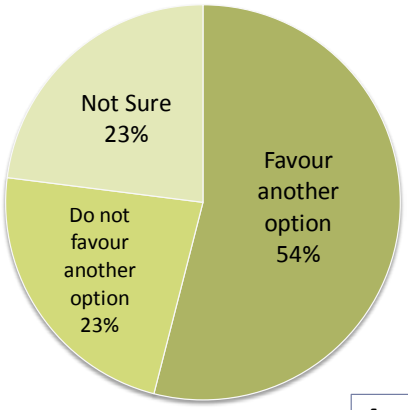
RCM

Alternative options

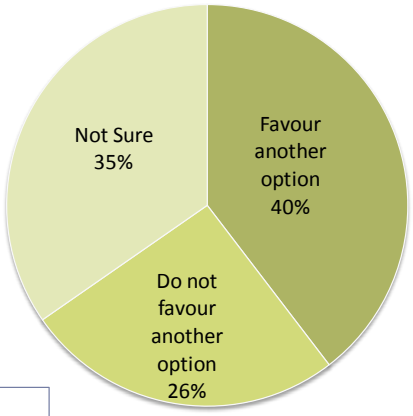
A third question, open to everyone, asked if another option was preferable. Amongst those who disagreed with both the £120 and £100 fee options, more than half (54%) said that they would prefer something else. Those who disagreed with the rise to £120 and were not sure about keeping it at £100 were slightly less likely (40%, 39/98) to favour another option.

Q5. Do you favour another option (whether mentioned in the NMC consultation document or not)?

Individuals neither in favour of £120 (Q1) nor £100 (Q3) fee (Base=774)



Individuals not in favour of £120 (Q1) fee and not sure about £100 fee (Q3) (Base=98)



Answers to Q5 (Individuals only)

Some of those who agreed that the fee should remain at £100 also felt they would favour another option (24%).

Amongst the individuals, members of the public (59%, 13/22) and those not currently working (44%, 14/32) were significantly more likely to feel that another option might be favourable.

Six of the organisations (25%, 6/24) favoured another option, with a further two *not sure*.

Only six organisations commented, of which three suggested that more of the funding for the NMC should come from the government. Suggestions made by at least 5% of those individuals who made comment were (in approximate order of popularity, with most frequent mentions first):

- improve efficiencies in working practices at the NMC

Cost cutting, saving money, cheaper suppliers, lean working, redundancy, reduced hours, pay cuts, if we have to do it so should you, lead by example.
Individual 2470

- secure more funding from the government or from taxes

The RCN believes the NMC should investigate alternative options other than increasing the fee paid by registrants. In times of such financial austerity for nurses who have had to endure over four years of pay restraint, the government should intervene and assist the NMC with a financial grant in order for them to meet their financial challenges.
RCN (Royal College of Nursing)

Considering that you refer in the document that the most costly part of the NMC budget is spent on hearings it seems very unfair that all NMC members are being charged to pay for hearings of those who have been referred for investigation - surely this is not fair and just and should be funded from the government/local trusts etc. I know this is naive but there must be a fairer way forward
Individual 2044

- reducing rather than raising the fee

A reduction in the fee. Nurses are already penalised in regards to their pay. We work hard and don't claim benefits so why should we be penalised for choosing this as a career.
Individual 1308

- introduce payment by installments immediately (currently planned from 2016)

- pass regulation of nurses and midwives to a different body

An alternative body to register with so there is a market and this will drive down cost and fees.
Individual 448

Similar to social workers, the NMC could merge with the health care professional regulator. This may bring about saving in management costs, etc.
Individual 3002

- vary the fee depending on band, pay level, salary or whether in full time or part time employment

Newly registered nurses should be offered a discount on first year registration due to needing it for employment. After this I believe it should be income dependant and capped at a maximum of £200 for those with an extremely high income.
Individual 3432

- move out of London / reduce property costs
- fine nurses who are found unfit to practise

Charge for Fitness for Practise when people are found guilty. Why should the innocent pay??
Individual 576

- improve FtP efficiencies and/or reduce FtP referrals

We consider there are a number of alternative options..... The consultation states that the volume and complexity of fitness to practise cases is the main driver for the proposed increase in fees. When asked who should cover the costs of fitness to practise, 38% of our members thought this should be employers, 34% the government, 16% the NMC, 6% registrants and 6% other. There is concern among members that fees will only continue to rise due to the costs of the increasingly legalistic fitness to practise system and questioned the fairness of the majority who practise safely, paying for the minority who do not! It is suggested by many members that an option would be for employers to have to meet the cost of the hearing where it is found there is no case to answer as this suggests it is something that did not need to be referred. In addition a number suggested the option of registrants themselves making a contribution if the case against them is proven. Members also urge the NMC to look for efficiencies and alternative ways of delivering its fitness to practise responsibilities. In particular it is suggested that a priority for the NMC and the government must be

to investigate the reason for the increase in referrals...The NMC has stated that the failure by government to implement the Law Commission recommendations that would have enabled them to become an 'efficient and effective regulator' is disappointing. ....We would therefore suggest that as government failed to address an issue that potentially would reduce the cost of regulation for nurses and midwives, then another option is for them to provide the additional funding required by the NMC.

Unite the Union (Health Sector)

- require employers to pay the registration fees

Make it a requirement for employers to pay the fee if it is what we require to practise.

Individual 1688

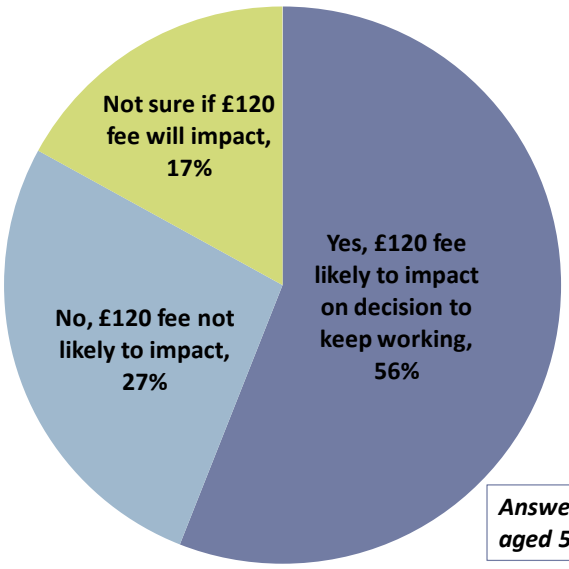
Impact of a fee rise on those aged 55 years and over

Individuals who were aged 55 or over were asked if the fee rise might impact on their decision to continue working as a nurse or midwife. Over half (56%) of all 55+ year olds said that it would impact and a further one in six (17%) were not sure if it would.

More than half of the respondents from every subgroup analysed said that the fee rise would impact on their decision to continue working as a nurse or midwife, with the exception of those aged over 55 years living in Scotland (43%) or Northern Ireland (47%).

Part time workers were significantly more likely to say that their decision might be affected, with almost two thirds (63%) saying it would impact and a further 15% not sure if it would.

Q28. If you are 55 or over, is the fee rise likely to impact on your decision to continue working as a nurse or midwife at all?



Answers to Q28 (Individuals aged 55 or over only, 549)

Appendices

Methodology of consultation

Sample

Analysis

Participating Organisations

Consultation Questions

Methodology of Consultation

A consultation document and questionnaire was devised by the NMC and set up and hosted by Alpha Research.

The survey was launched on 8th May 2014, online on the NMC website. It could be completed online, on screen, or respondents could download a .pdf version of the questionnaire which could be completed on paper.

The online survey was completely anonymous for individuals responding. Organisations, however, were invited to include their organisation name and asked if they were happy to be identified in the reporting.

Telephone and e-mail contact addresses were made available at NMC and Alpha Research for queries regarding the consultation.

The deadline for responses was 31st July 2014. Extensions were only granted in exceptional circumstances, such as where there was clear evidence of a technical problem prior to the closing date.

Responses were accepted in other formats, such as e-mailed completed questionnaires or responses that were submitted as discussion documents or papers rather than using the questionnaire. Email questionnaire responses were entered into the data with other questionnaires. Responses in the form of papers etc. were entered verbatim as answers to the relevant open-ended questions, where possible.

Sample

4532 valid responses were received to the consultation.

	Total response
Online Survey	4525
Other responses	7
Total	4532

Table A1. Response breakdown by format

Of these 4532 responses, 4505 responses came from individuals and 27 from organisations.

Response from organisations

27 (0.6%) of the responses to the consultation came from organisations:

Base = all organisations (27)	Number responding
NHS employer of nurses/midwives	10
Independent employer of nurses/ midwives	2
Higher education institution/NMC approved institution	1
Professional organisation, student union or trade union	6
Government department/ public body	0
Regulatory body	0
Consumer/ patient representative organisation	0
Other	5
Not specified	3

Table A2. Organisation breakdown

Feedback was received from organisations working across the UK.

Base= all organisations responding = 25)	Response
England	9
Scotland	1
Wales	0
Northern Ireland	2
UK-wide organisations	12
Elsewhere	1

Table A3. Organisational response breakdown by country

Comparative analysis was carried out between different types of organisation and by region of operation (UK-wide v. England v. Other), but the numbers were insufficient to report differences in opinions unless these were very significant.

Responses from individuals

4505 (99.4%) of the responses to the consultation came from individuals. Demographic characteristics of individuals are recorded in the table below.

Base = all individuals responding	Percentage (Base)
Female	80% (4058)
Male	20% (4058)
White ethnic group	96% (4099)
Other ethnic group	4% (4099)
Without Disability	91% (4149)
Heterosexual	94% (3451)
Under 45 years	46% (4028)
45+ years	54% (4028)
Christian	63% (3655)
Other religious background/ belief	6% (3655)
Have no religious beliefs	31% (3655)
Married/ in civil partnership	69% (3690)

Table A4. Individual response by demographics

Most were registered nurses or midwives:

Base = all individuals responding (4502)	Response
Registered nurse	86%
Registered midwife	13%
Educator	6%
Manager/ employer	5%
Student	1%
Overseas-registered nurse or midwife	1%
Member of the public/ service user/ carer*	<1%
Other*	<0.5%

**Multiple answers permitted to this question, but figures given here for the 'Member of the public/service user/ carer' and the 'Other' categories represent those who ticked these categories only*

Table A5. Individual response breakdown by job role

Most were in full-time employment (75%), with one quarter (24%) working part-time and 39 individuals (<1%) not currently working.

Respondents were also asked to record their national identity:

Base = all individuals responding ()	Response
English	58%
British	18%
Scottish	12%
Northern Irish	4%
Welsh	4%
Irish	1%
Other	4%

Table A6. National identity

Analysis

Full data was recorded from the paper and email questionnaires and from the non-conforming, more discursive responses. This, along with all the online data was fully verified and analysed in the statistical program SNAP.

The headline figures for each question are reported throughout by individuals versus organisations.

Every question was optional – the respondent could skip past without answering them. Each question also had a 'have no opinion' option. Given that nearly all the questions regarded a straightforward choice between agree and disagree, leaving a question blank was deemed equivalent to 'have no opinion'.

Results for the subgroups above have been highlighted in the report where there is a clear degree of statistically significant difference (99%) between categories and sufficient (30+) responses. Slightly less statistically significant (at the 95% level) have also been reported where it was of particular relevance.

The answers given to open-ended questions were defined into overall themes, each of which contained a number of categories of comment. Qualitative analysis was based on analysis of all points made, to indicate strength and diversity of feeling between and within emergent themes.

Answers to open questions have been coded for every organisation and for every second individual. An analysis has been undertaken to see if there are any significant differences between the individuals randomly selected for coding and those who were not. There were no differences of statistical significance in demographics or working status.

This report highlights the principal, but not all, arguments presented from these open-ended responses. For example, where more than one in ten organisations or 4% of individuals responding to a question have expressed the same point, this is consistently reported.

Quotes from verbatim data are included in the report to reflect more commonly held views (usually of at least 5% of respondents). Organisations were given the opportunity to opt out of being identified in quotes selected for the report, which is why some appear anonymously and some are attributed to named organisations.

Participating Organisations

The following organisations identified themselves as participants in the survey:

Cambridgeshire and Peterbororugh NHS foundation trust
Camden and Islington foundation NHS trust
Christian Medical Dental fellowship
Elizabeth House, QE11 hospital
FOD community nurses Yorkley
LSAMO Forum UK
Mymil ltd
Paramount Care
Pilgrim Hospital
Public Health Nursing northern health and social services trust
RCN CYP Acute Care Forum
RDASH
Royal College of Midwives
Royal College of Nursing
St John Ambulance
UNISON
UNISON Down Lisburn Branch, Northern Ireland
Unite the union
Unite the Union; Health Sector
Ward 2 Springfield Hospital
WSHT

Consultation Questions

Nursing and Midwifery Council consultation on registration fees Consultation questions

Q1 Based on the information in the NMC consultation document do you agree or disagree that the registration fee should be increased to £120 from March 2015?

Agree

Disagree

Not sure

Have no opinion

Q2 Please give a reason for your answer:

Q3 Do you think that the fee should be kept at £100?

Yes

No

Not sure

Have no opinion

Q4 Please give a reason for your answer:

Q5 Do you favour another option (whether mentioned in the NMC consultation document or not)?

Yes

No

Not sure

Have no opinion

Q6 What other option would you prefer?

Q7 Are you responding as an individual or on behalf of a group or organisation?

As an individual

On behalf of an organisation

Q8 Are you a… (Tick all that apply)
UK-registered nurse
UK-registered midwife
Overseas-registered nurse and/or midwife
Employer or manager
Educator
Nursing or midwifery student
Member of the public, service user or carer
Prefer not to answer
Other
Q8a Please specify

Q9 In your main job, do you work…
Full time (more than 30 hours per week)
Part time (up to 30 hours per week)
Not applicable (not currently working)

Q10 Please tick ONE box which best describes the type of organisation you represent.
Government department or public body
Regulator
Professional organisation or trades union
NHS employer of nurses or midwives
Independent sector employer of, or agency for, nurses or midwives
Education provider
Consumer or patient organisation
Other (please specify below)
Q10a Please specify

Q11 Please give the name of your organisation.

Q12 Would you be happy for your comments in this consultation to be identified and attributed to your organisation in the reporting, or would you prefer that your response remains anonymous?
Happy for comments to be attributed to my organisation
Please keep my responses anonymous

Q13 Please state where your organisation mainly operates:
Across the UK
England
Northern Ireland
Scotland
Wales
Other (please specify below)
Q13a Please specify

Diversity monitoring questions

Responses to these questions will remain anonymous. We would be grateful if you would complete these questions because this evidence supports our equality and diversity work. Your answers will give us information about the people that have taken part in this consultation. There is a 'prefer not to answer' option for these questions.
This information will only be used for statistical purposes and you will not be identified.

Q14 How would you describe your national identity?
English
Welsh
Scottish
Northern Irish
British
Prefer not to answer
Any other national identity (please specify below)
Q14a Please specify

Q15 Please choose one of the following and then tick the box which best describes your ethnic group or background.
White
Mixed/multiple ethnic groups
Asian / Asian British
Black / African / Caribbean / black British
Other ethnic group
Prefer not to answer

Q16 Please specify:
English / Welsh / Scottish / Northern Irish / British
Gypsy or Irish Traveller
Irish
Any other white background (please specify below)

Q17 Please specify:
White and black Caribbean
White and black African
White and Asian
Any other mixed/multiple ethnic backgrounds (please specify below)

Q18 Please specify:
Indian
Pakistani
Bangladeshi
Chinese
Any other Asian background (please specify below)

Q19 Please specify:
African
Caribbean
Any other black/African/Caribbean background (please specify below)

Q20 Please specify:
Arab
Any other ethnic group (please specify below)

Q21 Do you consider yourself to have a disability or long-term health condition?
The Equality Act 2010 defines disability as a physical or mental impairment which has a substantial and long-term effect (at least 12 months) on a person's ability to carry out normal day-to-day activities.
Yes
No
Prefer not to answer

Q22 Please indicate your sexual orientation

Heterosexual

Gay man

Gay woman / lesbian

Bisexual

Prefer not to answer

Q23 Please indicate your gender:

Male

Female

Transgender

Prefer not to answer

Q24 Is your gender identity the same as the gender you were assigned at birth?

Yes

No

Prefer not to answer

Q25 Please indicate which most closely matches your religion or beliefs:

Buddhist

Christian

Hindu

Jewish

Muslim

Sikh

None

Prefer not to answer

Any other religion

Q25a Please specify

Q26 Are you married or in a civil partnership?

Yes

No

Prefer not to answer

Q27 Please indicate your age:

Under 25

25-34

35-44

45-54

55 or over

Prefer not to answer

Q28 If you are 55 or over, is the fee rise likely to impact on your decision to continue working as

a nurse or midwife if at all?

Yes

No

Not sure

As this is an anonymous survey, it will not be possible to view or amend your response after you have submitted it unless you provide your email address below. This is because your email address is needed to identify your response. If you provide your email address and later wish to revisit your response, then you will need to contact Alpha Research at 9696nmc@alpharesearch.co.uk to ask them to return your response.

Please note that the survey closes on 31 July 2014 and that amendments can only be made up until then.

Your email address will not be used for any purpose other than allowing Alpha Research to locate your response for amendments.

Q29 Email address

Royal College of Nursing
The voice of nursing in the UK

Royal College of Nursing
20 Cavendish Square
London
W1G 0RN

Dr Peter Carter OBE,
Chief Executive & General Secretary

Telephone 020 7647 3781
Fax 020 7647 3434
Email peter.carter@rcn.org.uk

Executive Assistant: Danielle Boyle
Telephone 020 7647 3781
Fax 020 7647 3434
Email danielle.boyle@rcn.org.uk

31 July 2014

Jackie Smith
Chief Executive & Registrar
Nursing & Midwifery Council
23 Portland Place
London
W1B 1PZ

Dear Jackie,

NMC consultation on proposed fee increase

The reaction from our member's on the proposed fee increase has been very strong and I would be failing in my duty to the members if I did not pass their concerns on to you. They believe that yet again they will be bearing the brunt of the NMC's financial pressures and many say they are losing confidence in their regulator.

RCN members went through a similar consultation process two years ago, in the hope that the outcome could be affected. Nurses made their views clear that a fee rise of the extent proposed was not acceptable. We believed that then, and more recently, our members have clearly set out why registrants should not have to suffer yet another fee hike.

We understand the fee rise will happen despite this consultation therefore this consultation will serve no purpose and is simply a step to make registrants financially responsible for the financial shortfall of the regulator. We fully accept that this is a longstanding problem inherited by the current Chairman and Chief Executive of the NMC nevertheless it is registrants who are yet again being unfairly penalised.

I set out below the Royal College of Nursing's response to the consultation:

1. The RCN fundamentally disagrees that the registration fee should be increased to £120 from March 2015.

2. The RCN believes that the fee should be kept at £100.

3. The RCN believes the NMC should investigate alternative options other than increasing the fee paid by registrants. In times of such financial austerity for nurses who have had to endure over four years of pay restraint, the government should intervene and assist the NMC with a financial grant in order for them to meet their financial challenges.

The RCN is sympathetic to the NMC's plight with regard to the rigidity of 'fitness to practice' rules and believes that the lack of any commitment by the Government to introduce reforms as proposed by the Law Commission is regrettable. Rationalising the process by introducing more flexible means of disposing of cases would be welcomed by the RCN and we will continue to work with you to develop more cost efficient processes.

The RCN is also concerned about the cost of revalidation and any new model for revalidation must not, increase registrants fees.

Yours sincerely,

Dr Peter Carter OBE
Chief Executive & General Secretary

Royal College of Nursing
Of the United Kingdom
20 Cavendish Square
London W1G 0RN
Telephone + (0) 20 7647 3781
www.rcn.org.uk
RCN Direct 0345 772 6100

Nursing and Midwifery Council consultation on registration fees

Consultation questions

All questions are optional except for the question which asks whether you are responding as an individual or an organisation. Responses from individuals and organisations will be analysed separately, so it is important that we know in which capacity you are responding.

Where you are invited to comment, unless otherwise stated, there is a limit of approximately 300 words.

Finding your way around the survey

Please use the ‘Back’ and ‘Next’ buttons at the bottom of each page to move through the survey, rather than your internet browser’s back and forward buttons.

Print the survey

The questions can be viewed or printed from here.

Sharing your response

It is only possible to share your response with colleagues before it has been submitted. When you save your completed or partially completed response you will be sent an email link (see 'Saving your response') which you can then forward to colleagues. However, others will be able to amend or submit your response if you do this.

Saving your response

The survey programme does not close automatically, so your answers will not be lost if you leave your computer unattended for a while. If you are unable to complete the survey in one sitting you can press ‘Save’ at any point. You will be asked for your email address and a link will be sent to you within a few minutes. Please note that the automatic message might go to your junk folder or be blocked by a spam filter. If the message does not appear in your inbox within a few minutes, then check your junk folder.

Do not save the page you are working on as a ‘Favourite’ in your internet browser, as this will not save all your responses.

When you are prompted for your email address there is an option to ‘Reset’. Please note that this only clears the email address box, not your responses to the survey.

Submitting the survey

When you have reached the end of the survey, you will be asked to ‘Submit’ your response, and to provide an email address. As this is an anonymous survey, you will not be able to view or amend your response after you have submitted it unless you provide your email address when you submit your response. This is because your email address is needed to identify your response. If you provide your email address when you submit your response and later wish to revisit it, then you will need to contact Alpha Research at 9696nmc@alpharesearch.co.uk to ask them to return your response. **Please note that the survey closes at 12:00 on 31 July 2014** and that amendments can only be made up until then. Your email address will not be used for any purpose other than allowing Alpha Research to locate your response.

Based on the information in the NMC consultation document do you agree or disagree that the registration fee should be increased to £120 from March 2015?

- ❑ Agree
- ☑ Disagree
- ❑ Not sure
- ❑ Have no opinion

Please give a reason for your answer:

The RCM has major concerns that this increase in registration fees will act as a disincentive to midwives joining and remaining on the NMC register. For those in current practice, they are still experiencing static incomes with rising prices. The RCM estimates that a top of band 6 midwife (the vast majority of midwives in the NHS are band 6) has had a real terms loss of income of £4045 over the last four years. For midwives who work the minimum hours in order to maintain their registration, the fee overall is an effective tax of £9.50 for each 12 hour shift worked. If midwives like these choose to cease practising, not only will they be lost to the profession but the NMC will lose registration fees for future years. For new graduates many of whom have built up debts, the high level of registration fee can be a disincentive to joining the register. It would be helpful if the NMC could offer a reduced fee for the first year or two of registration as other regulators already do. For example the GMC offers a 50% reduction.

Do you think that the fee should be kept at £100?

- ☑ Yes
- ☐ No
- ☐ Not sure
- ☐ Have no opinion

Please give a reason for your answer:

There was significant opposition to the previous proposed fee rise. We acknowledge that this was mitigated by the receipt of a grant from the department of health. Our members recognise that essentially they are paying fees for judicial processes and not for advice and guidance to support them in providing high quality care. The regulatory cycle of setting high standards for entry to the register, providing rules and guidance to assist midwives in their practice (separate from the support provided by RCM) and only then taking action if conduct or competence falls short, appears to have been overly skewed towards fitness to practice at the expense of the other elements. The lack of midwifery visibility at the NMC both amongst staff and the limited representation on the Council raises questions as to the acknowledgement that the NMC is a regulator of two professions.

Do you favour another option (whether mentioned in the NMC consultation document or not)?

- ☐ Yes
- ☐ No
- ☐ Not sure
- ☑ Have no opinion

What other option would you prefer?

Are you responding as an individual or on behalf of a group or organisation?

- ☐ As an individual
- ☑ On behalf of an organisation

Are you a… (Tick all that apply)

- ❑ UK-registered nurse
- ❑ UK-registered midwife
- ❑ Overseas-registered nurse and/or midwife
- ❑ Employer or manager
- ❑ Educator
- ❑ Nursing or midwifery student
- ❑ Member of the public, service user or carer
- ❑ Prefer not to answer
- ❑ Other

Please specify

In your main job, do you work…

- ❑ Full time (more than 30 hours per week)
- ❑ Part time (up to 30 hours per week)
- ❑ Not applicable (not currently working)

Please tick ONE box which best describes the type of organisation you represent.

- ❑ Government department or public body
- ❑ Regulator
- ☑ Professional organisation or trades union
- ❑ NHS employer of nurses or midwives
- ❑ Independent sector employer of, or agency for, nurses or midwives
- ❑ Education provider
- ❑ Consumer or patient organisation
- ❑ Other (please specify below)

Please specify

Please give the name of your organisation.

Royal College of Midwives

Would you be happy for your comments in this consultation to be identified and attributed to your organisation in the reporting, or would you prefer that your response remains anonymous?

- ☑ Happy for comments to be attributed to my organisation
- ❑ Please keep my responses anonymous

Please state where your organisation mainly operates:

- ☑ Across the UK
- ❑ England
- ❑ Northern Ireland
- ❑ Scotland
- ❑ Wales
- ❑ Other (please specify below)

Please specify

Diversity monitoring questions

Responses to these questions will remain anonymous. We would be grateful if you would complete these questions because this evidence supports our equality and diversity work. Your answers will give us information about the people that have taken part in this consultation. There is a 'prefer not to answer' option for these questions.

This information will only be used for statistical purposes and you will not be identified.

How would you describe your national identity?

- ❑ English
- ❑ Welsh
- ❑ Scottish
- ❑ Northern Irish
- ❑ British
- ❑ Prefer not to answer
- ❑ Any other national identity (please specify below)

Please specify

Please choose one of the following and then tick the box which best describes your ethnic group or background.

- ❑ White
- ❑ Mixed/multiple ethnic groups
- ❑ Asian / Asian British
- ❑ Black / African / Caribbean / black British
- ❑ Other ethnic group
- ❑ Prefer not to answer

Please specify:

- ❑ English / Welsh / Scottish / Northern Irish / British
- ❑ Gypsy or Irish Traveller
- ❑ Irish
- ❑ Any other white background (please specify below)

Please specify:

- ❑ White and black Caribbean
- ❑ White and black African
- ❑ White and Asian
- ❑ Any other mixed/multiple ethnic backgrounds (please specify below)

Please specify:

- ❑ Indian
- ❑ Pakistani
- ❑ Bangladeshi
- ❑ Chinese
- ❑ Any other Asian background (please specify below)

Please specify:

- ❑ African
- ❑ Caribbean
- ❑ Any other black/African/Caribbean background (please specify below)

Please specify:

- ❑ Arab
- ❑ Any other ethnic group (please specify below)

Do you consider yourself to have a disability or long-term health condition?

The Equality Act 2010 defines disability as a physical or mental impairment which has a substantial and long-term effect (at least 12 months) on a person's ability to carry out normal day-to-day activities.

- ❑ Yes
- ❑ No
- ❑ Prefer not to answer

Please indicate your sexual orientation

- ❑ Heterosexual
- ❑ Gay man
- ❑ Gay woman / lesbian
- ❑ Bisexual
- ❑ Prefer not to answer

Please indicate your gender:

- ❑ Male
- ❑ Female
- ❑ Transgender
- ❑ Prefer not to answer

Is your gender identity the same as the gender you were assigned at birth?

- ❑ Yes
- ❑ No
- ❑ Prefer not to answer

Please indicate which most closely matches your religion or beliefs:

- ❑ Buddhist
- ❑ Christian
- ❑ Hindu
- ❑ Jewish
- ❑ Muslim
- ❑ Sikh
- ❑ None
- ❑ Prefer not to answer
- ❑ Any other religion

Please specify

Are you married or in a civil partnership?

- ❑ Yes
- ❑ No
- ❑ Prefer not to answer

Please indicate your age:

- ❑ Under 25
- ❑ 25-34
- ❑ 35-44
- ❑ 45-54
- ❑ 55 or over
- ❑ Prefer not to answer

If you are 55 or over, is the fee rise likely to impact on your decision to continue working as a nurse or midwife if at all?

- ❑ Yes
- ❑ No
- ❑ Not sure

As this is an anonymous survey, it will not be possible to view or amend your response after you have submitted it unless you provide your email address below.

This is because your email address is needed to identify your response. If you provide your email address and later wish to revisit your response, then you will need to contact Alpha Research at 9696nmc@alpharesearch.co.uk to ask them to return your response.

Please note that the survey closes on 31 July 2014 and that amendments can only be made up until then. Your email address will not be used for any purpose other than allowing Alpha Research to locate your response for amendments.

Email address:

louise.silverton@rcm.org.uk

Thank you for taking the time to complete this survey.
Please press 'Submit' to send your response.

Nursing and Midwifery Council (NMC) consultation on registration fees UNISON response – July 2014

---

1. Introduction

1.1 UNISON is the largest public sector union in the United Kingdom and Europe with over 1.3 million members. Our members work in a range of public services including Health, Local Government, Education and Police services. They are at the front line of caring for the most vulnerable in our society. We are pleased to have the opportunity to respond to this consultation by Nursing and Midwifery Council (NMC).

1.2 We are also in a unique position to respond to these proposals as we cover currently four of the nine healthcare regulators. This gives us an over view of the different ways regulators operate and also enables us to make more informed judgements on which elements work more effectively than others.

1.3 As the largest trade union and the voice of the healthcare team, we are instrumental in influencing policy at regional, national and international level. UNISON has a long history of working with organisations and individuals who work and campaign in the areas of regulation, safeguarding, practise and care.

1.4 Our members are responsible for the delivery of high quality health and social care to the most vulnerable in our society. We have actively sought the views of our nursing and midwifery members who are responsible for the delivery of quality care services. In addition to registered nurses and midwives, UNISON's consultation included the views of students in nursing and midwifery as prospective registrants.

1.5 We hope that the NMC will take into account the weight of UNISON's views as a major stakeholder and representative of the majority of regulated healthcare professionals.

2. Executive summary

2.1 UNISON members do not support the NMC proposal to increase registration fees, from March 2015.

2.2 Across the UK UNISON members are angry that the NMC appear unable to live within their current significant income stream.

2.3 UNISON calls on the NMC to undertake a review of fitness to practice referrals which do not proceed to a full hearing and to use this data and information to work with employers and trade unions to ensure that referrals are appropriate and in the interests of patient safety and public protection. We recognise that this will not be possible for all referrals (i.e. police and patient referrals) but given that employers are the largest source of referrals UNISON would argue that this move would have a positive impact on reducing the number of cases and the overall cost of fitness to practice.

2.4 UNISON calls on the NMC to shift resources into awareness and the development of guidance to help registrants understand clearly how to act within the code of conduct in their practise. This will also reduce the number of referrals and restore public, registrant and employer confidence in the regulator, and its systems and practices.

2.5 UNISON calls on the NMC to consider a reduced fee for new registrants and part time workers to better reflect members' income throughout their careers.

2.6 UNISON shares members' anger that the NMC continues to seek increases in registration fees while other regulators have been able to hold their rate. We recognise that the NMC is the biggest but the HCPC regulates a wider range of professions but still manages to maintain registration fees at a consistent rate.

2.7 UNISON fears that this increase could have a catastrophic impact on nurses and midwives future decisions and have a direct result on workforce planning and possibly patient care.

2.8 We call on the NMC to halt this process, to maintain fees at their current rate and if necessary reduce the number of fitness to practice hearings which take place on a daily basis. This saving would avoid the need for council to increase registration fees; we acknowledge that council will argue that they cannot do this as it will impact on their statutory function of public protection. However, UNISON members believe that registrants should not carry the full burden of the costs.

2.9 This has been further reinforced by the government's failure to make time for the passage of the law commission through parliament. As less than 0.6% of registrants fitness to practice is called into question why should 99% of registrants suffer ever increasing registration fees.

3. Background

3.1 In addition to completing the online survey we are also submitting a more detailed formal response we believe that this was necessary as the limited online format would not have allowed us to properly articulate the views and opinions of the

thousands of UNISON members who took the time to express their concern at these proposals.

3.2 In order to formulate our response and encourage active open participation we used a variety of mediums to communicate and discuss the proposals with our members. These included an email sent out to all members of the nursing and midwifery family in July, drawing their attention to the proposals, as well as a detailed online survey to which we received over 1,251 responses.

3.3 Information also has been communicated via our UNISON Facebook and Twitter accounts encouraging registrants to participate in this important survey. We shared links to both the NMC consultation as well as our own.

3.4 In Scotland, UNISON branches and members have written over a thousand letters to Members of the UK Parliament expressing concern and asking them for support UNISON members who feel angry and disappointed at the NMC proposals.

3.5 The level of anger expressed by UNISON members towards NMC proposals is again reflected in the parliamentary e-petition that condemns the NMC's proposed fee increase, to date this petition has reached over 104,000 signatures[1]. Having exceeded the requisite 100,000 signatures UNISON is pushing for this to do be debated in parliament.

3.6 There is no doubt that the NMC's fitness to practise processes need to change and that the best way for this to be achieved is through the Law Commission Review[2]. Currently the NMC has the least flexibility of all of the regulators despite the fact that it is the largest. If implemented it would offer the NMC the opportunity to speed their processes up and in addition, offer them flexibility to amend rules without having to seek the permission of Parliament. However, nurses and midwives should not have to pay for this government's failure to make adequate time in the parliamentary process to debate and pass this important legislation. Likewise the NMC[3] should not use registrants as a political pawn, using the failure to introduce it to justify, or push through this or future fee increases, as they do not have the flexibilities they wish.

---

[1] http://epetitions.direct.gov.uk/petitions/60164

[2] http://lawcommission.justice.gov.uk/docs/lc345_regulation_of_healthcare_professionals.pdf

[3] http://www.nmc-uk.org/media/Latest-news/NMC-hugely-disappointed-that-revolutionary-bill-is-not-included-in-the-Queens-Speech/

http://www.nursingtimes.net/nursing-practice/clinical-zones/patient-safety/government-rejects-calls-to-press-ahead-with-nmc-reform/5071608.article

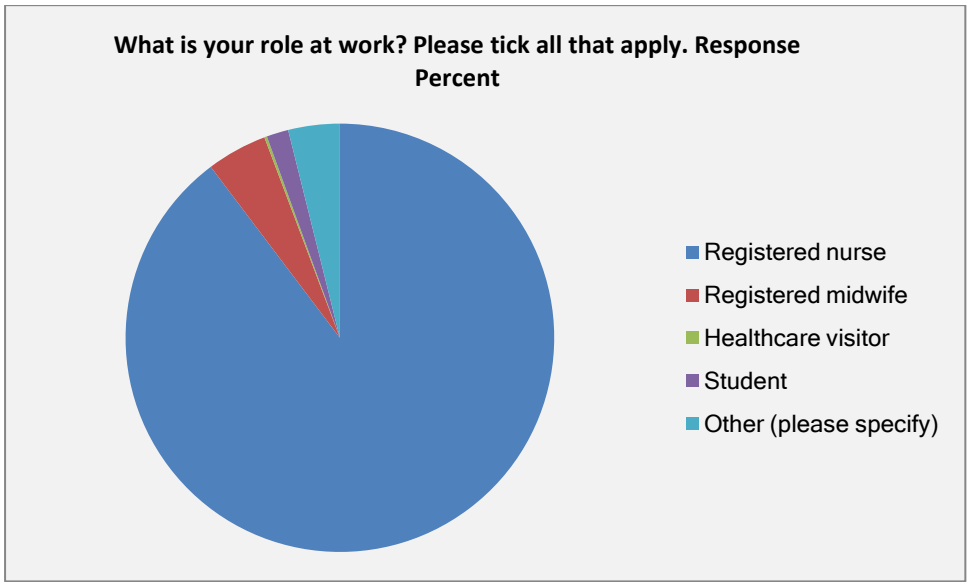
http://www.nursingtimes.net/nursing-practice/clinical-zones/patient-safety/nmc-presses-government-ahead-of-queens-speech/5071521.article

We are committed to working with the NMC and other regulators to push for this important legislation but not with the threat of future increases hanging over our members' heads. They can neither afford nor deserve this.

4. UNISON survey findings

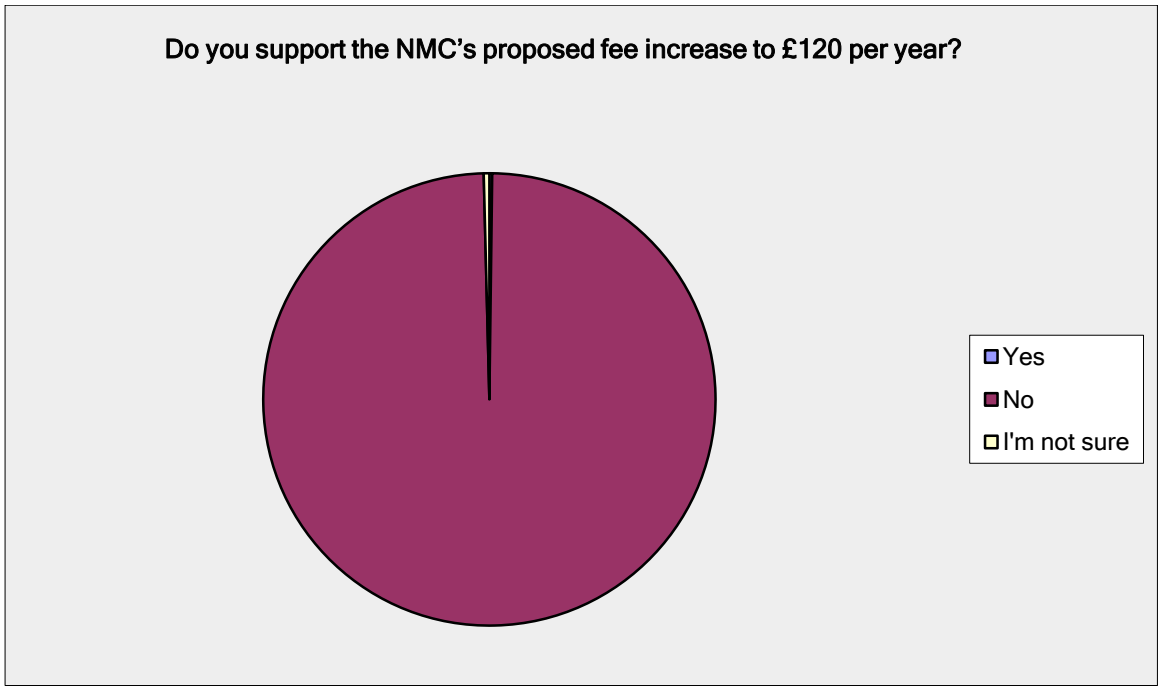
4.1 The survey was responded to by 1,251 people. The survey included open-ended questions, examples from which are used in the following sections. The composition of respondents was made up of nurses (92.3%), midwives (4.7%), health visitors (0.2%), students (1.7 %) and others not clearly stated (4.0%). The 'other' category included registrants whose employment was not as a nurse or midwife. See ***figure 1***.

Figure 1: Job Role



4.2 As outlined in ***figure 2*** a massive 99.36% of respondents opposed the proposed fee increase to £120 per annum. Respondents reminded us of the continued pay restraint being experienced by NHS staff and others in the private and voluntary sector. Our members see the proposed increase to NMC fees as yet another attack on their standard of living.

Figure 2: Do you support the NMC's proposed fee increase to £120 per year?



4.3 As UNISON has indicated in previous NMC consultations, our members cannot understand how the world's largest regulator, with 670,000 registrants and a guaranteed income of £71 million[4] per year are unable to balance its income and expenditure.

4.4 UNISON welcomes the recognition by the NMC in their consultation paper on registration fees that the key driver of increased costs is the massive increase in fitness to practice referrals.

4.5 UNISON believes that the 133% increase[5] in fitness to practice referrals merits a more root and branch review of the reasons why the number of referrals has increased so dramatically since 2008. Any review should include working with employers, as the largest group who make referrals to the NMC, to examine the reasons behind the increase in referrals from this group. The need for this is heightened by the fact that in 2012/13 almost 40% of referrals[6] were closed at the initial assessment stage which draws the conclusion that employers are using the NMC referral process rather than their internal procedures to deal with performance and disciplinary issues or are making referrals to the NMC in an attempt to demonstrate to their own regulators and commissioning bodies that they are being tough on fitness to practice, professional conduct and training issues.

[4] NMC Council Meeting 30 July 2014 – Monthly financial monitoring June 2014 results
[5] NMC consultation on registration fees – May 2014
[6] http://www.nmc-uk.org/Documents/Annual_reports_and_accounts/Annual%20Fitness%20to%20Practise%20Report%202012%20-%202013.PDF

4.6 Respondents to the UNISON survey recognised that in 2012/13 77% of the NMC's income is spent on 0.6% of NMC registrants[7]. UNISON members believed then as they do now that this an unsustainable financial model and that it has a detrimental effect on the overwhelming majority of registrants. This is because it prevents the NMC from taking a more proactive role, for example in developing professional advice and guidance. This was reinforced again by respondents who felt that the NMC should take a more proactive approach to education and standards and their promotion. This is seen by UNISON as part of a preventative measure that could contribute to reducing the number of cases being referred to the NMC. If this could be achieved it would reduce registration fees for the majority of registrants. As importantly, it is an equally strong commitment to public protection by helping to prevent harm occurring in the first place. It would achieve this by helping registrants understand how they can clearly act within their professional code of conduct.

4.7 UNISON members who responded to the survey were angered by the misleading assumptions outlined by the NMC in figure 5 of the consultation document. This was used in a clear attempt to convey the affordability of the proposed NMC fee increase. Respondents believed that it was inappropriate to compare the subscription fees of professional bodies and trade unions with the registration fees of the NMC, as it is not a valid comparable . The NMC registration fee is a compulsory payment that nurses and midwives must pay in order to practice while professional bodies and trade unions are organisations that nurses and midwives voluntarily choose to join. A more suitable comparison would be to compare NMC registration fees with Health and Care Professions Council (HCPC) registration fees. Under Agenda for Change both regulators regulate professions in similar pay bands. However, if you were to compare a nurse on the top of band 5 and an occupational therapist on the same pay band. The nurse would pay 0.43% of their salary on registration fees while the occupation therapist would spend 0.28%[8]. Making HCPC fees significantly more affordable.

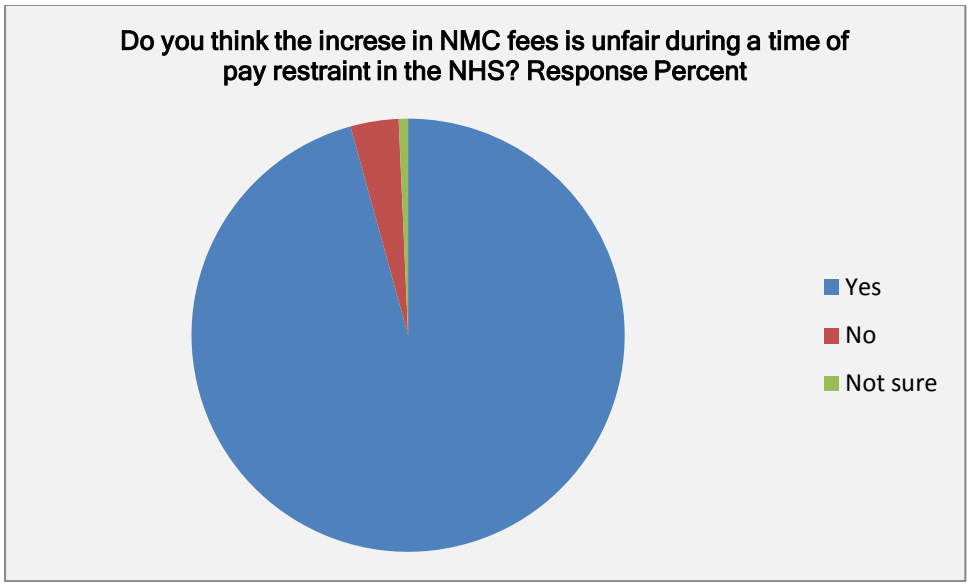
4.8 UNISON welcomes the recognition by the NMC of the current economic difficulties nurses and midwives are facing. However, the vast majority of respondents to UNISON's survey felt that an increase in NMC fees during a sustained period of pay restraint was unfair and damaging. See ***figure 3***. UNISON members felt it was important to reiterate to the NMC how much pressure their pay is under. Since the introduction of the government's policy of public sector pay restraint a combination of 1% pay awards and rising inflation has seen between 8% and 12% being stripped of the value of NHS pay. The effect of inflation on wages of NHS staff can be seen in the ***figure 4***. Taking the salary of a Band 5 worker at the top of

[7] http://www.nmc-uk.org/Documents/Annual_reports_and_accounts/Annual%20Fitness%20to%20Practise%20Report%202012%20-%202013.PDF

[8] These figures are the percentage proportion of annual salary that a nurse and occupational therapist on the top of Agenda for Change band 5 (£27,901) would spend on their respective professional registration fees (NMC £120, HCPC £80).

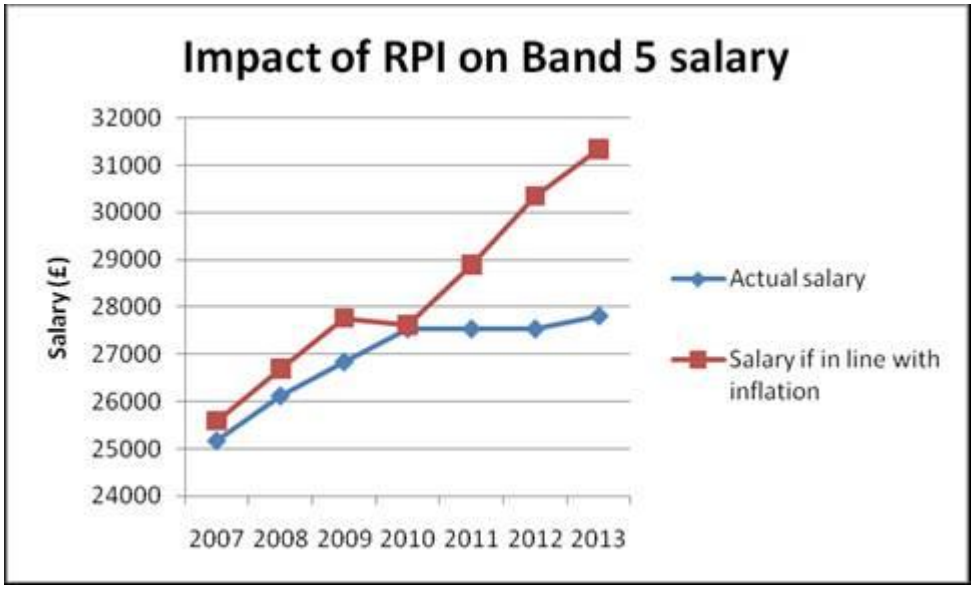
their scale in April 2006, the first diagram shows how their actual salary increased through to April 2012 and then shows their salary for April 2013 if it were raised by the 1% pay cap. In contrast, the diagram also tracks their salary if it had increased in line with the yearly Retail Price Index (RPI). The gap between the two initially grew steadily before closing to approximate parity when RPI was declining in 2009. However, since then the combined impact of surging inflation and the virtual pay freeze saw the gap explode to over £3,500, slicing over 11% out of the value of a Band 5 worker's wage[9].

Figure 3: Do you think the increase in NMC fees is unfair during a time of pay restraint?



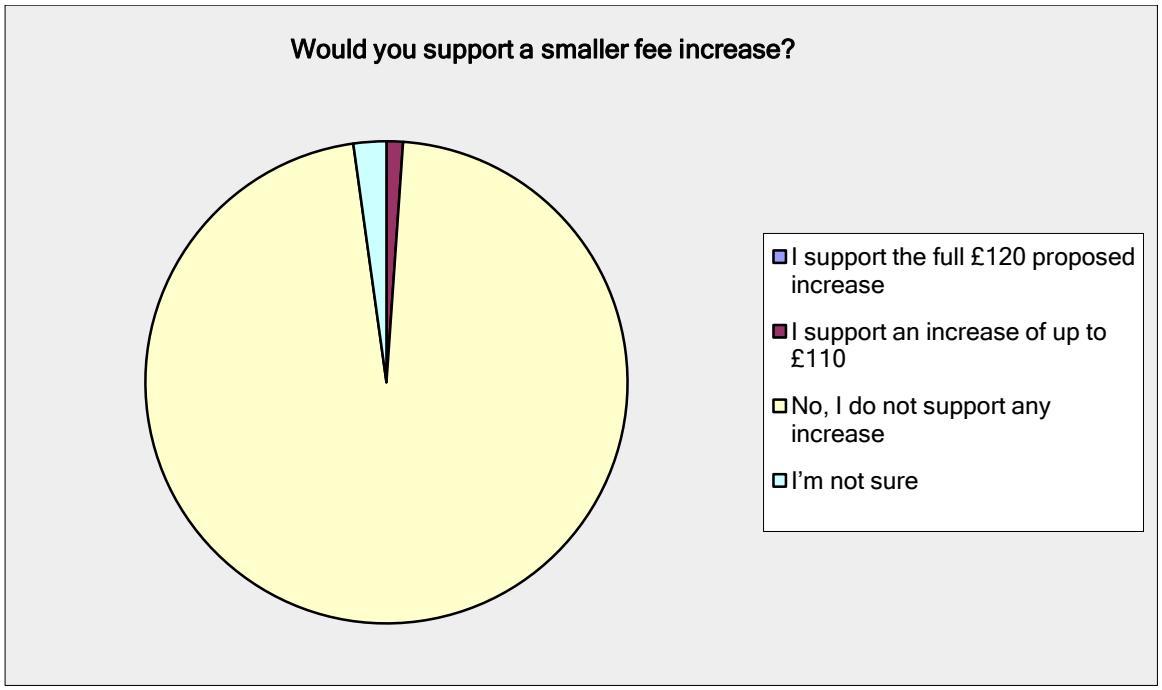
[9] UNISON evidence to the Pay Review Body 2013/14

Figure 4: Impact of inflation on Band 5 salary



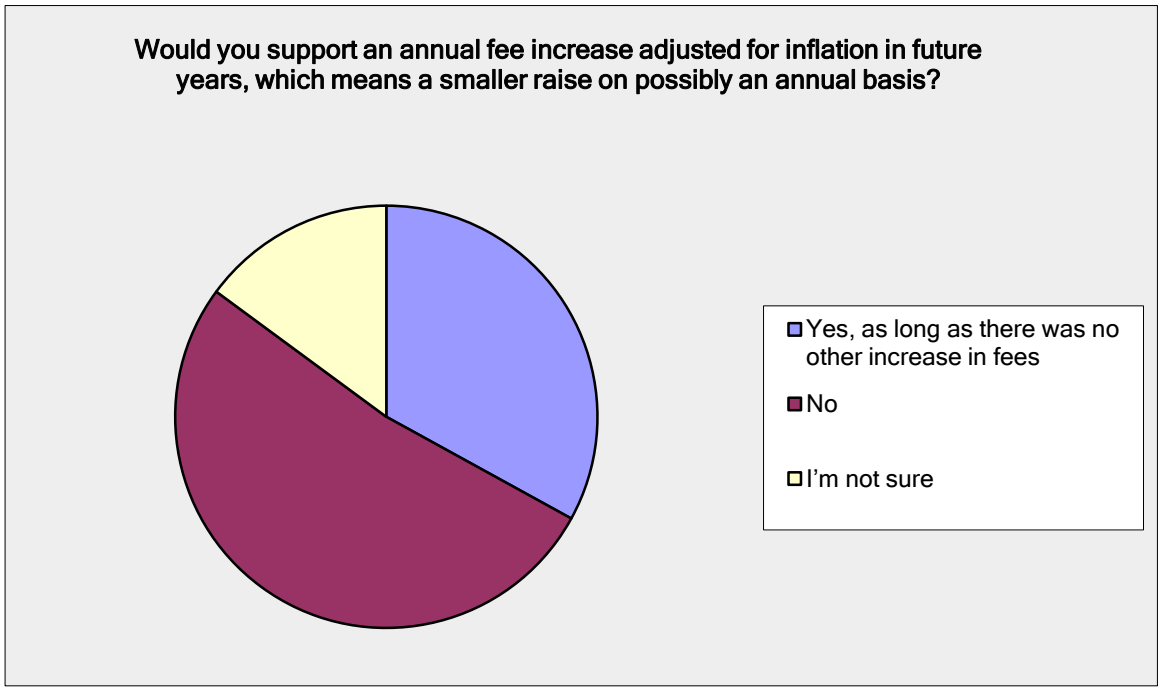
4.9 In addition to this key question UNISON asked related questions including whether registrants would support a smaller fee increase. 96.6 % of respondents did not support any further increase, 1.1% would support an increase of up to £110, 2.2% stated they were not sure. See ***figure 5***. This reinforces the strength of opposition to any increase in NMC fees as outlined in ***figure 2***.

Figure 5: Would you support a smaller fee increase?



4.10 UNISON also asked a question relating to annual fee increase linked to inflation. The results of this question are outlined in ***figure 6***. Respondents to the survey were more open to this suggestion although 52.1% of respondents still did not support an annual fee increase. However, had the NMC taken this incremental approach to increasing registration fees rather than ignoring their rising fitness to practice costs and relying on their reserves to plug their widening funding gap. Registrants might have been more receptive to this approach as a smaller proportion of respondents (33%) indicated they would support an annual inflation linked fee increase. However, they would only have supported this if they were also in receipt of inflation matching pay awards.

Figure 6: Would you support an annual fee increase adjusted for inflation in future years, which means a smaller raise on possibly an annual basis?



4.11 Coupled with the NMC's fee increase in 2012, the latest proposal to increase fees by 20% will have a disproportionate effect on part-time workers – the majority of whom are women the culmination could mean a 52% increase in two years. As in 2012 the NMC has again failed to consult on the impact of this aspect. This in effect makes it impossible for the NMC to assess the impact of any change in line with its legal responsibilities under the Equalities Act 2010 and the Public Sector Duties.

4.12 UNISON recognises that for both newly qualified and part-time workers the impact of finding additional funds will have a significant effect. A proportionate fees system based on income, as used by professional bodies and trade unions would help ensure registrants' fees remain proportionate for those on lower incomes. ***Figure 7*** and ***figure 8*** show that the majority of respondents believe fees

should be proportionate for part-time staff and at a lower initial registration fee for newly qualified staff. The strength of feeling in relation to part-time staff is reinforced by the fact that 33% of respondents to our survey work part-time. See ***figure 9***.

Figure 7: Should the NMC fees be proportionate to income so as not to disadvantage part time workers?

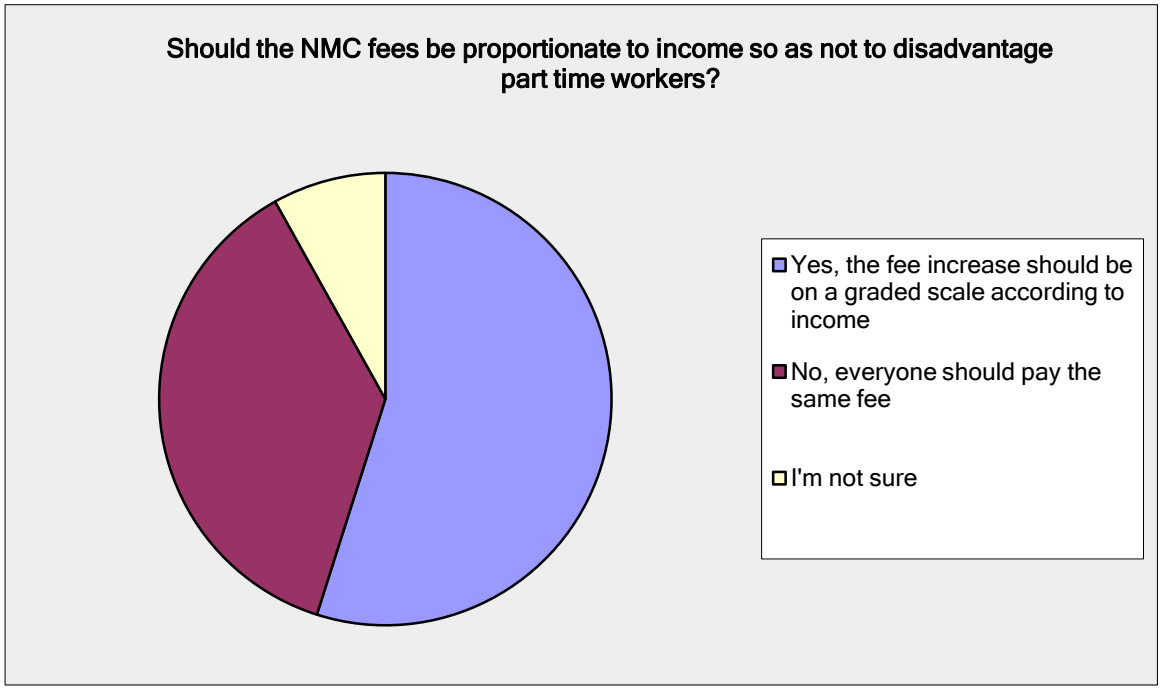


Figure 8: Should the NMC offer reduced initial registration fees to new graduates in a similar way to other regulators?

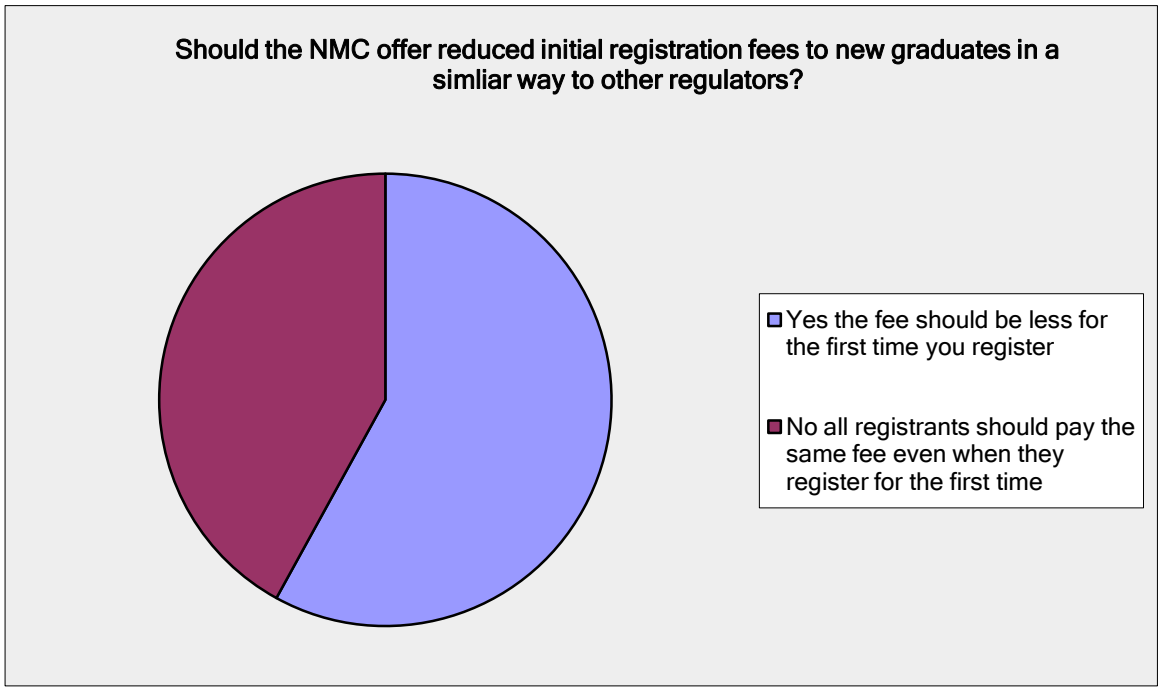
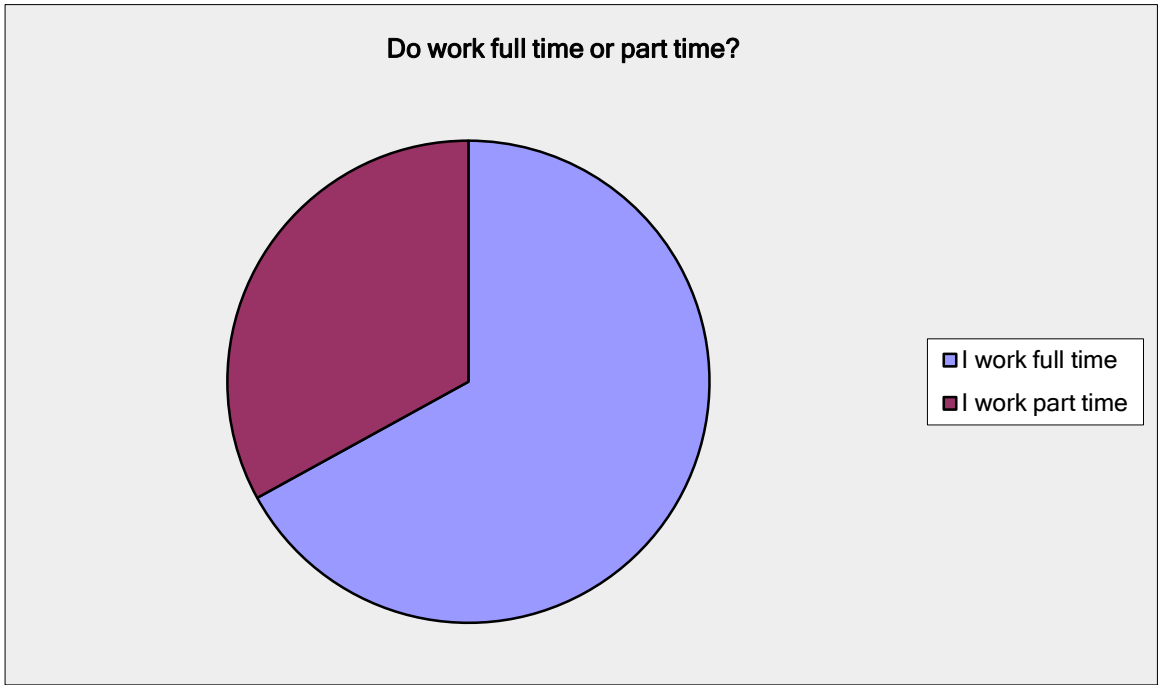


Figure 9: Do you work full or part time?



4.13 Despite the recent trend toward increasing registration fees UNISON members have to date supported the NMC as a regulator. However, as documented in the UNISON response to the proposed fee increase in 2012, the views and the confidence of our members towards the NMC as the sole regulator for nurses and midwives has continued to decline. As seen in ***figure 10*** only a minority (12.36%)

of respondents stated that they were confident or very confident in the NMC's ability to perform its regulatory functions.

4.14 Further to this, we asked members if a separate regulator should be maintained for nurses and midwives, see ***figure 11***. 37.8% of respondents believed that nurses and midwives should have their own regulator, 24.8% believe a separate regulator should only be maintained, if it resulted in lower fees, 18.7% stated a preference for a move towards multidisciplinary regulation and 5.2% of respondents believe that there is no point in nurses and midwives being regulated separately to other register healthcare professionals. There was also a significant minority (13.6%) who were unsure of the best way to regulate nurses and midwives. The major figure to take from this question is that only 37.8% of respondents unconditionally believed that nurses and midwives should continue to be regulated separately. This is significant against the historical context where UNISON members traditionally felt very strongly in favour of keeping their own regulator and demonstrates the lack of faith that our members have in the NMC at present. We would urge the NMC not to take this for granted as a regulator they have to have the trust and confidence of both registrants and patients – currently you are losing it from registrants.

Figure 10: How confident are you in the NMC's ability to perform its regulatory functions?

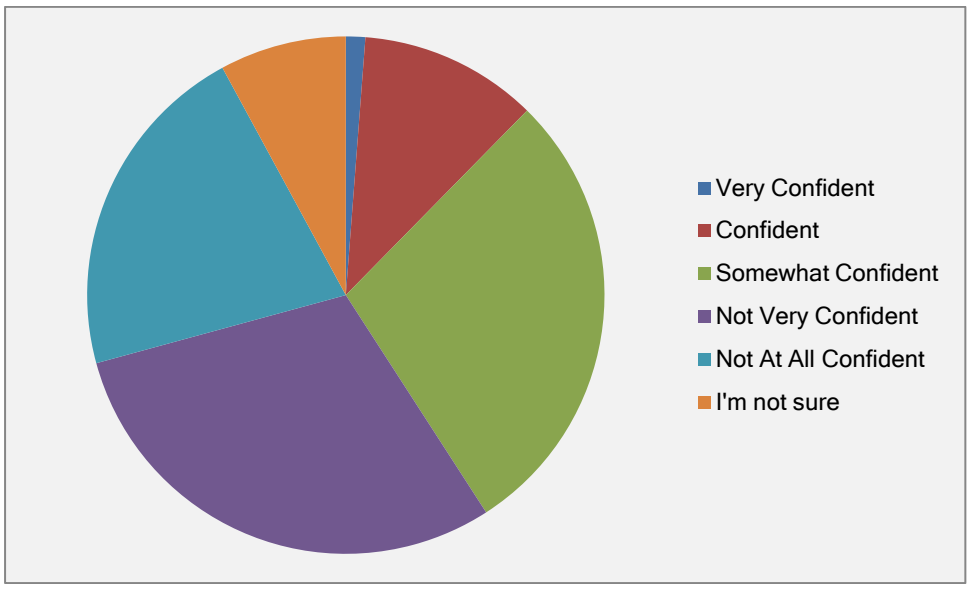
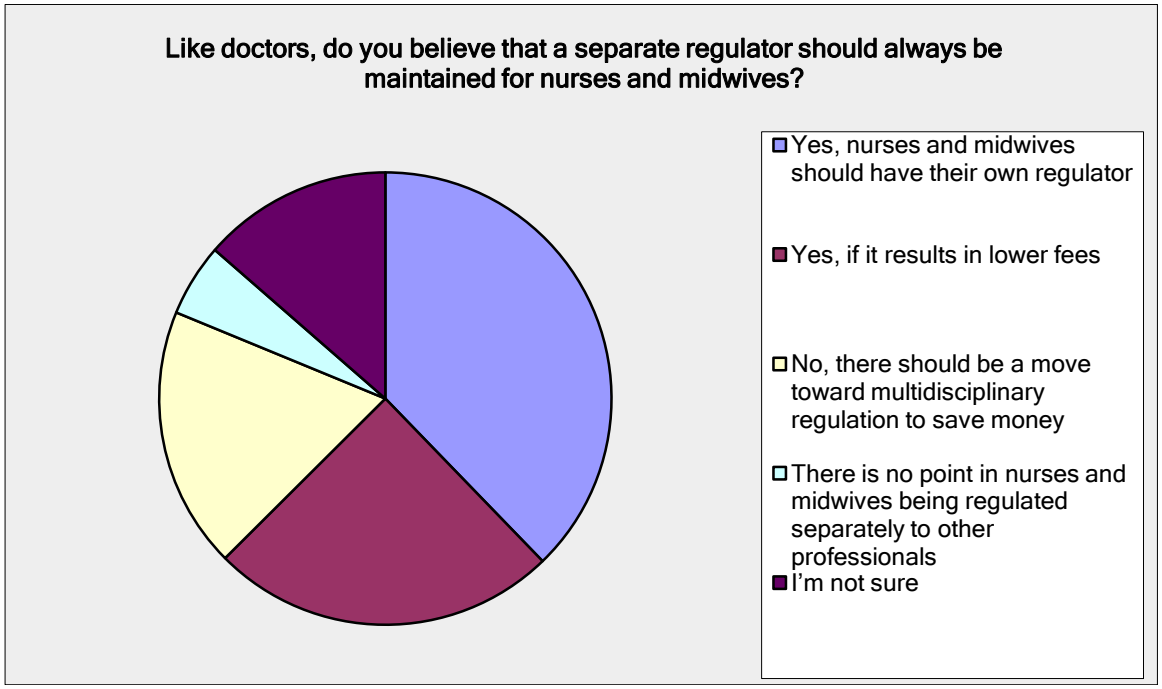


Figure 11: Should there be a separate regulator for nurses and midwives?



4.15 We wanted to access the impact that increasing NMC fees could have on older nurses and midwives, staffing levels and workforce planning, to determine this we posed a specific question. Approximately 30% of nurses and midwives in practise have protected pension rights. As a result they could choose to retire at the age of 55 with their full pension. Previously both nurses and midwives have done this in part as a mean to achieve a better work life balance. After a brief period of absence they have then returned to part time practise. The NMC's current register is reflective of our aging workforce; ***figure 13*** displays this, with 36.3% being 50 and over. It is this group of staff who are protected. According to the NMC data in ***figure 13***, 19.5% of registrants are aged 55 and over. What the data cannot tell us is how many of those registrants may have already retired from their full time post and returned to work a short time later working on reduced hours. This is consistent with the most current NHS workforce census see ***figure 14,*** which also demonstrates that 18% of the NHS workforce is 55 and over, with 2% being over the age of 65. We believe this is significant as it's only within the last decade that the pension rules have changed requiring women to work to the same age as men.

4.16 The question asked is whether increasing fees could affect their decision to return to work on reduced hours, see ***figure 12***. 50.8% of respondents believe it would not be economical to return to nursing or midwifery after they retire if registration fees rise and continue to do so while 8.5% of respondents stated that they intended to return to nursing or midwifery but as a result of increasing registration fees they would now be unwilling to return.

4.17 The government's decision to make NHS staff including nurses and midwives work until they are 68 does not preclude them retiring early however with less than 12% of the NMC's register being made up of registrants under 30 it could impact negatively on future decisions.

4.18 The results from UNISON's survey show the NMC's decision to increase registration fees may indirectly have negative implications on NHS workforce planning. Respondents to our survey have stated that due to the trend of increasing NMC fees rather than returning to work as a nurse or midwife they could seek employment outside of the health sector or in non-registered roles in the NHS. When you consider our findings in the light of the number of registrants in the 50+ category the impact of the NMC's fees decision on future workforce planning becomes increasingly worrying. As outlined in ***figure 13***, 36.3% of registrants are currently over 50, this large portion of registrants may review less favourably the option of returning to practise and work on reduced hours following retirement due to the NMC's actions. The NMC's isolated decision to increase registration fees shows how out of sync they are with emerging government policy and NHS workforce planning. It is essential that service and staff implications are taken into account without this it could have a detrimental impact on patient care.

Figure 12: For staff aged 55 and over. Some staff choose to retire and return to practise working more reduced hours. Would an increase in registration fees make any difference to your decision?

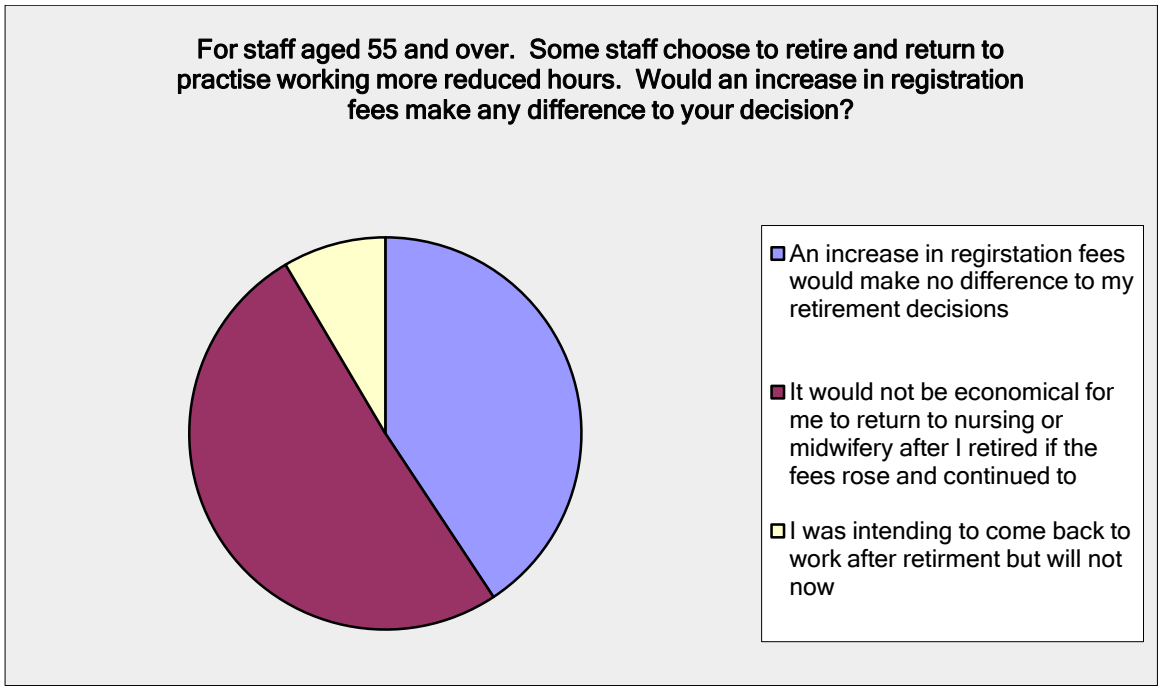
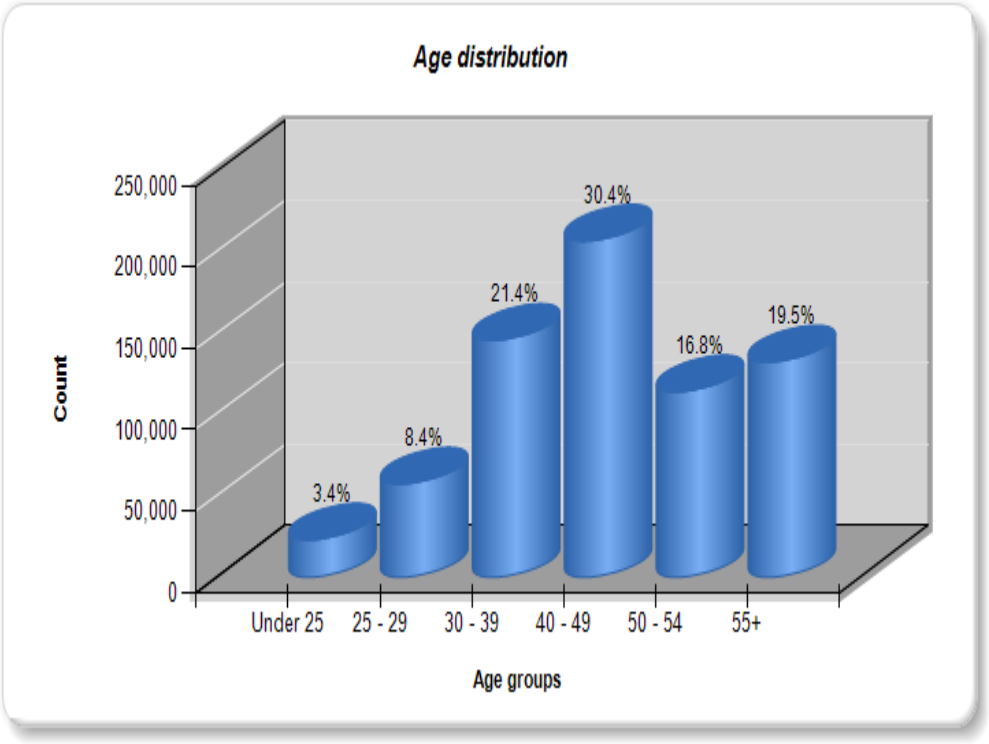


Figure 13: Age break down of NMC registrants



SOURCE: NMC Statistics as of 29 July 2014

Figure 14: NHS non-medical staff numbers per HEE region

HEE region name	HEE region code	Total Headcount of staff	% Under 25	% 25 to 34	% 35 to 44	% 45 to 54	% 55 to 64	% 65 and Over
East Midlands	YDF21	82,410	6%	20%	26%	32%	16%	1%
East of England	YDF22	96,145	6%	21%	25%	30%	16%	2%
Yorkshire and the Humber	YDF23	115,651	6%	21%	25%	31%	16%	1%
Wessex	YDF24	49,708	6%	21%	25%	30%	17%	2%
Thames Valley	YDF25	38,152	7%	22%	26%	28%	15%	2%
North West London	YDF26	43,849	4%	25%	28%	27%	14%	2%
South London	YDF27	51,947	5%	24%	27%	28%	15%	2%
North Central and East Lond	YDF28	59,305	4%	26%	27%	26%	14%	2%
Kent, Surrey and Sussex	YDF29	74,013	6%	19%	26%	30%	17%	2%
North East	YDF30	66,077	5%	20%	25%	33%	16%	1%
North West	YDF31	164,607	5%	21%	25%	32%	16%	1%
West Midlands	YDF32	115,068	6%	21%	26%	31%	15%	2%
South West	YDF33	89,628	6%	20%	24%	31%	17%	2%
Special Health Authority	QZZ	36,384	3%	21%	26%	32%	16%	2%
National		1,081,936	5%	21%	26%	30%	16%	2%

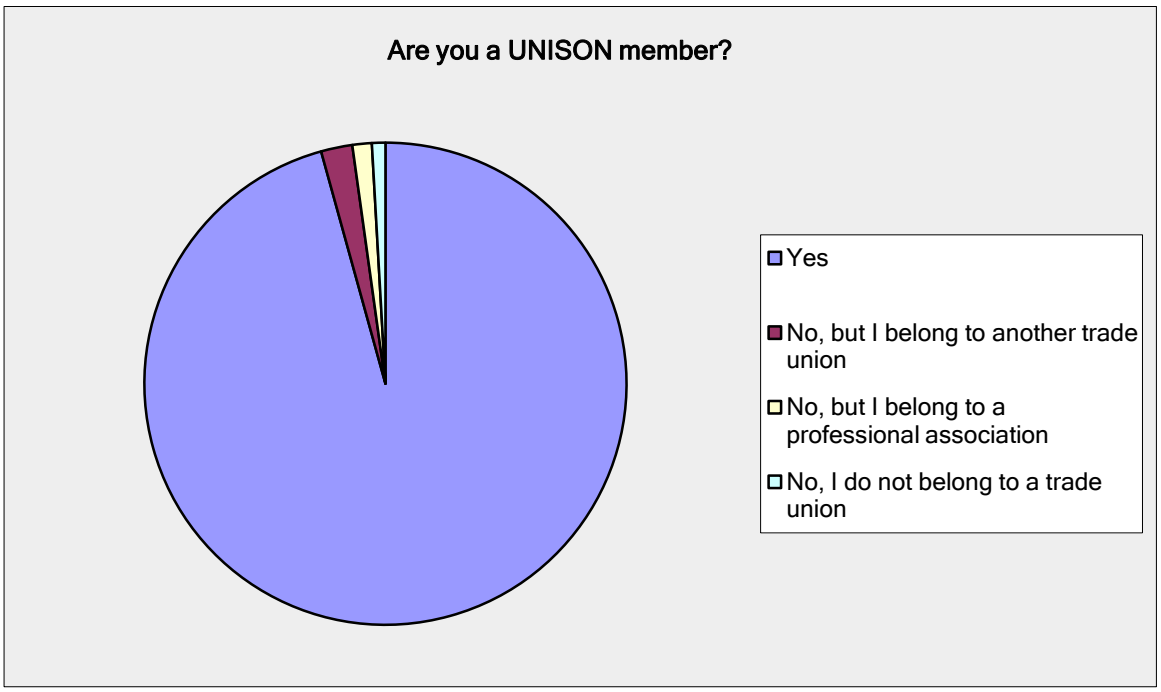
Source: HSCIC

5. General information

5.1 The following details the composition of respondents.

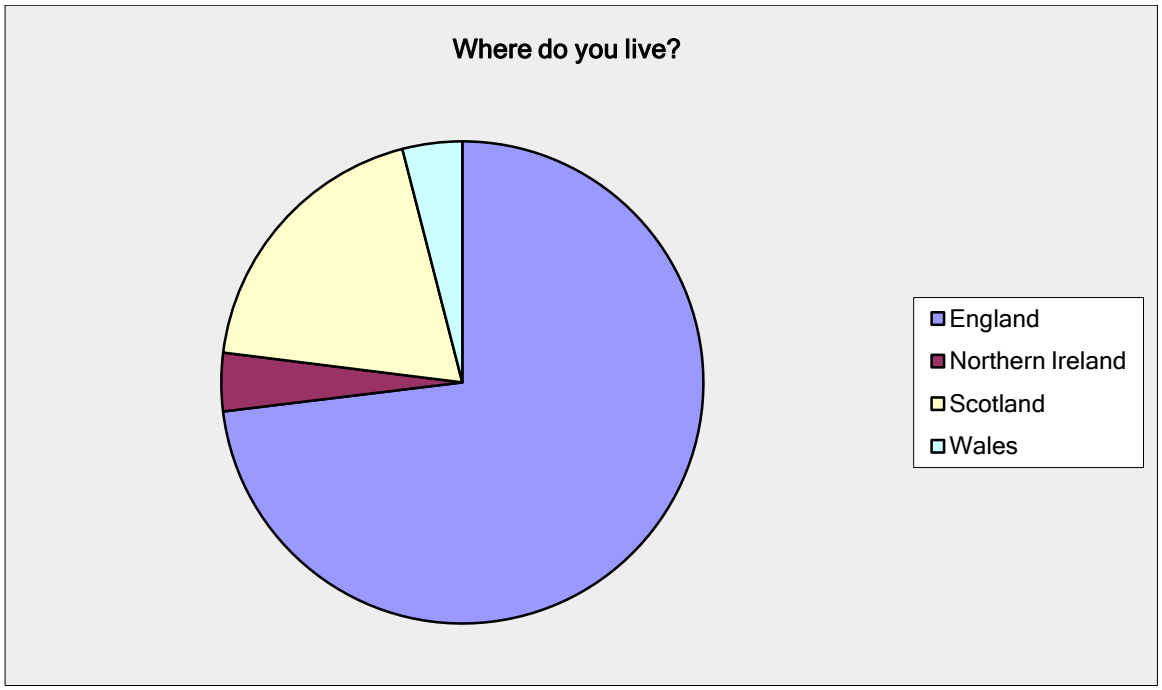
5.2 95.7% of respondents were UNISON members, 2.1% were members of another trade union. 1.3% were members of a professional association, 0.9% were not members of any trade union. See ***figure 15***.

Figure 15: Trade union membership



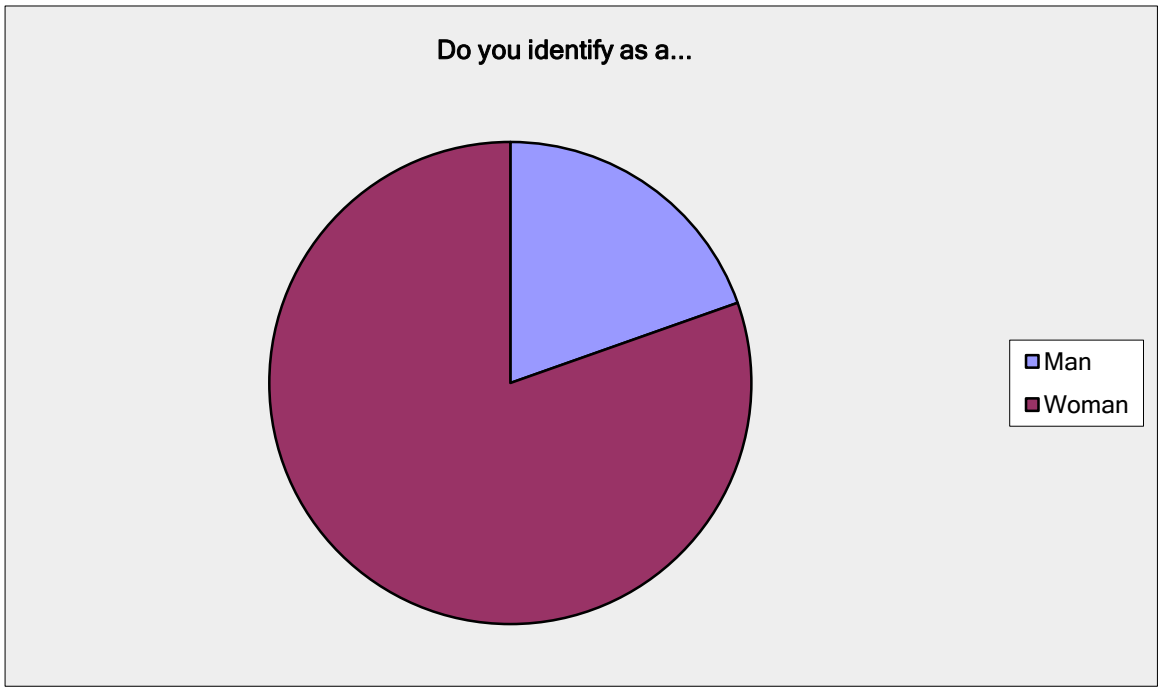
5.3 73% of respondents live in England, 19% in Scotland, 4% in Wales and 3.9% in Northern Ireland. See ***figure 16.***

Figure 16: Where do you live?



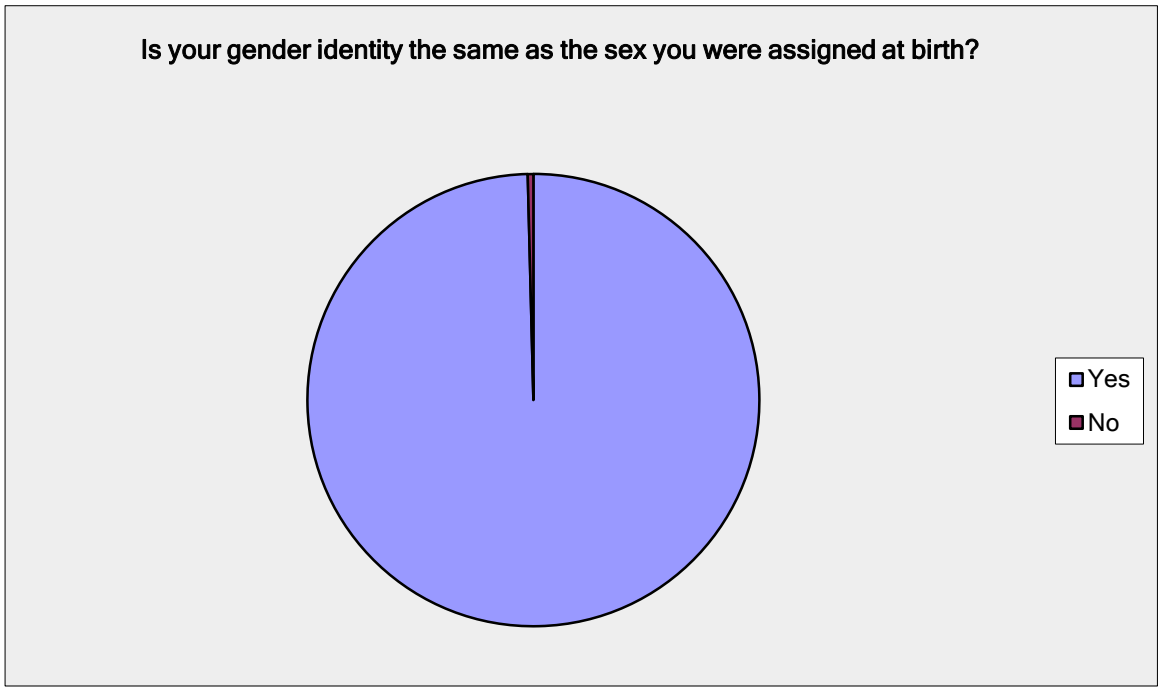
5.4 80.4% of respondents were women and 19.6% were men. See ***figure 17***.

Figure 17: Gender identification?



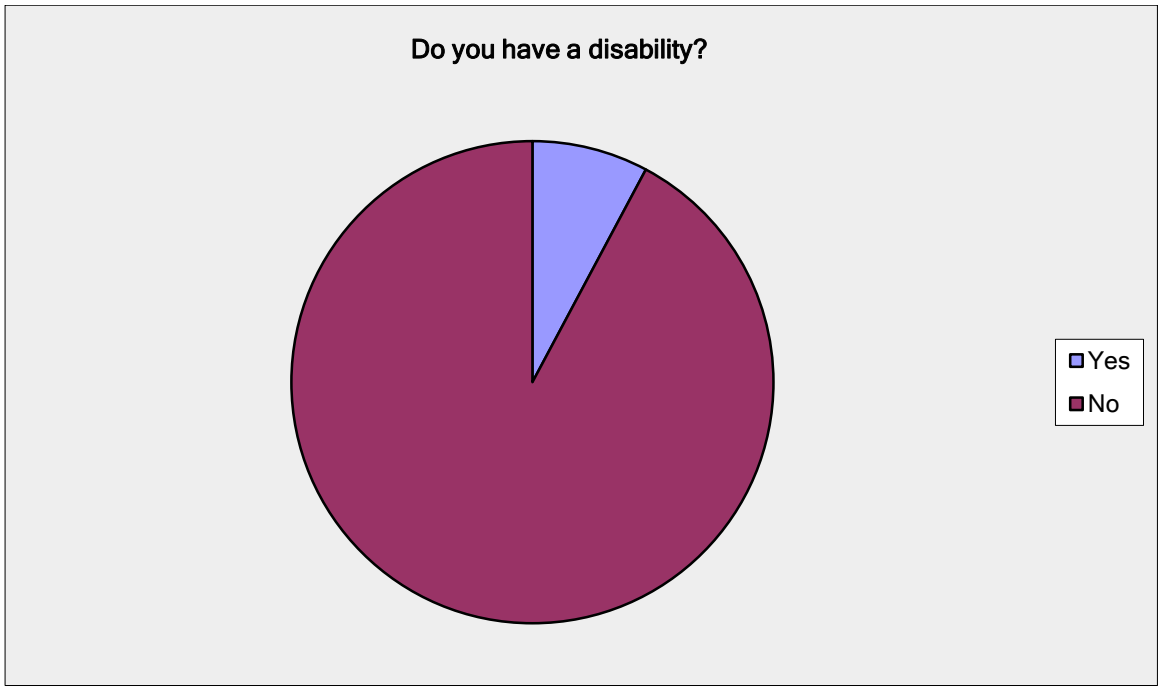
5.5 In line with UNISON's equality monitoring we asked if the respondents' gender was different to the sex they were assigned at birth. 0.4% indicated it was different. 65 respondents declined to answer this question. See ***figure 18***.

Figure 18: Is your gender identity the same as the sex you were assigned at birth?



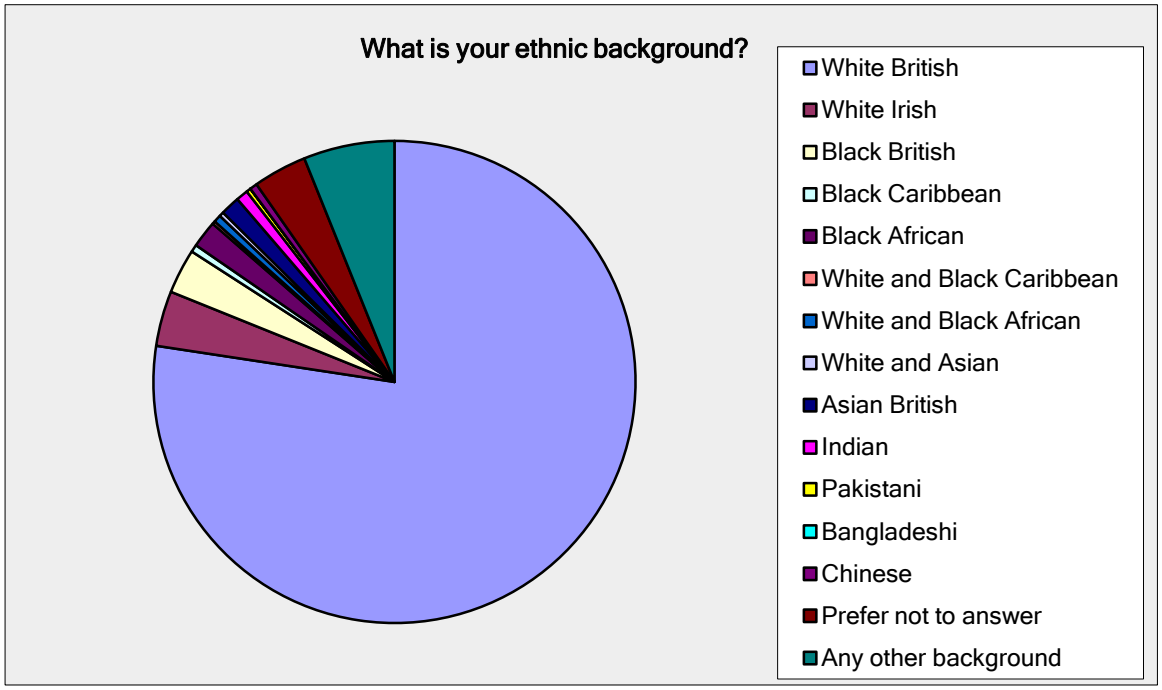
5.6 92.2% of respondents stated that they had no disability. 67 of respondents declined to answer this question. See ***figure 19***.

Figure 19: Do you have a disability?



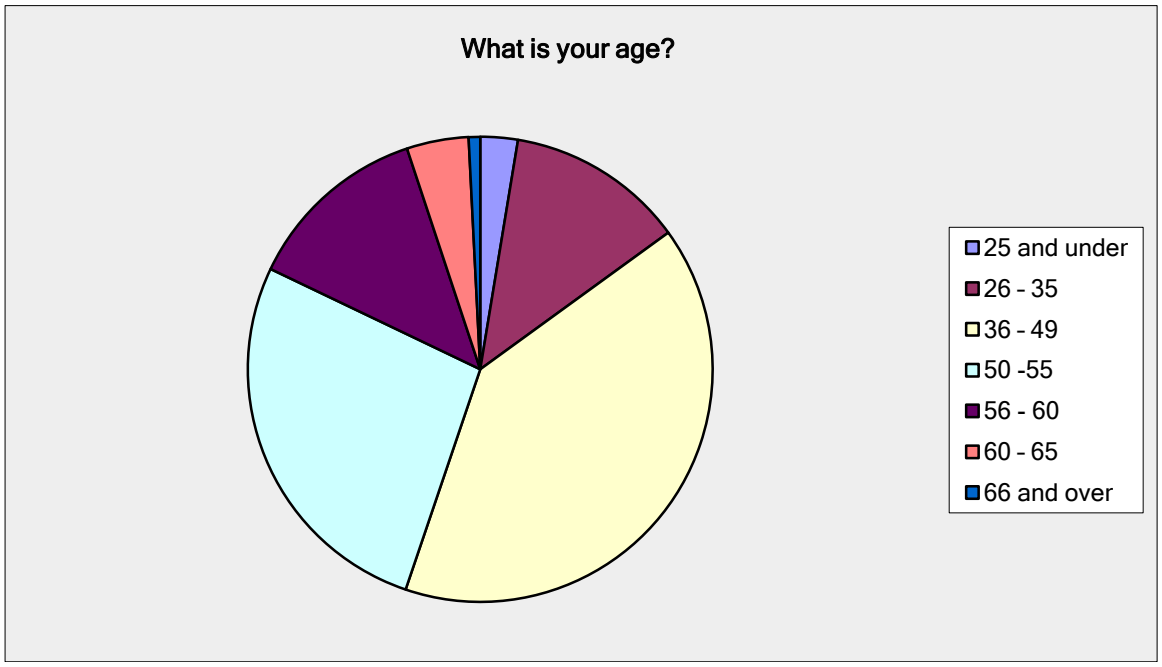
5.7 77.4% of respondents described their ethnicity as White British, 3.7% as White Irish, 3.0% as Black British, 0.5% as Black Caribbean, 1.8% as Black Africa, 0.2% as White and Black Caribbean, 0.5% as White and Black African, 0.3% as White and Asian, 1.3% as Asian British, 0.8% as Indian, 0.3% as Pakistani, 0.5% as Chinese, 6.1% stated any other background and 3.6% preferred not to answer. See ***figure 20***.

Figure 20: What is your ethnic background?



5.8 2.6% of respondents were under the age of 25, 12.4% were between 26 and 35, 40.2% were between 36 and 49, 26.9% were between 50 and 55, 12.8% were between 56-60, 4.3% were between 60 and 65, and 0.8% were over 65. See ***figure 21.***

Figure 21: What is your age?



6. Conclusion

6.1 UNISON members do not support the NMC proposal to increase registration fees, from March 2015.

6.2 Across the UK UNISON members are angry that the NMC appear unable to live within their current significant income stream.

6.3 UNISON calls on the NMC to undertake a review of fitness to practice referrals which do not proceed to a full hearing and to use this data and information to work with employers and trade unions to ensure that referrals are appropriate and in the interests of patient safety and public protection. We recognise that this will not be possible for all referrals (i.e. police and patient referrals) but given that employers are the largest source of referrals UNISON would argue that this move would have a positive impact on reducing the number of cases and the overall cost of fitness to practice.

6.4 UNISON calls on the NMC to shift resources into awareness and the development of guidance to help registrants understand clearly how to act within the code of conduct in their practise. This will also reduce the number of referrals and restore public, registrant and employer confidence in the regulator, and its systems and practices.

6.5 UNISON calls on the NMC to consider a reduced fee for new registrants and part time workers to better reflect members' income throughout their careers.

6.6 UNISON shares members' anger that the NMC continues to seek increases in registration fees while other regulators have been able to hold their rate. We recognise that the NMC is the biggest but the HCPC regulates a wider range of professions but still manages to maintain registration fees at a consistent rate.

6.7 UNISON fears that this increase could have a catastrophic impact on nurses and midwives future decisions and have a direct result on workforce planning and possibly patient care.

6.8 We call on the NMC to halt this process, to maintain fees at their current rate and if necessary reduce the number of fitness to practice hearings which take place on a daily basis. This saving would avoid the need for council to increase registration fees; we acknowledge that council will argue that they cannot do this as it will impact on their statutory function of public protection. However, UNISON members believe that registrants should not carry the full burden of the costs.

This has been further reinforced by the government's failure to make time for the passage of the law commission through parliament. As less than 1% of registrants fitness to practice is called into question why should 99% of registrants suffer ever increasing registration fees.

Nursing and Midwifery Council consultation on registration fees

Consultation questions

All questions are optional except for the question which asks whether you are responding as an individual or an organisation. Responses from individuals and organisations will be analysed separately, so it is important that we know in which capacity you are responding.

Where you are invited to comment, unless otherwise stated, there is a limit of approximately 300 words.

Finding your way around the survey

Please use the ‘Back’ and ‘Next’ buttons at the bottom of each page to move through the survey, rather than your internet browser’s back and forward buttons.

Print the survey

The questions can be viewed or printed from here.

Sharing your response

It is only possible to share your response with colleagues before it has been submitted. When you save your completed or partially completed response you will be sent an email link (see 'Saving your response') which you can then forward to colleagues. However, others will be able to amend or submit your response if you do this.

Saving your response

The survey programme does not close automatically, so your answers will not be lost if you leave your computer unattended for a while. If you are unable to complete the survey in one sitting you can press ‘Save’ at any point. You will be asked for your email address and a link will be sent to you within a few minutes. Please note that the automatic message might go to your junk folder or be blocked by a spam filter. If the message does not appear in your inbox within a few minutes, then check your junk folder.

Do not save the page you are working on as a ‘Favourite’ in your internet browser, as this will not save all your responses.

When you are prompted for your email address there is an option to ‘Reset’. Please note that this only clears the email address box, not your responses to the survey.

Submitting the survey

When you have reached the end of the survey, you will be asked to ‘Submit’ your response, and to provide an email address. As this is an anonymous survey, you will not be able to view or amend your response after you have submitted it unless you provide your email address when you submit your response. This is because your email address is needed to identify your response. If you provide your email address when you submit your response and later wish to revisit it, then you will need to contact Alpha Research at 9696nmc@alpharesearch.co.uk to ask them to return your response. **Please note that the survey closes at 12:00 on 31 July 2014** and that amendments can only be made up until then. Your email address will not be used for any purpose other than allowing Alpha Research to locate your response.

Based on the information in the NMC consultation document do you agree or disagree that the registration fee should be increased to £120 from March 2015?

- ❑ Agree
- ☑ Disagree
- ❑ Not sure
- ❑ Have no opinion

Please give a reason for your answer:

When asked whether NMC registrants agreed with the proposal to increase the fee to £120, 98% of respondents said they did not, 0.5% stated they agreed and 1.5% stated they did not know. When asked whether any increase in fees should be linked to inflation, 39% agreed, 52% disagreed and 9% did not know. Our members are still reeling from the 58% increase in their fees in 2012. Since that time their terms and conditions have been eroded still further with little or no pay rise, increased pension contributions, reductions in unsocial hours payments, down banding and the amount they have to pay to work has increased (car parking charges, DBS checks, PLI). A further increase will add to this and will cause real hardship to already struggling, hardworking registrants. This poses a potential threat to the professions of nursing, midwifery and specialist community public health nursing with a surprising number of members indicating they would consider leaving their job if the increase goes through. In particular those members who are eligible for early retirement indicate they will take this option rather than remain in their profession as they consider this to be the final insult to years of dedication. 'It seems that everything is going up except our wages; we pay to practice, to have indemnity cover and to park!' 'I can't afford to be a nurse anymore!' 'I haven't had a pay rise for years! Can't even survive, can't feed my family and now a rise in fees again!' 'As a single parent of two children working part time, term time only as a school nurse, I find this fee crippling financially!' 'The fee rise means that I will not renew my registration and will resign from my local NHS staff bank!'

Do you think that the fee should be kept at £100?

- ☑ Yes
- ❑ No
- ❑ Not sure
- ❑ Have no opinion

Please give a reason for your answer:

Item 7 (NMC/14/67) Progress against KPIs to be presented at the July Council meeting indicate that the free reserves in June were £9.8 million, £2.2 million more than the restated budget due to lower expenditure and yet predictions are that this will not be sustained. The NMC is working hard to improve efficiency which is clearly achieving results. With further measures still to be implemented in the fitness to practise processes that will positively impact on costs, we would suggest an increase in fees is premature. The forecasts also show that the minimum reserve policy figure will be reached in nine months after the fee increase to £120, presumably earlier given the higher than expected free reserves. We would question the need to go above the minimum requirement at a time of austerity in particular given the hard ship that such an increase will present for registrants. 'We are both nurses and £40 extra is a lot of money, it's a week's worth of fruit and veg!'

Do you favour another option (whether mentioned in the NMC consultation document or not)?

- ☑ Yes
- ❑ No
- ❑ Not sure
- ❑ Have no opinion

What other option would you prefer?

We consider there are a number of alternative options, our preferred one being to press pause on any proposed increase due to the reasons previously presented! 'I don't think there should be an increase in registration fee until the outcome of the change in legislation which will reduce costs is implemented- at that point there should be a review to see if it is justified'. The consultation states that the volume and complexity of fitness to practise cases is the main driver for the proposed increase in fees. When asked who should cover the costs of fitness to practise, 38% of our members thought this should be employers, 34% the government, 16% the NMC, 6% registrants and 6% other. There is concern among members that fees will only continue to rise due to the costs of the increasingly legalistic fitness to practise system and questioned the fairness of the majority who practise safely, paying for the minority who do not! It is suggested by many members that an option would be for employers to have to meet the cost of the hearing where it is found there is no case to answer as this suggests it is something that did not need to be referred. In addition a number suggested the option of registrants themselves making a contribution if the case against them is proven. Members also urge the NMC to look for efficiencies and alternative ways of delivering its fitness to practise responsibilities. In particular it is suggested that a priority for the NMC and the government must be to investigate the reason for the increase in referrals. 'The NMC had a huge hike in fees last year-nurses were expected to absorb the cost without a rise in pay- we cannot keep on absorbing costs. If the government is increasing costs to us to work they need to increase pay!' 'There have been so many cases of forms for renewal going missing that I sent mine by recorded mail last week, more cost to me!!' The NMC has stated that the failure by government to implement the Law Commission recommendations that would have enabled them to become an 'efficient and effective regulator ' is disappointing. When asked whether the government should put the Law Commission recommendations in place now, 84% of our members said yes, 1% said no and 15% said they don't know. 'Why should nurses have to pay for an inefficient organisation?' 'My experience of the NMC is of an organisation that is administratively disorganised leading to long delays in dealing with straight forward issues. It is not an efficient service; I see no reason to increase fees' We would therefore suggest that as government failed to address an issue that potentially would reduce the cost of regulation for nurses and midwives, then another option is for them to provide the additional funding required by the NMC. Whilst we accept that other fee level options were looked at in 2012, we would contend that the financial position has in fact improved since that time and therefore a final option would be to reconsider a £5, £10 or £15.

Are you responding as an individual or on behalf of a group or organisation?

- ❑ As an individual
- ☑ On behalf of an organisation

Are you a… (Tick all that apply)

- ❑ UK-registered nurse
- ❑ UK-registered midwife
- ❑ Overseas-registered nurse and/or midwife
- ❑ Employer or manager
- ❑ Educator
- ❑ Nursing or midwifery student
- ❑ Member of the public, service user or carer
- ❑ Prefer not to answer

- ❑ Other

Please specify

In your main job, do you work…

- ❑ Full time (more than 30 hours per week)
- ❑ Part time (up to 30 hours per week)
- ❑ Not applicable (not currently working)

Please tick ONE box which best describes the type of organisation you represent.

- ❑ Government department or public body
- ❑ Regulator
- ☑ Professional organisation or trades union
- ❑ NHS employer of nurses or midwives
- ❑ Independent sector employer of, or agency for, nurses or midwives
- ❑ Education provider
- ❑ Consumer or patient organisation
- ❑ Other (please specify below)

Please specify

Please give the name of your organisation.

Unite the Union; Health Sector

Would you be happy for your comments in this consultation to be identified and attributed to your organisation in the reporting, or would you prefer that your response remains anonymous?

- ☑ Happy for comments to be attributed to my organisation
- ❑ Please keep my responses anonymous

Please state where your organisation mainly operates:

- ☑ Across the UK
- ❑ England
- ❑ Northern Ireland
- ❑ Scotland
- ❑ Wales
- ❑ Other (please specify below)

Please specify

Diversity monitoring questions

Responses to these questions will remain anonymous. We would be grateful if you would complete these questions because this evidence supports our equality and diversity work. Your answers will give us information about the people that have taken part in this consultation. There is a 'prefer not to answer' option for these questions.

This information will only be used for statistical purposes and you will not be identified.

How would you describe your national identity?

- ❑ English
- ❑ Welsh
- ❑ Scottish
- ❑ Northern Irish
- ❑ British
- ❑ Prefer not to answer
- ❑ Any other national identity (please specify below)

Please specify

Please choose one of the following and then tick the box which best describes your ethnic group or background.

- ❑ White
- ❑ Mixed/multiple ethnic groups
- ❑ Asian / Asian British
- ❑ Black / African / Caribbean / black British
- ❑ Other ethnic group
- ❑ Prefer not to answer

Please specify:

- ❑ English / Welsh / Scottish / Northern Irish / British
- ❑ Gypsy or Irish Traveller
- ❑ Irish
- ❑ Any other white background (please specify below)

Please specify:

- ❑ White and black Caribbean

- ❑ White and black African
- ❑ White and Asian
- ❑ Any other mixed/multiple ethnic backgrounds (please specify below)

Please specify:

- ❑ Indian
- ❑ Pakistani
- ❑ Bangladeshi
- ❑ Chinese
- ❑ Any other Asian background (please specify below)

Please specify:

- ❑ African
- ❑ Caribbean
- ❑ Any other black/African/Caribbean background (please specify below)

Please specify:

- ❑ Arab
- ❑ Any other ethnic group (please specify below)

Do you consider yourself to have a disability or long-term health condition?

The Equality Act 2010 defines disability as a physical or mental impairment which has a substantial and long-term effect (at least 12 months) on a person's ability to carry out normal day-to-day activities.

- ❑ Yes
- ❑ No
- ❑ Prefer not to answer

Please indicate your sexual orientation

- ❑ Heterosexual
- ❑ Gay man
- ❑ Gay woman / lesbian
- ❑ Bisexual
- ❑ Prefer not to answer

Please indicate your gender:

- ❑ Male
- ❑ Female
- ❑ Transgender
- ❑ Prefer not to answer

Is your gender identity the same as the gender you were assigned at birth?

- ❑ Yes
- ❑ No
- ❑ Prefer not to answer

Please indicate which most closely matches your religion or beliefs:

- ❑ Buddhist
- ❑ Christian
- ❑ Hindu
- ❑ Jewish
- ❑ Muslim
- ❑ Sikh
- ❑ None
- ❑ Prefer not to answer
- ❑ Any other religion

Please specify

Are you married or in a civil partnership?

- ❑ Yes
- ❑ No
- ❑ Prefer not to answer

Please indicate your age:

- ❑ Under 25
- ❑ 25-34
- ❑ 35-44
- ❑ 45-54
- ❑ 55 or over
- ❑ Prefer not to answer

If you are 55 or over, is the fee rise likely to impact on your decision to continue working as a nurse or midwife if at all?

- ❑ Yes

- ❑ No
- ❑ Not sure

As this is an anonymous survey, it will not be possible to view or amend your response after you have submitted it unless you provide your email address below.
This is because your email address is needed to identify your response. If you provide your email address and later wish to revisit your response, then you will need to contact Alpha Research at 9696nmc@alpharesearch.co.uk to ask them to return your response.

Please note that the survey closes on 31 July 2014 and that amendments can only be made up until then. Your email address will not be used for any purpose other than allowing Alpha Research to locate your response for amendments.

Email address:
jane.beach@unitetheunion.org

Thank you for taking the time to complete this survey.
Please press 'Submit' to send your response.

Item 7 – Annexe 6
NMC/14/89

Assessment of responses to the NMC consultation proposing to increase the registration fee

Contents

Introduction

1 This document sets out responses that we have received to our consultation[1] proposing to increase the registration fee. It sets out the routes and volumes of responses, and draws out themes contained in those responses. This document also sets out our assessment of those themes in order to inform the Council in determining an appropriate level for the registration fee.

Our approach to consultation

2 The NMC is legally obliged, under Articles 3(14) and 7(3) of the Nursing and Midwifery Order 2001, to consult persons we consider appropriate before determining or varying the registration fee. We have consulted on our proposal and considered responses in line with government best practice principles set out in HM Treasury's Green Book[2], and the principles of Better Regulation[3].

[1] http://www.nmc-uk.org/Get-involved/Consultations/Fee-consultation/
[2] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220541/green_book_complete.pdf
[3] Proportionate, Accountable, Consistent, Transparent, Targeted.

3 Our consultation set out the current situation, the issues with our current registration fee, and provided supporting evidence. This presented a case for change and the development of proportionate policy options for consideration by our stakeholders. We have commissioned an independent research agency to compile a report of responses to our consultation. We have reviewed these responses, and other routes of response as set out below, to assess the supportive, unsupportive and other views presented, and reviewed any supporting evidence to substantiate those views. These findings will help the Council shape our final conclusion and determine whether there is a material need to amend, change or abandon our proposal.

Stakeholder engagement

4 In ensuring we complied with our legal obligations on consultation and the principles set out in HM Treasury's Green Book we undertook a range of stakeholder engagement activities before, upon launch and during our consultation. We have had a number of discussions with the Department of Health regarding our proposal to increase the registration fee. We have held briefings with the Royal Colleges and unions to ensure they are fully aware of our proposal and the rationale behind them, and have talked through the concerns they have raised.

5 In addition, we have placed articles in our newsletters at regular intervals throughout the process, of which the combined circulation is approximately 265,000 nurses, midwives, educators, students, employers, managers, patients and members of the public. We have made press releases and published news articles about our consultation, and have discussed the proposal at a number of forums we hold or participate in. Social media has also proven an effective means of communication. Our posts on Facebook about the proposal have been seen by over 25,000 people generating over 1,100 posts. Our consultation web page has been viewed over 26,500 times. Our approach to consultation generated 96 published media articles with a potential readership of over 5.5 million people. This has helped to ensure the process has been open, honest and transparent.

Our consultation on increasing the registration fee

6 All nurses and midwives must currently pay a registration fee of £100 in order to become and remain registered with the NMC. This fee is intended to fund all of our regulatory functions. Between 8th May and 31st July 2014 we consulted on a proposal to increase this registration fee from £100 to £120[4].

7 The consultation outlined that we have worked hard to make efficiency savings of £25 million since 2012-13, and have made significant performance improvements in doing so. For example, we have reduced our average investigation times for fitness to practise cases by 54% and cleared our historic caseload. However, this is offset by the significant and continuing increase in the volume and complexity of fitness to practise cases referred to us[5]. These cases must be investigated and concluded in a way set out in detail in our legislation. Whilst our process is thorough and robust, the high cost associated with resolving each fitness to

[4] This means an increase to the initial registration fee and annual retention, renewal and readmission fees to £120, all of which are currently £100.

[5] Fitness to practise referrals have risen by over 133% since 2008-09. In 2012-13 we received 4,106 referrals and held 1,377 full hearings at an average cost of £13,000 per full hearing. Referral rates are projected to keep rising by 10% year on year.

practise case, especially those that go through to a substantive hearing at Conduct and Competence Committee, has driven our overall expenditure up. At the same time, the proportion of our annual budget that we spend on our fitness to practise function has increased significantly.

8 We received, and have used, funds from a £20 million one-off UK government grant to clear our historic caseload, tackle the initial impact of this significant rise in fitness to practise cases and their associated cost, as well as mitigate the impact on nurses and midwives.

9 The net result is that there is a funding gap between the income we receive and the actual cost of regulation which, left unchecked, puts our ability to protect the public at risk.

10 This position is unsustainable and in order to address it we reluctantly proposed that a registration fee increase from £100 to £120 per year would allow us to correct this and enable us to continue to protect the public. We acknowledged that whilst this would be unpopular, it would mean we were able to cover the true cost of regulation ourselves which is essential for an independent regulator. If we are unable to fully fund our regulatory functions to the level expected of a regulator, we believe that our ability to protect the public would be compromised.

Stakeholder responses and our assessment of them

Responses and views presented outside our consultation

11 As well as direct responses to our consultation on our proposal to increase the registration fee, there have also been other routes for people to express their views. We have monitored and considered these as part of our wider evaluation of the consultation.

Parliamentary questions

12 At the time of writing this document, the NMC is aware of six parliamentary questions that have been tabled on the proposed fee rise, and the answers to them that the government has provided[6].

[6] Alison Seabeck MP, 11th March 2014 - Hansard – Column 194W - http://www.publications.parliament.uk/pa/cm201314/cmhansrd/cm140311/text/140311w0003.htm#14031197000711: Government response - Hansard – Column 194W – 11th March: http://www.publications.parliament.uk/pa/cm201314/cmhansrd/cm140311/text/140311w0003.htm#14031197000711.
Barry Sheerman MP, 18th March 2014 - Hansard – Columns 574W and 575W - http://www.publications.parliament.uk/pa/cm201314/cmhansrd/cm140318/text/140318w0003.htm#14031812000154 3: Government response - Hansard – Column 575W – 18th March 2014: http://www.publications.parliament.uk/pa/cm201314/cmhansrd/cm140318/text/140318w0003.htm#14031812000154 3.
Graham Jones MP, 19th March 2014 - Hansard – Column 614W – http://www.publications.parliament.uk/pa/cm201314/cmhansrd/cm140319/text/140319w0001.htm#14031981002459: Government response – Hansard – Column 614W – 19th March 2014: http://www.publications.parliament.uk/pa/cm201314/cmhansrd/cm140319/text/140319w0001.htm#14031981002459.
Mark Hendrick MP, 23rd June 2014 - Hansard – Column 26W – 23rd June 2014: http://www.publications.parliament.uk/pa/cm201415/cmhansrd/cm140623/text/140623w0001.htm#140623w0001.htm_wqn54. Government response - Hansard – Column 26W and 27W – 23rd June 2014:

13 In response, the government has consistently stated that the NMC is an independent regulator and that it is for the NMC to determine an appropriate fee level. However, in doing so it states that we must consult and take account of respondent's views, and that any outcome must be fully evidenced. We fully support this position, which is in line with the position for all other healthcare professional regulators.

Letters from Members of Parliament

14 We have received 23 letters from Members of Parliament (MPs)[7] regarding the proposed increase to our registration fee; all were on behalf of a constituent or following correspondence from constituents.

15 In each case, we have responded by informing the MP that we were consulting on a proposal to increase in the registration fee for the reasons set out in our consultation document. No decision had been made, but stakeholders had the opportunity to provide views and supporting evidence to help inform a final decision by our Council. In each case, we added the concerns raised by the MP to our pool of responses to be analysed. Our assessment of them is therefore included in the section below on responses to our consultation.

16 We also called on all political parties to make a public commitment to reforming healthcare professional regulation in the first parliamentary session after the 2015 general election; without doing so we are tied to a costly and inflexible model of regulation which drives our costs up as greater numbers and more complex fitness to practise referrals are made to us.

Petition to government

17 An e-petition[8] was established on the HM Government website calling on the government to review the NMC registration fee, and the process through which the fees are decided. This petition surpassed 100,000 signatures on 1 May 2014 and therefore requires consideration for a debate in parliament on the matter by the Backbench Business Committee. Currently[9], we are not aware that any decision has been made by the Committee on whether a debate on this matter should be held. We have, however, written to the Backbench Business Committee to inform them that a consultation containing the evidence for why a fee rise was proposed is available, and also set out the process for setting a registration fee.

18 When the petition passed 10,000 signatures, the government was obliged to issue a statement on the matter. Its contents are noted on the e-petition web page; similar to the responses to parliamentary questions, the government stated that the NMC is an independent regulator responsible for determining the amount for an annual registration fee. In doing so, the NMC must consult with stakeholders and take account of their views. The government also acknowledged the challenges we faced set out in our consultation, and that no decision has been taken. We fully support this position and note that the rationale for a proposal to

---

http://www.publications.parliament.uk/pa/cm201415/cmhansrd/cm140623/text/140623w0001.htm#140623w0001.htm_wqn54.

[7] As of 16th September 2014

[8] http://epetitions.direct.gov.uk/petitions/60164

[9] As of 16th September 2014

increase the registration fee and an outline of the process we are obliged to follow were set out in our consultation document.

Responses to our consultation

19 We received 4,532 responses to our consultation. The vast majority were registered with the NMC. 27 were responses from organisations. Of those registered with the NMC, 96 % disagreed with the proposal to increase the registration fee, 2 % agreed with the proposal and 2 % were unsure. Of the organisations responding, 93 % disagreed with the proposal to increase the registration fee, and 7 % agreed with the proposal.

20 A number of views were offered in response to the consultation. Key supportive themes identified from responses were that our rationale for why a fee rise was proposed and set out in our consultation document was accepted. It was noted that the increasing volume and complexity of fitness to practise referrals to us was a key driver of our costs. It was also noted that, given the NMC is the largest professional regulator in Europe and our registration fee is less than those of the other UK professional regulators (except for the Health and Care Professions Council - HCPC), a fee rise seemed to be the only feasible option to continue professional regulation.

21 Some respondents noted that the NMC is expected to deliver its functions as effectively and efficiently as possible, and evidence of our considerable efforts to keep costs down had been presented in the consultation document. However, the current legislative constraints on how certain functions are undertaken (especially our fitness to practise activities) is a key barrier that must be overcome through substantive legislative overhaul. We fully support this view; only comprehensive revision of our legislation through the development and implementation of the draft Law Commission Bill[10] will allow us to innovate to make process and efficiency savings to tackle this issue and our costs further and more effectively in the long term.

22 A number of unsupportive or other themes have also been identified in response to our consultation. These are set out below with our assessment of them.

Nurses and midwives pay

23 The most prominent view presented (1/3 of all comments we received) was that a fee rise should not happen when nurses and midwives pay has been subject to pay restraints as part of government austerity measures. It was argued that nurses and midwives are poorly paid in comparison to other healthcare professionals so would struggle to find the extra £20. There were calls for any fee increase to be in line with nurses and midwives pay increases. It was also noted that the increasing pressure of the role and decreasing morale of the workforce made the proposed increase even less acceptable.

24 Although we sympathise with this view, we consider there is no direct link between the cost of independent professional regulation and the pay of individuals or their employment environment. We exist to ensure nurses and midwives have the professional skills to fulfil a role in order to protect the public; the working

[10] http://lawcommission.justice.gov.uk/docs/lc345_regulation_of_healthcare_professionals.pdf

environment and operational approaches are for the employer to determine. The costs of different aspects of regulation are set out clearly in our consultation document. Whilst it is not our position to comment on the individual pay of nurses and midwives, and how this compares to other health professionals, figure 5 of the consultation document showed that our current and proposed fee compares favourably to the fees charged by other regulators and professional bodies. We also note that the government's pay restraints on public sector employees, including NHS employees, would not affect all of our registrants. We therefore do not consider that there should be a direct link between nurses' and midwives' public sector pay restraints and the registration fee.

Unjustified rise

25 Some respondents stated the proposed fee rise was unjustified, especially given the fact that the fee has increased a number of times in recent history.

26 Our consultation document set out the rationale and evidence for why an increase to the registration fee was being proposed. This was primarily due to the significant and continuing increase in the volume and complexity of fitness to practise cases referred to us. These cases must be resolved in a timely and efficient manner in order to protect the public and patients. In addition, when we consulted on our proposal to increase our registration fee in 2012 we sought to increase the registration fee to £120 to cover the actual cost of regulation to us. Had we increased the registration fee to £120 in 2012, we would not have had to consult in 2014. We therefore do not accept that the proposed fee increase is unjustified, as it is clearly based on the actual cost of regulation.

Economic pressures

27 Some respondents stated that the recession had led to a reduced value of wages set against rising costs of living which are largely a result of wages not keeping track with inflation. This had had the effect of increasing financial pressures on nurses and midwives whilst reducing their disposable income, making any increase less affordable. A trade union in their response to our consultation also made this point.

28 While we sympathise with the economic pressures that many are experiencing, we consider that there is no direct link between the cost of independent professional regulation and the pay of individuals or their employment environment. The costs of different aspects of our regulatory activities are set out in our consultation document.

An above inflation fee increase?

29 Some registrants stated that the proposal to increase the registration fee is 'inflation busting' and any increase should not exceed inflation. The costs of different aspects of regulation are set out in our consultation document; theya re driven by a number of factors and are not solely determined by inflation.

30 If our registration fee is tracked against inflation from August 2007, then it shows our fee has broadly been in line with inflation over this period of time. This also demonstrates that an inflation linked registration fee would be misplaced as a funding gap has developed during the same time period. The cost of regulation is not determined solely by the rate of inflation, but for the reasons set out in our

consultation document. This is no longer sustainable and we believe a level of income from the registration fee that covers the actual cost of regulation would be a proportionate measure.

Alternative options

31 Some registrants suggested alternatives to a fee rise, as invited to do so in the consultation. However, no supporting evidence was provided to us of why the proposed alternative options were feasible. The alternatives suggested were:

- ***Reducing the number of Fitness to Practise hearings***

32 One professional body stated in their response that the NMC should consider a reduction in the number of Fitness to Practise hearings we hold. We have been able to reduce our caseload and the length of time it takes us to deal with complaints by increasing the number of hearings we hold. Any reduction in the number of hearings we hold will lead to cases taking longer to conclude. We strongly believe that this would not be in the best interests of the public or in the interest of nurses and midwives who may find themselves part of a fitness to practise case. It is not a position which would deliver effective public protection and we do not believe that it is what the public or the professions want.

- ***The NMC making further efficiency savings***

33 As set out in our consultation document, we committed to making £25 million of efficiency savings in our fitness to practise activities between 2012 and 2015. We are on track to deliver these and have identified a further £4.7 million of efficiency savings that are being made in 2014-15. In addition, we have made substantial efficiency savings[11] across our other functions. These efficiency savings have been included in our financial forecasting which demonstrate that even with these measures there is a funding gap that will affect our ability to protect the public if left unfilled. We will continue to pursue every opportunity to keep our costs under control and ensure value for money from our activities.

- ***Keeping the registration fee at £100***
- ***Reducing the registration fee***

34 As set out in our consultation document, holding the registration fee at £100 or reducing the registration fee would have serious public protection implications. In the absence of any evidence to the contrary, we therefore believe that the public protection implications of these options make them inadvisable.

- ***Introducing payments by instalments immediately, not in 2016***

35 We are looking to introduce payment of the registration fee by instalments as soon as we are able to, and we have committed to do so by 2016. Whilst this will not change the amount to be paid or affect the fee proposal, we recognise that it will help to spread the cost of regulation to individuals to make payment more manageable by spreading that cost over time. We have recently launched a

[11] Further information on the efficiency savings we have made, including our property costs, can be found in our document 'NMC Facts' - http://www.nmc-uk.org/Documents/Consultations/2014/The%20NMC%20fee.pdf

consultation seeking to gain the legal ability to collect the registration fee in instalments[12].

- ***Vary the fee depending on pay and/or full/part time working***

36 No proposals for what potential bands of registration fee could be were presented to us or evidenced. We believe that varying the registration fee based on income would require us (in order to protect our funding) to collect evidence of each nurse or midwife's pay on an ongoing basis, with the ability to disclose this to a third party in order to verify it and ensure a correct fee was charged and collected. A self declaration would be unlikely to provide a sufficiently robust approach that could protect sufficient funding levels in order to protect the public.

37 This, in our current model of regulation, would have to be underpinned by a legal framework. There would be considerable time and expense involved in establishing such an approach that would have to be covered by or recuperated from the registration fee. Since the registration fee revenue must cover the whole cost of regulation, we believe that this would be likely to result in those earning over a certain threshold paying a higher fee than at present or than is proposed, in order to subsidise those on a lower level of pay. We do not believe this is justifiable, nor is it proportionate when our current fee, and the proposed fee in our consultation, is the lowest charged by the healthcare professional regulators (except for HCPC) and relevant professional bodies.

- ***Securing more funding from the government***

38 We believe the government has made clear, as set out above, that the NMC is an independent regulator responsible for setting an appropriate fee level to fund the regulatory activities required to protect the public. Funding from government would also be inconsistent with other healthcare professional regulators who are funded by their registrants. A fee level which covers the cost of regulation is the optimal way to resolve the funding gap we have in a long- term and sustainable way.

- ***Require employers to pay the registration fee***

39 Requiring employers to pay the registration fee would be equally inconsistent with other healthcare regulation arrangements and may put other healthcare professionals at a significant disadvantage. Some employers do pay the registration fee on behalf of their registrants, but this is a matter to be determined between employer and employee.

- ***Pass regulation to another body***

40 Transferring regulation of nursing and midwifery to another regulatory body is beyond the scope of our consultation, and would be a decision only government could make after extensive consultation. No evidence has been presented to demonstrate how this would contribute to resolving any dissatisfaction with the proposal to increase the registration fee. We do, however, remain of the view that the introduction of the Law Commission Bill would allow us to amend rigid and

[12] http://www.nmc-uk.org/Get-involved/Consultations/Introducing-powers-to-allow-payment-of-registration-fees-by-instalment/

inefficient ways of regulating that in turn would allow us to make further efficiency gains. This, we believe, could help us avoid future fee rises.

What are the benefits?

41 Some respondents stated the registration fee represented poor value for money and brought little benefit. They asked what the point was in paying for something that was of no benefit.

42 Paying the registration fee funds our regulatory activities which ensures that the standards nurses and midwives must meet remain high. Action can also be taken where standards are not met to protect the public. This is a significant benefit to the public and upholds the reputation and professionalism of nurses and midwives. Professional regulation funded through a fee payable to the regulator by professional registrants is a well-established approach in healthcare and other sectors. Paying the NMC registration fee also enables a professional to practise in the field they have studied and to maintain a career. Without paying it, an individual would be unable to legally do this. We therefore disagree that there is no benefit either to the public or to registrants from the payment of a registration fee, and professional regulation.

Funding Fitness to Practise

43 Some respondents expressed resentment for funding the administration of others' poor performance through fitness to practise processes when they themselves were performing safely and effectively. They asked why this was the case, and what (given fitness to practise caseloads are predicted to keep increasing) would prevent further rises in the future? Others suggested that fines for nurses and midwives found unfit to practise should be introduced.

44 As set out above and in our consultation document, fitness to practise activity accounts for the majority of our expenditure. Its funding through the registration fee is a model common across all of the healthcare professions.

45 If our fitness to practise activity was funded only by those subject to proceedings, or only those found to be at fault, the costs on a case by case basis would be unaffordable with little chance of the NMC ever receiving payment for them. For example, an average substantive hearing currently costs us approximately £13,000, regardless of the outcome. This would make our funding gap even greater and is therefore not a means to address the funding issues we face. Spreading the cost evenly amongst all nurses and midwives is the only realistic and proportionate way of funding fitness to practise activities, especially when our registration fee (as set out in our consultation) compares favourably with the fees of other professional regulators or professional bodies.

Comparison with other regulators

46 It was acknowledged that the NMC holds the largest healthcare professions register in the world, and that our registration fee was (other than HCPC) the lowest amongst UK regulators. One professional body questioned why the HCPC can charge a lower registration fee to a more diverse range of professionals in similar salary bands to nurses and midwives.

47 Our position regarding no direct link between a salary band and the cost of regulation for nurses and midwives is set out above. The costs of different aspects of our regulation, specific to the NMC, have been set out in our consultation document.

48 We also note that the 16 professions that the HCPC regulate currently pay fees in a different way to the NMC. Upon initial application, HCPC applicants must pay a one-off non-refundable scrutiny fee of £56 (£440 for international applications), this is accompanied by a registration fee of £160 for two years, renewable and payable every two years. Should a registrant lapse, they would be charged £280 for readmission. In addition, those holding multiple registrations (such as one individual who registers as a physiotherapist and a podiatrist) would be charged the registration fee for each registration[13]. The NMC will only charge a single registration fee for an individual who was both a registered nurse and midwife. We believe that our single low flat registration fee for all compares favourably to this approach.

Reviewing fitness to practise referrals

49 Some respondents called for us to review the reasons for the significant rise in referrals to us if this was the primary driver of our costs in order to ensure better quality of referrals and to save the cost of unsound referrals being assessed and closed at our screening stage. One trade union asserted that this draws the conclusion that employers are using the referral process rather than internal procedures to deal with performance and disciplinary issues, or are referring to demonstrate to the systems regulators that they are tough on issues.

50 Rising referral rates are common to all healthcare professional regulators. During 2012-2013, 41% of fitness to practise referrals we received were from employers; 63% of all referrals we received were allegations of misconduct[14]. Of our 4,106 referrals, 1,581 (38.5%) were closed at the initial screening stage. We agree that further assessment of reasons for referral would be useful and we are exploring options for doing this. At the moment, there is currently no evidence in our fitness to practise data analysis that employers are referring cases to us in place of using internal disciplinary processes. We also note that other regulators have undertaken research into the reasons for fitness to practise referrals, and in relation to referrals made by a member of the public, have found that a number of reasons contribute for why a referral is made[15]. In addition, misconduct is defined through the Courts and covers matters wider than clinical misconduct; this could therefore include, for example, verbal abuse. Therefore referrals on the basis of misconduct may naturally overlap with internal employer procedures with the employer best placed to make a referral to us.

51 We would also note that we issue comprehensive guidance[16] to employers on making referrals to us as a quality control measure on what could be an

[13] http://www.hcpc-uk.org/
[14] http://www.nmc-uk.org/Documents/Annual_reports_and_accounts/Annual%20Fitness%20to%20Practise%20Report%202012%20-%202013.PDF
[15] http://www.gmc-uk.org/about/research/25233.asp
[16] http://www.nmc-uk.org/Documents/FtP_Information/Advice%20and%20information%20for%20employers%20of%20nurses%20and%20midwives.pdf

appropriate referral, and that our planned regional representative model will further assist with this. Should we receive inappropriate referrals, it is important to note that these are closed down quickly at the initial screening stage with a low cost so is proportionate in terms of our spending when compared to the cost of a full hearing.

52 It is also noted that we have a duty under our legislation to assess any referral made to us in a specified way. Some referrals will always be closed on initial assessment and incur a financial cost.

Conclusion

53 In conclusion, our assessment of responses to our proposal to increase the registration fee to £120 shows that it is an unpopular proposal. However, in exploring the rationale and evidence behind those views there has been little evidence presented to us to substantiate those views or invalidate the evidence presented in our consultation document that supports that proposal.

54 We also note that all registrants are able to claim tax relief against their registration fee, which helps to mitigate the cost of regulation on the individual. This has the effect of reducing the current registration fee of £100 to £80 and would reduce the proposed registration fee of £120 to £96 if introduced (for a base rate taxpayer). Our research suggests that only 30% of nurses and midwives currently do this, so we have been actively seeking to raise awareness amongst our registrants.

55 Further efficiency savings and budget reallocation will not result in us covering the cost of regulation at a time of rising fitness to practise referrals handled in a model of regulation which we are required to follow under our current legislation. This is an unsustainable position, and one which will not allow us to protect the public to the level expected of a professional healthcare regulator.

56 We continue to call on the government, and all political parties, to make a public commitment to reforming health professional regulation in the first parliamentary session after the 2015 general election. The Law Commission published their draft Bill on 2nd April 2014 recommending such a change, but this was not included in the government's legislative programme as a priority matter for the final session of parliament ahead of the general election. We strongly support the development of this draft Bill as it will give us the flexibility we need to better protect the public, as well as providing a more flexible legislative framework that could allow us to reduce costs in the long run.

57 We ask the Council, in light of the assessments of responses to our consultation and the content of the other papers presented, to consider and decide on an appropriate level of funding to be able to carry out our regulatory functions and protect the public in the manner and to the standards expected of an independent regulator. This will require the Council to determine an appropriate registration fee level to generate that funding.

Item 7 – Annexe 7
NMC/14/89

A summary of the Equality Assessment work undertaken by the NMC in proposing to increase the annual registration fee

1 We have completed an Equality Assessment for the proposed increase to the registration fee, which includes assessment of the responses received to our consultation against protected characteristics as defined in the Equalities Act 2010. That Equality Assessment will be published and can be found in Trim (3061288).

Our legal duties

2 Our general legal duty under Section 149 of the Equality Act 2010 is to have due regard to the need to:

- Eliminate discrimination, harassment, victimization or other conduct prohibited by the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not; and,
- Foster good relations between those who share a relevant protected characteristic and those who do not.

3 If analysis shows a protected characteristic is or may be adversely affected by the proposed policy, that policy may still proceed if it can be demonstrated that it is a proportionate way of achieving a legitimate aim.

Summary of Equality Assessment findings

4 The current registration fee applies equally to all registrants, with no exceptions or reduced costs for any one group. The proposed increased fee will operate in the same manner. The NMC recognises that the increase in the fee will impact on registrants; amongst this the protected characteristics of age gender and maternity/pregnancy status may be affected.

5 In our consultation we asked those aged over 55 whether increasing the registration fee would be likely to impact on their decision to continue working as a nurse or midwife, if at all. Over half (56%) of all over 55s (307 of 549 people answering this question) said it was likely to impact on this decision.

6 One organisation that responded to the consultation had conducted its own survey of 1,251 people, most of whom we assume to be NMC registrants. 224 were over 55 years of age, and of those who responded when asked whether an increase in NCM fees would influence their decision to retire and return to practise working reduced hours, 50.8% said it would not be economical to return to work on a part-time basis.

7 We have concluded that there is an indicative view in responses to our consultation that could show an impact of increasing the registration fee on those aged over 55. However, having paid due regard to this, we believe that a fee rise is objectively justified and proportionate to achieve the legitimate aim of enabling

us to protect the public by ensuring we have sufficient funding to achieve the statutory requirements placed upon us to the expected standards. Not to do so would have significant public protections implications as set out in our consultation document.

8 The majority of nurses and midwives according to our diversity data collected from registrants are female (90.62%). Given that the majority of registrants are female, there is an increased likelihood of registrants taking maternity leave, a career break or working part time. 24% of respondents to the consultation indicated that they worked less than 30 hours per week. Of our registrants, 44.31% are under the age of 40. So, many of our registrants are likely to take maternity leave and are likely to work part time during their careers, and are therefore likely to have to pay the full registration fee during such times.

9 We have concluded that the registration fee, and any increase to it, may disproportionately affect women given the NMC registrant base and increased likelihood of women to take maternity leave or work part time, during which time their earnings may decrease. However, we believe that the proposed fee rise is a proportionate response to achieving the legitimate aim of enabling us to protect the public by ensuring we have sufficient funding to achieve the statutory requirements placed upon us to the expected standards. Not to do so would have significant public protections implications as set out in our consultation document.

10 The cost of regulation is determined by the activities we have a statutory duty to undertake as set out in our consultation document. If some registrants paid less, others would have to pay a significantly higher registration fee; we do not believe this is justifiable, nor proportionate, when our current and proposed fee is the lowest (save for the HCPC) charged by the UK healthcare professionals regulators or the healthcare representation bodies for registration / membership.

11 To mitigate any such impact we are proposing to introduce payment of the registration fee in instalments as soon as we are able to as we recognise that it will help to spread the cost of regulation to individuals to make payment more manageable. We have recently launched a consultation seeking to gain the legal ability to collect the registration fee in instalments here.

12 In addition, nurses and midwives are able to claim tax relief on their registration fee through HM Revenue and Customs (HMRC). Our research suggests 50% of or registrants are not aware of this so we have sought to promote this with them, and urged them to do so. A claim for tax relief would reduce the proposed fee to £96, and less for higher-rate taxpayers.

KPMG

cutting through complexity™

Proposed fee increase assurance: report of findings

The Nursing and Midwifery Council

FINAL: 15 May 2014

PRIVATE AND CONFIDENTIAL

Important notice

Our report is for the benefit and information of the addressees only and should not be copied, referred to or disclosed, in whole or in part, without our prior written consent, except as specifically permitted in our Contract Letter. The scope of work for this report, included in Appendix 1, has been agreed by the addressees and to the fullest extent permitted by law we will not accept responsibility or liability to any other party (including the addressees' legal and other professional advisers) in respect of our work or the report.

Our work commenced on 10 March 2014. This draft report takes account of fieldwork performed up to 21 March 2014. We have not undertaken to update our report for events or circumstances arising after that date.

In preparing our report, our primary source has been internal management information and representations made to us by management. We do not accept responsibility for such information, which remains the responsibility of management. We have satisfied ourselves, so far as possible, that the information presented in our report is consistent with other information which was made available to us in the course of our work in accordance with the terms of our contract of engagement. We have not, however, sought to establish the reliability of the sources by reference to other evidence.

This engagement is not an assurance engagement conducted in accordance with any generally accepted assurance standards and consequently no assurance opinion is expressed.

The financial information in this report has been extracted from sources provided by management. We have not sought to make adjustments for rounding.

Our report makes reference to 'KPMG Analysis'; this indicates only that we have (where specified) undertaken certain analytical activities on the underlying data to arrive at the information presented; we do not accept responsibility for the underlying data.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate at the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough investigation of the particular situation.

We must emphasise that the realisation of the prospective financial information set out within our report is dependent on the continuing validity of the assumptions on which it is based. We accept no responsibility for the realisation of the prospective financial information. Actual results are likely to be different from those shown in the prospective financial information because events and circumstances frequently do not occur as expected, and the differences may be material.

This report has been reviewed in detail by management and as such they have confirmed the factual accuracy of its contents.

Report of findings

Scope and basis of preparation

We have been engaged to provide assurance over the reasonableness of the financial assumptions used to determine the proposed annual fee of £120 per registrant.

Our work considered **14** assumptions (including a number of sub-assumptions, particularly in relation to savings schemes) developed by the NMC's Management (Management). Where we have identified additional key assumptions, we have also reviewed these. We have not been engaged to provide assurance over the completeness of assumptions.

In assessing the reasonableness of Management's assumptions we have considered historical data, future forecasts and considered the retrospective performance since our previous review in October 2012, where relevant.

Where sensitivity analysis has been performed by Management, we have included commentary on the results. In some instances, we have performed this analysis ourselves, based on data provided to us. We have not sought to verify the accuracy of this data.

Our report does not provide assurance over the financial models used to calculate the proposed fee increases. We have not confirmed that the assumptions communicated to us by Management have been correctly incorporated into the financial models, nor have we checked whether the calculations within the models are appropriate. Similarly, our assessment of efficiency savings has focused on the underlying assumptions as communicated to us by Management, and not the calculations used to derive savings.

The remainder of this executive summary provides our overall conclusion on the reasonableness of the assumptions reviewed, a summary of those assumptions and issues arising for consideration by Management.

Methodology

For each assumption tabulated overleaf we have considered: (i) the financial consequence; (ii) the robustness of supporting information available; and (iii) the appropriateness of the response to financial risk(s) arising from that assumption. This three stage approach has allowed us to conclude on the overall reasonableness of the assumptions.

Under stage one we have assessed the financial consequence of each assumption as being more significant or less significant. Where the assumption relates to a defined cost or saving, this has been assessed based on whether the impact per registrant per year is above or below £10. For other assumptions, we have formed a judgment of significance based on the extent to which risks are externally driven and therefore outside of the NMC's direct control.

As part of stage two we have assessed the level of supporting information as being adequate if, despite inherent uncertainty given the forward looking nature of the assumptions, it has been consistently reflected in the assumption.

Consistent with our review in October 2012, the third stage of our analysis has been an assessment of the response to the residual financial risk faced by the NMC in respect of each assumption. For example, healthcare regulators typically find forecasting referral rates to be inherently challenging as they are driven by factors beyond their control. As such there will always be a degree of uncertainty in the future forecasts, irrespective of the quality of the historical referral data. Therefore we have considered Management's response to the financial risk associated with this uncertainty, which is largely through the use of the reserves policy in place to mitigate financial risks arising from future uncertainty.

Conclusion

Overall we can provide assurance that the assumptions used are reasonable. Whilst there are areas of uncertainty regarding future circumstances, we are comfortable that assumptions have generally been made consistently with the information available.

There is inherent uncertainty underlying Fitness to Practise (FtP) assumptions, each of which represents a significant variable in the financial model. However, the assumptions made are reasonable given the historical trends seen and expected future drivers of activity.

Efficiency savings in relation to FtP have a significant impact on the financial model and proposed fee increase, with assumed savings of almost £55m over three years. A number of schemes are included within this assumption, some of which are more embedded than others. In general, historical information on savings achieved (where available) supports the assumed savings going forward. There are instances of assumptions being out of line with historical trends, for example for voluntary removal, where assumed levels of 15 per month are much higher than those seen in recent months. However, considering all savings schemes in the round, and noting that the FtP team are tasked with reducing the number of cases going to a full substantive hearing of the Conduct and Competence Committee through various methods, some of which will be more successful than others, we believe the modelled assumptions represent a reasonable forecast.

Finally, it is noted the Management has built in an £8m contingency over the three year period into the model, over which there is inherent uncertainty as there is no guarantee that events will occur that will utilise some or all of this contingency.

After the table overleaf we provide further details of the assumptions that have greater financial consequences in relation to the annual fee and Management's approach to mitigating financial risks associated with these assumptions.

Report of findings

Assumption	Financial consequence	Supporting information	Response to financial risk
4) FtP: efficiency savings will be realised through a number of initiatives, saving £54.5m over three years	**More significant** (Represents a financial impact of more than £10 per registrant per year, or is subject to significant external risk)	Adequate on an aggregate basis; some individual schemes are less assured than others	Risk adequately mitigated through the reserves policy
2) FtP: average FtP case hearing length (of final substantive hearing at Conduct and Competence Committee) is assumed to be 3.5 days		Adequate	
1) FtP: there will be an 10% increase in referrals to Fitness to Practise year on year, beginning in 2014-2015		Adequate	
3) FtP: 37% of all referrals closed after screening, 49% of all investigations closed before adjudication	**Less significant** (Represents a financial impact of less than £10 per registrant per year and is not subject to significant external risk)	Adequate	
5) Capital: estates and ICT expenditure is assumed to be £14.4 million over the next three years		Adequate	
12) Capital: a dilapidations provision will cost £0.3 million		Adequate	
6) Revalidation: revalidation will cost £5.0 million to develop, implement and administer over the next three years		Adequate	
8) Other: the provision of quality assurance of education will be maintained based on normal approval and monitoring levels		Adequate	
7) Other: staffing levels have been increased in response to the PSA strategic review and other pressures, at an annualised cost of £2.9m from 2014-15		Adequate	
9) Other: The pension scheme recovery plan payments to clear the pension deficit will increase over the forecast period		Adequate	
10) Other: General inflation is assumed at 2.5% per annum from 2013-2014, and wage inflation 2.7%		Adequate	
13) Other: Total contingency of £8m over the next three years has been budgeted		N/A (See page 2)	
11) Other: the introduction of a PSA levy will cost £0.8 million per year from 2015-16		Adequate	
14) Other: The increased level of inquiries will add £0.3m of legal costs from 2014-15		Adequate	

Report of findings

Assumptions that are more financially significant

Three assumptions are considered to be more significant in terms of impact on fee levels, which are outlined below.

A number of efficiency schemes in FtP are assumed to deliver £54.5m of savings over 3 years:

- **Bringing investigations in-house:** Significant savings of £28.6m over three years have been assumed from bringing 80% of investigations in-house. This scheme was introduced in a phased approach in the latter part of 2012-13, and performance to date has shown this level to have been achieved consistently in recent months, following the embedding of the investigation teams and processes. A significant drop in performance was seen in mid-2013, but this is not considered to be indicative of future risks of a similar reduction. As such, the assumption appears reasonable.
- **Alternative methods to case disposal:** This comprises three sub-schemes, all of which are designed to reduce the number of cases going to a full substantive hearing of the Conduct and Competence Committee. Management has stated that, whilst savings have been split between these three schemes, the critical factor is the reduction in the number of cases requiring a full substantive hearing of the Conduct and Competence Committee, regardless of how this is achieved. Therefore in reality some case disposal schemes may be more successful than planned and others less so, but the FtP team is aiming to achieve the overall planned reduction of 30% of substantive decisions being made with a full hearing through some combination of these plans.
  - *Consensual Panel Determinations (CPDs)* - £2.3m of savings over three years has been forecast as a result of using CPDs instead of full hearings. This is based on having 7 CPDs per month, but data from implementation shows that an average of 13 per month has been achieved, suggesting that savings assumptions may be prudent.
  - *Meetings replacing hearings* – Savings of £8.8m are modelled on past performance in relation to using meetings instead of full hearings, and appears reasonable.
  - *Voluntary removal (VR) from the register* - Savings of £6.9m are forecast over three years. This scheme is already in place and has achieved significant savings, however the trend on VRs has declined over the past 12 months and the assumption of 15 removals per month therefore seems optimistic based on this data. We note however the above caveat in relation to consideration of disposal schemes in the round.
- **Changes to the use of shorthand writers:** £4.4m savings are assumed based on reducing the use of transcribers. The assumptions do not appear unreasonable.
- **Introduction of case examiners:** This is a new scheme, due to generate savings of around £1m per year from 2015-16 onwards by replacing the majority of Investigating Committee (IC) hearings with case examiners. This is based on a legislation change that has DH support, and historical data relating to the cost of holding an IC hearing. Therefore although the scheme has not yet been implemented (and there remains a risk that legislation is not passed), we can be reasonably assured of the savings assumed.
- **Reduction in repeated IC meetings:** For this scheme, which reduces the need for repeated IC meetings, a saving of £1.3m is assumed for 2014-15. Only negligible savings are assumed thereafter due to the significant reduction in ICs forecast as a result of the above case examiners scheme. We have no concerns around the 2014-15 assumption.

Referral rates are assumed to increase by 10% annually, an increase from the 8% assumed rate in 2012. The general trend over the historical period reviewed is upwards, although there have been significant fluctuations within this long term average, including major spikes and more modest reductions in annual referrals. The assumed increase is consistent with the rate being assumed by the GMC in relation to its own referrals. Based on this data and more recent trends, 10% appears a reasonable assumption for annual referral increases.

Average hearing length is assumed to be 3.5 days, consistent with the 2012 assumption. Data for the past 15 months demonstrates the average number of hearing days fluctuates around the assumed rate. The assumption is based solely on the non-historic cases now that the older cases have been closed down. The non-historic cases are generally less complex and therefore management's assumption of 3.5 days does not appear unreasonable.

Report of findings

Assumptions subject to greater uncertainty

Contingency of £8m over three years has been built into the forecast model. In contrast to previous years, where contingency has been held as a central 'pool' from which funds can be drawn down as business cases are approved in-year, all business proposals must now be included in the budget setting process and the contingency will only be used for unforeseen and unknown events that arise during each year. As such, there is increased uncertainty around this assumption.

However, we note that the inclusion of contingency is not out of line with what we would expect for an organisation with a reasonable degree of uncontrollable risk, and the quantum (an average of 3.4% of revenue across the forecast period) does not appear excessive.

Financial mitigation through the reserves policy

In preparing its assumptions, Management has identified financial risks arising, for example the financial risk to the NMC of its referral rate increase assumption being incorrect. To understand the potential impact of these financial risks and to reflect the inherent uncertainties in forecasting future activity, Management has undertaken sensitivity analysis over key assumptions, for example in the case of the assumed 10% referral rate increase Management has calculated the impact of the rate being 8%, 12% and 14%.

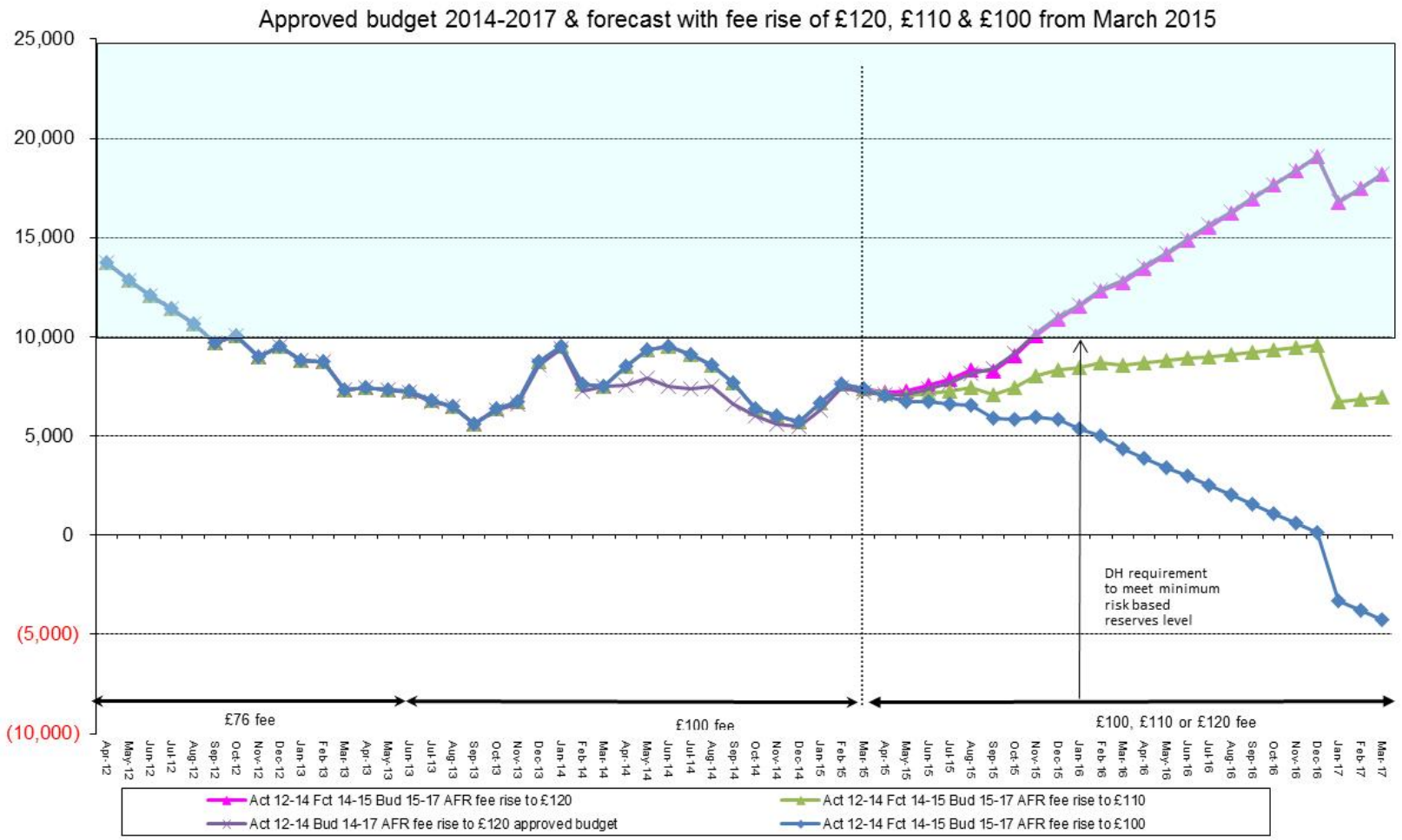
To mitigate the financial risks arising from such uncertainties, the NMC revised its reserves policy in 2012 such that available free reserves would be based on quantification of financial risk, with a target level of between £10m and £20m. The financial flexibility the revised reserves policy affords the NMC is believed by Management to be sufficient to mitigate potential financial risks arising from uncertainties within the assumptions.

Management has revisited the workings behind the reserve thresholds in light of the revised assumptions for 2014-15 onwards, accounting for the financial impact of key risks such as a higher than expected increase in referrals or hearing duration, reduction in registrants or ICT strategy expenditure being higher than forecast. Potential downside risks from revalidation will also be mitigated through the existence of reserves, for example through an increase in lapsed registrants and in referrals. Management has set a revised target level for available free reserves of between £10m and £25m.

Whilst we cannot rule out the possibility of extreme future events that would have significant financial impacts that could not be covered by the reserves, we judge that the target levels of reserves are sufficient to guard against reasonable fluctuations in key assumptions over the forecast period.

KPMG

cutting through complexity™


Approved budget 2014-2017 & forecast with fee rise of £120, £110 & £100 from March 2015
25,000
20,000
15,000
10,000
5,000
0
(5,000)
(10,000)
DH requirement to meet minimum risk based reserves level
£76 fee
£100 fee
£100, £110 or £120 fee
Act 12-14 Fct 14-15 Bud 15-17 AFR fee rise to £120
Act 12-14 Fct 14-15 Bud 15-17 AFR fee rise to £110
Act 12-14 Bud 14-17 AFR fee rise to £120 approved budget
Act 12-14 Fct 14-15 Bud 15-17 AFR fee rise to £100

Item 8
NMC/14/90
1 October 2014

Council

Chief Executive's report

Action: For information.

Issue: The Chief Executive's report on (a) key developments in the external environment; (b) key developments internally; (c) key strategic engagement activity.

Core regulatory function: This paper covers all of our core regulatory functions.

Corporate objectives: Corporate objective 4: "We will maintain open and effective regulatory relationships with patients and the public, other regulators, employers, parliamentarians and the professions. This will help us positively influence the behaviour of nurses and midwives to make the care of people their first concern, treat them as individuals, and respect their dignity."

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: Mary Anne Poxton
Phone: 020 7681 5440
maryanne.poxton@nmc-uk.org

Chief Executive: Jackie Smith
Phone: 020 7681 5871
jackie.smith@nmc-uk.org

Context:

1 This is a standing item on the Council agenda and reports on (a) key developments in the external environment; (b) developments internally; (c) key strategic engagement activity. Updates on operating performance – including the change programme – can be found in the Performance and Risk Report.

Discussion:

House of Commons Public Administration Select Committee

2 On 10 September 2014, the NMC was invited to give oral evidence to the House of Commons Public Administration Select Committee (PASC) session following up the Parliamentary and Health Service Ombudsman's report into midwifery supervision and regulation. The Committee explored to what extent the Ombudsman's recommendations in their report had been implemented to date. In addition to the NMC Chief Executive, the panel comprised Parliamentary Under Secretary of State for Health Dr Dan Poulter; Juliet Beal, Director of Nursing for Quality Improvement and Care at NHS England; Richard Murray, Director of Policy at the King's Fund; and Elizabeth Duff, Senior Policy Adviser at the National Childbirth Trust.

3 In our evidence, we informed the Committee that we acknowledged the structural flaw in the framework for midwifery regulation, accepted the Ombudsman's recommendations, and that we had commissioned the King's Fund to undertake an independent review of midwifery regulation. In response to questions on our progress, we noted the implications across the four countries and the need to properly consider these issues 'in the round'. The Committee was also interested in exploring what would happen with supervision of midwives, and to what extent the minister was willing to commit to taking forward any legislative changes needed after the King's Fund review reports.

Strategic Review Revisit 2014: independent review

4 The independent review of our progress against the Professional Standards Authority's (PSA) Strategic Review 2012 recommendations was published on 15 September 2014. The Chief Executive discussed the review with the PSA Chief Executive, Harry Cayton, prior to publication. The independent review is the subject of a separate report on the Council's agenda.

Professional Standards Authority performance review

5 The PSA initiated the performance review process for 2014-2015 on 22 September. We are required to submit evidence of our performance against the 24 Standards of Good Regulation by 17 November. Evidence is currently being gathered across the organisation. The Council will be briefed on the content of our

submission during its seminar on 30 October 2014.

6 Our performance against the PSA Standards during 2013-2014 is shown in the Performance and Risk report.

7 The PSA has begun informal discussions at officer level around revision of the performance review process for 2015-2016. The PSA is looking at potentially moving to a risk-based approach and production of a single process and report combining the current performance review and FTP initial stages audit. The PSA Board will consider proposals in January 2015 for formal public consultation during spring 2015.

8 NMC officers are meeting with PSA staff to provide input into the review. We continue to press for there to be an external element to the conduct of the review. We are working with other regulators on areas of mutual interest through an inter-regulatory group on performance matters, which we initiated.

Grant accountability

9 NMC officers met with the Department of Health on 18 September 2014 for the most recent grant accountability meeting. Progress against the Fitness to Practise adjudication target for December 2014 and the available free reserves target for January 2016 were discussed. The meeting forms part of a quarterly review process by which the Department holds the NMC to account for delivery of the conditions under which the £20m grant was made in 2012. The Department also reviewed progress in delivering a strengthened overseas registration process, including a test of competence, for which a separate grant has been sought.

New NMC overseas registration test of competence

10 Following the conclusion of a public consultation on the issue, we announced, on 27 August 2014, that we would be introducing a replacement process for registering applicants from outside the EU/EEA. The new system will be a two-part test of competence, involving both a multiple choice, scenario-based examination and a clinical examination. Applicants will be assessed against our standards for pre-registration education.

11 The introduction of the new test of competence for overseas trained nurses and midwives received media attention in late August, specifically from the BBC and some of the national press. The revised overseas registration process, including the test of competence, will apply to all applications received from 1 October 2014.

NMC Online

12 NMC Online was successfully rolled out in early June 2014 and

there has been a very positive response from nurses and midwives in taking up the service. As at 15 September a total of 71,727 registrants have signed up for the service, 50,559 have activated accounts, with 23,894 Notice of Practice submissions completed and 23,454 renewal or retention payments made.

Duty of candour

13 In October the inter-regulatory working group on candour will publish a joint statement of principles on consistent approaches to candour, the contents of which have recently been agreed by the Chief Executives Steering Group. The NMC and the General Medical Council have also produced the wording of draft joint guidance on candour, near misses, and apology. This will be subject to public consultation later in 2014, with a view to publication early in 2015.

NMC consultations

14 The second part of the revised Code and revalidation consultation ran for twelve weeks and closed on 11 August 2014. The consultation exercise, run on our behalf by IPSOS MORI, generated nearly 2000 responses from across the sector. The main focus of the consultation was in-depth, qualitative research with nurses, midwives, employers and seldom heard groups and there was an online survey available for quantitative research purposes. 18 focus groups and workshops with 150 participants took place across the four countries.

15 Stakeholder feedback collected from the four country revalidation / Code review summits in May, June and July of this year, our engagement activities over this period and the deliberations of our various advisory groups have contributed to this work. The final report is expected in late September 2014 and will inform the development work on the Code and the revalidation model and the evidence reports due for publication in November 2014.

16 The consultation on a proposed increase to the annual registration fee to £120 from March 2015 closed on 31 July 2014. We received a total of 4,532 responses to the consultation, which compares to 26,483 responses to the fee consultation carried out in 2012. We have analysed the results and proposals are the subject of a separate paper on the Council's agenda.

17 On 11 August 2014, the NMC launched its consultation asking stakeholders for their views on whether nurses and midwives should be able to choose to pay the registration fee in a number of phases throughout the year. The NMC would need to alter the Nursing and Midwifery Order 2001 in order to grant it the necessary legal powers for it to enable this change. The necessary changes may be effected in time for a fully functioning system of phased payments by 2016.

The consultation will run until 3 October 2014.

Engagement activities

18 The next meeting of our Patient and Public Engagement Forum will take place in London on 8 October 2014. The agenda will include a discussion on compassion and care in practice and education which will be led by Paul Jebb, Assistant Director of Nursing at Blackpool Teaching Hospitals NHS Foundation Trust; Professor Gail Thomas, Dean of Health and Social Care and Director of the Centre for Excellence in Learning, Bournemouth University; and Professor Lisa Bayliss-Pratt, Director of Nursing, Health Education England. The agenda will also cover our draft organisational strategy and an update on medicines management.

19 Work continues on developing our approach to patient and public engagement in Wales and Northern Ireland. NMC staff with be meeting with the Patient and Client Council Northern Ireland in November.

20 On 24 and 25 September the Chair and Chief Executive visited Northern Ireland where they met Edwin Poots, Minister for Health, Social Services and Public Safety; hosted a regulator and professional body stakeholder dinner; met with senior registrants and representatives from the independent sector.

21 The NMC is attending the major political party conferences to call for a commitment from the parties to take forward a Bill based on the Law Commission's recommendations on regulation for health and social care professionals. As the government puts it, our freedom to act to protect the public in the most cost-efficient and effective way is "constrained through a complex web of legislation". The Law Commission's recommendations would give us the ability to evolve and more adequately meet the needs of the changing health and care context in which we operate. It would also make regulation easier to understand for patients and members of the public, in whose interest we are working. At the party conferences we will make these points to senior politicians. We are working alongside other professional regulators through the DODS Health and Care Forum.

22 On 20 August 2014 we convened a meeting of our partners in the King's Fund review. This was attended by the King's Fund, the Parliamentary and Health Service Ombudsman, representatives from the Scottish and English governments and NHS England. Wales and Northern Ireland government representatives were invited. The King's Fund presented an update on the progress of their independent review of our approach to the supervision of midwives. The King's Fund is now entering the second stage of the review which will develop a range of possible future scenarios to test with stakeholders and assess for feasibility. The final report is

expected in December 2014.

23 The Director of Strategy has undertaken a number of engagements including meeting with PSA and NHS IQ; visiting Queen Alexandra Hospital in Portsmouth; presenting at NHS Employers Policy Board meeting and the NMC Revalidation Programme Board meeting in Scotland; and speaking at the Developing the Future of Nursing conference.

24 The Director of Fitness to Practise attended the Freedom to Speak Up Review event held in London on 20 August 2014. This is an independent review into creating an open and honest reporting culture in the NHS, led by Sir Robert Francis QC. The NMC responded formally to this review on 11 September 2014.

Education

25 We continue to be involved in a number of education initiatives with key education stakeholders. These include:

25.1 The Shape of Caring review of nurse education and health care assistant training which is being chaired by Lord Willis and which we are co-sponsoring with Health Education England (HEE).

25.2 The Higher Apprenticeship trailblazer meetings chaired by Terry Tucker. Attendance is essential to ensure that this initiative is underpinned by our pre-registration nursing education standards.

26 We have also been in engaged in the following stakeholder activity:

26.1 Representatives from the University of Stirling attended a meeting with NMC staff to share details of their research aims to better understand the UK nursing workforce to inform healthcare policy and nurse education. We will be following up on this work later this year.

26.2 On 2 September 2014, we presented at a Trust Development Authority conference, providing updates on revalidation and the review of the Code; the new applications process for overseas nurses and midwives; evaluation of our pre-registration nursing and midwifery education standards and standards to support learning and assessment in practice; and the Shape of Caring review.

26.3 On 3 September 2014, we presented a paper at the Nurse Education Today conference on the introduction of lay reviewers to the quality assurance monitoring teams that visit Approved Education Institutions and Local Supervising Authorities.

26.4 On 5 September 2014, we attended the European Federation of Nurse Educators FINE-UK collaboration meeting which was discussing the evaluation of our pre-registration nursing standards and preparing for further work in ensuring compliance with the new European Directive.

Chief Executive's activity

27 In addition to that already mentioned, the Chief Executive has engaged in the following activity with stakeholders:

27.1 On 3 September 2014, the Chief Executive met Dr Dan Poulter, the Parliamentary Under Secretary of State at the Department of Health. The meeting was convened by Dr Poulter following the publication of the annual PSA performance review report in July 2014.

27.2 On 11 September 2014, the Chief Executive, accompanied by the Director of Continued Practice and the Director of Fitness to Practise, attended a meeting with colleagues from the health and social services department in Guernsey.

27.3 Given the public profile of a number of issues in the period covered by the report, the Chief Executive has undertaken a significant amount of media work, including interviews with the *Independent on Sunday*, *Nursing Times*, *Nursing Standard* and *Independent Nurse*. With the NMC's announcement on 27 August 2014 of the introduction of a test of competence for overseas qualified nurses and midwives, the Chief Executive was interviewed on BBC's Radio Five Live.

27.4 The Chief Executive attended the most recent meeting of the Chief Executives Steering Group held on 23 July 2014. The meeting was attended by PSA and Department of Health colleagues. As a follow-up to the meeting, the Chief Executive met Evlynne Gilvarry, the Chief Executive of the General Dental Council and the Chair of the steering group.

27.5 As co-chair of the Shape of Caring review looking into the training of nurses and care assistants, the Chief Executive attended the focus group events in Newcastle on 24 July 2014 and in Taunton on 6 August 2014. The Chief Executive met separately with the lead of the review, Lord Willis of Knaresborough and co-chair of the review, Lisa Bayliss-Pratt in early September 2014. The Chief Executive also undertook a 'tweet chat' with review colleagues on 16 September 2014. As part of her co-chairing role, the Chief Executive also met Peter Blythin, the Director of Nursing at the Trust Development Authority.

27.6 On 10 September 2014, the Chief Executive and the Chair

met Dame Jessica Corner for an introductory discussion following her election as the Chair of the Council of Deans in June 2014.

27.7 On 17 September 2014, the Chief Executive and the Chair met Roger Kline and Elsie Gayle from Patients First for the latest of their regular meetings.

27.8 On 18 September 2014, the Chief Executive spent the day shadowing Parveen Akhtar, a district nurse in south-west London. The day was arranged as a follow-up to the Chief Executive's recent meeting with Eileen Sills, the Chief Nurse at Guy's and St Thomas' NHS Foundation Trust. The Chief Executive was herself shadowed by a student health visitor and an NHS executive fast track programme participant on 2 and 15 September 2014 respectively.

27.9 The Chief Executive continues to engage with senior professional figures, including Judith Morris, the Director of Nursing at Stepping Hill hospital (accompanied by the NMC's Director of Registration) and Gill Heaton, the Chief Nurse at the Central Manchester University NHS Foundation Trust. The Chief Executive also met with the members of the Shelford Group of nurses.

27.10 The Chief Executive spoke at a conference in London on 12 September 2014. Her presentation covered the current position following the conclusion of the recent consultation on the review of the Code.

27.11 The Chief Executive has also held discussions on a range of topics with Jane Cummings, Chief Nursing Officer at NHS England, Viv Bennett, Director of Nursing at the Department of Health and Public Health England and her deputy David Foster.

Public protection implications: 28 No direct public protection implications.

Resource implications: 29 No direct resource implications.

Equality and diversity implications: 30 No direct equality and diversity implications.

Stakeholder engagement: 31 Stakeholder engagement is detailed in the body of this report.

Risk implications:	32	No direct risk implications.
Legal implications:	33	No direct legal implications.

Item 9
NMC/14/91
1 October 2014

Council

Performance and risk report

Action: For discussion.

Issue: Embedding performance and risk management across the NMC.

Core regulatory function: All of our core regulatory functions.

Corporate objectives: The NMC corporate objectives provide the context for performance and risk management.

Decision required: The Council is invited to:

- Discuss the KPI information provided (paragraph 45).
- Note and discuss the assessment and management of risks on our corporate risk register (paragraph 53).

Annexes: The following annexes are attached to this paper:

- Annexe 1: PSA Standards of Good Regulation and map
- Annexe 2: Progress against our key performance indicators (KPIs)
- Annexe 3: FtP performance dashboard: March 2014 - August 2014
- Annexe 4: Corporate risk register
- Annexe 5: Risk map

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.

Authors: Mary Anne Poxton and Janice Cheong
Phone: 020 7681 5440
maryanne.poxton@nmc-uk.org

Director: Jon Billings
Phone: 020 7681 5339
jon.billings@nmc-uk.org

Context:

1 This paper provides an overview of our current position in achieving Corporate plan outcomes and the actions we are taking to mitigate key risks. Progress against our key performance indicators (KPIs) and the assessment and management of risks on our corporate risk register, are both reported here.

Performance

Performance for 2014–2015

2 This paper provides key operational updates, since the July Council meeting.

3 On this occasion, a new annexe is presented. At its July meeting, the Council welcomed the inclusion of cross-references between activities and Professional Standards Authority (PSA) Standards of Good Regulation. To further improve this, it was recommended that a copy of the PSA Standards be included in future reports. This is provided here at **Annexe 1.**

Key performance indicators (KPIs)

4 The Council approved the KPIs and targets for 2014-2015 at its July Council meeting. Other key KPI actions from the meeting are noted below.

5 With regard to KPI 4 (adjudications), the Executive reported that it had a clearer picture of the caseload that needed to be cleared by December 2014 in order to meet the target. Scheduling activity and staffing resource to support this activity would increase to meet these caseloads. Any changes to caseload forecasts until December were to be reflected in an updated profile of case closures graph at the October Council meeting, so that the Council would receive our latest position.

6 Additional information to supplement KPI 6 (staff turnover) was presented in the form of the annual workforce report. In discussing this, the Council asked the Executive to consider providing a breakdown of the data for leavers which distinguished between ‘unavoidable’ reasons for leaving and other reasons which could be addressed to improve the staff turnover rate. This was noted and information will be included in the next annual workforce report, which the Council will receive.

Risk

7 Since the July Council meeting, directorates have continued to review and update their respective risk registers and the corporate risk register was considered by the Executive Board at its meetings in August and September.

8 The Risk Scrutiny Group continues to undertake a monthly scrutiny of the corporate, Change Management and Portfolio Board (CMPB) and directorate risk registers. The outcomes of these meetings are shared with directorates and the Programme Management Office, in order to strengthen our risk management and ensure compliance with our agreed approach.

9 Risks are scored on a 5 x 5 matrix on the basis of impact and likelihood, and a traffic light system is used for reporting. Risks scored at eight or below are green rated. Risks scored between nine and 15 are amber rated. Risks scored at 16 and above are red rated.

Discussion:

PSA referencing

10 The updates provided in this section reference PSA Standards of Good Regulation to which the work is relevant. To aid referencing, a copy of the PSA Standards can be found in full at **Annexe 1**.

11 The updates in this report can also be pinpointed on a map by identifying the relevant corporate objective activity or risk. The map is on the second page at **Annexe 1**. It shows the links between our corporate objective activities, corporate risks, corporate KPIs and the PSA Standards.

12 The corporate objective activities are found in our quarterly progress reports against the Corporate Plan, although there is no quarterly progress report on this occasion. Progress from quarter two, July to September, will be reported to the Council in December. In October we will be conducting a mid-year review of our directorate business plans to ensure they remain relevant and up to date. Where circumstances have changed since the plans were originally agreed, this may lead to a realignment of timescales for some work.

Change programme

13 The Change Management and Portfolio Board (CMPB) is looking ahead to the programme of change required to meet our longer term needs; in particular, how we move from our short term approach to one of transformation with a five year outlook. There are a number of drivers identified for change in the future which include: the emerging corporate strategy; legislative reforms; efficiencies; customer service improvements; and risk and intelligence.

14 As reported previously, we commissioned an independent review to assess our progress against the Strategic Review recommendations made by the Professional Standards Authority in 2012. The report of the review is the subject of a separate report on the Council's agenda. Areas of focus will be taken into account in the future work of the change programme and also business planning.

15 We are reviewing our programme and project structure to align with the draft strategy which was agreed by the Council. We aim to transition to a revised structure in the early part of 2015 with a view to being fully operational by April 2015. The focus of the new structure will be on the delivery of strategic outcomes. We will provide an update on the new structure in January 2015.

Revalidation programme[1] *(Francis commitment)*

16 Following consultation and engagement activity, work is ongoing on the policy that will be presented to the Council in December 2014. The equality and diversity assessment work has been completed and, alongside the evidence report due in November, will inform the development of the revalidation model.

17 Work is underway with the Chief Nursing Officers on operational readiness and involving them in identifying piloting organisations across the four countries. Proposed organisations include NHS trusts and health boards, social care homes and independent providers as well as nurses and midwives working in smaller settings and the self-employed.

18 The pilots will test the revalidation model and process to help us refine the system before its launch at the end of 2015. In October we will announce the piloting organisations that we will be working in partnership with. The pilots will run from January to June 2015. A report on the pilot outcomes will be presented to the Council in September 2015.

19 Work is also underway to develop an IT system to be tested via the pilots.

Registration improvement programme[2]

20 As reported in the CEO's report, response to the online system continues to be positive since it was rolled out in June 2014. As at 15 September a total of 71,727 registrants have signed up for the service, 50,559 have activated accounts, with 23,894 Notice of Practice submissions completed and 23,454 renewal or retention payments being made. The service has been the subject of social media conversations, which have been very positive about the provision of this facility. We are continuing to monitor any issues so we can build any major ones in to our plans for the development of the next phase of this work. We will carry out a review of the effectiveness of our online services and the impact on manual processes in due course.

21 As reported in the CEO's report, the introduction of a test of competence for overseas-trained nurses and midwives received

[1] Relates to PSA Standard Education and training 2, which we did not meet.
[2] Relates to PSA Standard Registration 2, which we did not meet.

media attention in late August, specifically by the BBC and some of the national press. The revised overseas registration process, including the test of competence, will apply to all applications received from 1 October 2014.

22 Looking forward, we will shortly be piloting the new approved education institution (AEI) portal service. This will increase the level of assurance in validating the identity of UK applicants and authenticity of documentation, and improve customer service and quality of data.

Fitness to practise change programme

23 At its meeting in June the CMPB agreed to procure a consultation capability to develop an operating model for a Regional Liaison service. We have now completed a competitive tender exercise and consultants have been engaged to assist us in developing options for potential employer settings, how the Regional Liaison service could be organised based on regional/geographic areas and what type of resources would be required to support and operate the capability. This phase of development will also include further stakeholder engagement work. We are working towards our commitment to implement the first stage of the Regional Liaison service in early 2015.

24 Work on the introduction of case examiners into our fitness to practise process is progressing well and we are designing policies and processes to support this. The required legislation is likely to come into force in March 2015. We are therefore now confirming the appointments of both lay and registrant case examiners, and recruiting quality and co-ordination support roles. Once implemented this will significantly increase the consistency and speed of decision making at the investigation stage and will substantially reduce the cost of processing a case.

ICT

25 At its September meeting, the ICT Programme Board reviewed the current programme of work and future plans. In the meantime an upgrade to our infrastructure was successfully completed over the weekend of 6 and 7 September, addressing a long-standing critical risk on the corporate risk register and enhancing our capacity and system reliability. Following approval of a business case in September, a strengthening of our ICT team's capacity will be implemented from October 2014 onwards.

Website redesign (*Francis commitment*)

26 We are progressing well with our plans to re-launch our website. Following user testing, we have re-organised the structure of the site and have completed a tender process to appoint a design agency to

design the site's look and feel. We have also finalised our plans for the technical infrastructure to support the new site. All content is being reviewed to ensure that it is up-to-date and comprehensive; this will then be edited for accessibility, tone and plain English.

Customer service improvement

27 At its meeting in August the CMPB agreed a proposal to adopt the Cabinet Office's customer service excellence standards as a way to enhance the services we offer to our stakeholders. The work will focus on improving the quality of the customer experience delivered by the NMC that meets the expectations of key customer groups and allows the NMC to deliver its services efficiently. It will also introduce a customer focused culture across the organisation with key focus on efficient delivery of services.

Accommodation

28 Plans for the transfer of hearing venues from the Old Bailey to a new site in Stratford remain on track to meet the November 2014 completion timescale. The fit out work has commenced and we are working with our contractors to ensure the new premises meet our requirements to provide 14 hearing rooms and offices for 50 employees.

29 A tender exercise has been completed for consultancy support for a review of our long term accommodation requirements and consultants have now been engaged to start work with us in October. We are also working with business continuity experts to review our business continuity and disaster recovery arrangements, starting with a business impact assessment.

Quality assurance of education and midwifery supervision

30 The first year of the new quality assurance (QA) framework for education and Local Supervising Authorities came to an end on 31 August and we are currently analysing the QA activity against our framework to inform the second year of its operation. We are also working with our QA contractors, Mott MacDonald, to enhance our risk-based model. A refined edition of the QA framework is due to be published in September and an annual report on its delivery will be presented to the Council at the end of the year.

31 Evaluation of the first year of the QA framework has informed the 2014-2015 training and development plan for QA reviewers. This begins with the annual reviewer training day being held on 18 September 2014.

32 The Local Supervising Authorities submitted their annual reports on 31 July 2014 and we are currently analysing those reports in preparation for our annual Local Supervising Authority report.

Education

33 We continue to develop our education strategy. We are finalising the arrangements for five education-focused listening events that will be held across the UK. To maximise use of resources these events will take the form of two parts: engagement with our proposals for our education strategy and a separate opportunity to engage with IFF research who are undertaking the evaluation of our pre-registration nursing and midwifery education standards and standards to support learning and assessment in practice. The Education Advisory Group continues to advise on our proposed plans.

Registration[3]

34 September and October are the busiest months for the Registration directorate, and we have seen call volumes increase significantly during September. As expected, we are also seeing an increase in UK applications, aligned with academic cycles and course completion. As increased volumes were anticipated during this period, a number of temporary staff are now in place to deal with the activity peak. Around 150,000 retention and renewal packs were sent out to those registrants with a September registration anniversary date, all of which contained information about signing up to NMC Online.

35 In July and August 2014 the Registration centre received 74,910 calls.

36 The top 5 call types for August were:

36.1 Annual retention enquiry

36.2 EU nurse enquiry

36.3 Annual retention payment

36.4 Address change

36.5 Overseas nurse enquiry

37 In July and August 2014 1,085 UK, 1,493 EU and 327 overseas applicants were registered. All overseas applicants were subject to an individual ID verification interview at Portland Place.

38 In July 2014 four registration appeals were heard. Three were heard within the eight months target. In August one appeal was heard, within one month of being lodged.

[3] Relates to PSA Standards Registration 2 and 3, which we did not meet.

Fitness to Practise[4]

High Court Appeal activity July and August 2014

39 Appeals received and determined:

Appeals since last report	Number
Judicial review by the originator of the case	0
Professional Standards Authority appeal	5
Appeal by registered nurse or midwife	6
Total appeals since last report	**11**

Outcomes of appeals July and August 2014	Number
Remitted back to practice committee to reconsider	2
Judgment pending	0
New sanction imposed/agreed	0
Upheld NMC decision (IO and statutory)	4
Other agreement	0
Total	**6**

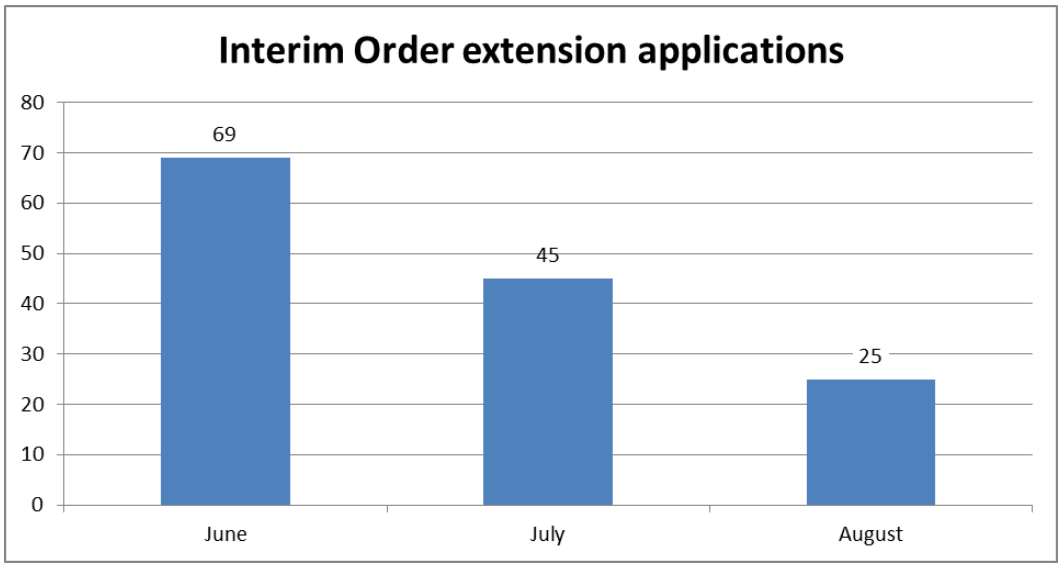
Current caseload July 2014	Number
Judicial review by the originator of the case	0
Professional Standards Authority appeal	7
Appeal by registered nurse or midwife	16
Total	**23**

Interim order extension applications[5]

40 The number of interim order applications has reduced over July and August from a high of 69 in June. The high court goes into recess in August so applications were lodged early for orders due to expire during the break where possible.

41 The numbers for July and August are provided here:

[4] Relates to PSA Standard FtP 8, which we did not meet.
[5] Relates to PSA Standard FtP 4, which we met inconsistently.



KPI reporting

42 **Annexe 2** provides a focus on August progress against our key performance indicators (KPIs).

43 Supplementary information about FtP performance is provided on the FtP dashboard at **Annexe 3**.

Performance summary

44 There was mixed performance for July, and improvements in all areas for August except in FtP:

44.1 **KPI 1 (registrations)**[6]: July saw a dip in performance from June, due to a performance dip in processing EU and overseas applications. There was an exceptionally high volume of EU and overseas applications for July, for reasons of larger scale overseas recruitment by UK hospitals and continued high levels of applications from particular EU countries. Overall performance improved significantly in August.

44.2 **KPI 2 (interim orders)**[7]: Performance since April has been consistently above the 80% target and the August figure of 95% continues that trend.

44.3 **KPI 3 (investigations)**[8]: Performance fell slightly in July and then dipped below 90% for the first time since April, with a figure of 87% for August. This was expected as there are a number of cases over twelve months old, progressing through the investigation stage and impacting on the KPI.

[6] Relates to PSA Standard Registration 2, which we did not meet.
[7] Relates to PSA Standard FtP 4, which we met inconsistently.
[8] Relates to PSA Standard FtP 6, which we did not meet.

44.4 **KPI 4 (adjudications)**[9]: Performance improved over July and then fell in August, as forecasted. Improvement is expected from November onwards and we expect to meet the December 2014 target. The profile of case closures graph shows updated forecasts for September to December, alongside the previous forecasts presented to the Council in July.

44.5 **KPI 5 (available free reserves):** Performance for July and August continued the trend of exceeding our monthly budgeted level of available free reserves, largely due to timing differences. Further detail is available in the monthly financial monitoring paper.

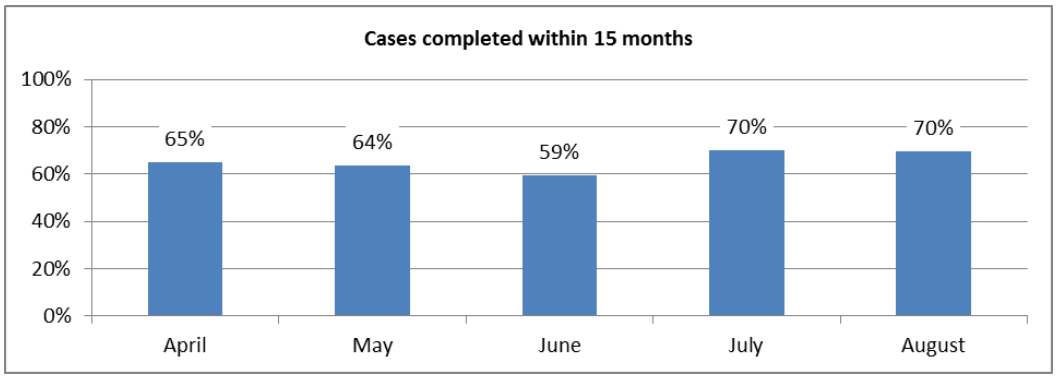
44.6 **KPI 6 (staff turnover):** The turnover rate continued to fall over July and August. The figure for August was better than profiled for the month, because of a lower than expected number of permanent leavers.

45 **Recommendation: The Council is invited to discuss the KPI information provided.**

FtP cases completed within 15 months from start to end

46 The Council received this information for the first time at its July meeting. As agreed at the June meeting we are to report this in the Performance and risk report until December 2014, when we are to submit proposals about reporting this as a KPI to the Council.

47 The most recent figures (July and August) are presented here:



Corporate risk register

48 One corporate risk has been closed since the July 2014 Council meeting. Risk CR4, *Professional indemnity insurance* was closed in August, following the introduction on 17 July 2014 of the legal requirement to hold an indemnity arrangement for registration. Risk CR1A *Integrity of the register – current* has been updated to

[9] Relates to PSA Standard FtP 6, which we did not meet.

incorporate a new root cause and potential situation relating to ongoing risks in this area.

49 There have been no changes to the post-mitigation scores of any corporate risks, although mitigating and planned actions have been updated where relevant.

50 Risk CR9 *Staffing* has been refreshed to reflect the current position in relation to a number of factors, including our decreasing staff turnover rate, the pay and grading review and the findings of the recent staff survey. Whilst the inherent risk score has reduced from 20 (red) to 12 (amber), the post-mitigation score remains at nine (amber).

51 Risk CR11 (previously *The Law Commissions Bill)* has been renamed *Legislative change* and has been updated to reflect the current known position.

52 A map of all corporate, CMPB and directorate risks is presented at **Annexe 5** for the Council's consideration. This map shows the distribution of risks across our 5 x 5 matrix and also shows recent changes in risk scoring.

53 **Recommendation: The Council is invited to note and discuss the assessment and management of risks on our corporate risk register.**

Public protection implications:

54 Public protection implications are considered when reviewing performance and the factors behind poor or good performance, plus also when rating the impact of risks and determining mitigating actions.

Resource implications:

55 Internal staff time has been accommodated as business as usual.

Equality and diversity implications:

56 Equality and diversity implications are considered when rating the impact of risks and determining action required to mitigate risks.

Stakeholder engagement:

57 The corporate risk register, KPI information and FtP dashboard are in the public domain.

Risk implications:

58 The impact of risks is assessed and rated on the risk register. Future action to mitigate risks is also described.

Legal implications:

59 Failure to identify and effectively manage risks potentially exposes the NMC to legal action.

Professional Standards Authority Standards of Good Regulation (2010)

The Standards in full are provided here. A key to the additional text and red/amber/green ratings is provided below.

Guidance and standards	
1	Standards of competence and conduct reflect up-to-date practice and legislation. They prioritise patient and service user safety and patient and service user centered care
2	Additional guidance helps registrants to apply the regulators' standards of competence and conduct to specialist or specific issues including addressing diverse needs arising from patient and service user centered care
3	In development and revision of guidance and standards, the regulator takes account of stakeholders' views and experiences, external events, developments in the four countries European and international regulation and learning from other areas of its work
4	The standards and guidance are published in accessible formats. Registrants, potential registrants, employers, patients, service users and members of the public are able to find the standards and guidance published by the regulator and can find out about the action that can be taken if the standards and guidance are not followed

Education and training	
1	Standards for education and training are linked to standards for registrants. They prioritise patient and service user safety and patient and service user centred care. The process for reviewing or developing standards for education and training should incorporate the views and experiences of key stakeholders, external events and the learning from the quality assurance process
2	Through the regulator's continuing professional development/revalidation systems, registrants maintain the standards required to stay fit to practice PSA's view is that the model on which we consulted lacks a robust evidence base, particularly around risk; that a "one size fits all" approach may not be appropriate; that the model is incomplete in not addressing how it will operate in practice; and that there is insufficient information available about the financial viability and operational impact of model.
3	The process for quality assuring education programmes is proportionate and takes account of the views of patients, service users, students and trainees. It is also focused on ensuring the education providers can develop students and trainees so that they meet the regulator's standards for registration
4	Action is taken if the quality assurance process identifies concerns about education and training establishments
5	Information on approved programmes and the approval process is publicly available

Registration	
1	Only those who meet the regulator's requirements are registered
2	The registration process, including the management of appeals, is fair, based on the regulators' standards, efficient, transparent, secure, and continuously improving Customer service (including % of unanswered calls) and efficiency of registration processing, including timeliness, despite foreseeable peaks in applications.
3	Through the regulators' registers, everyone can easily access information about registrants, except in relation to their health, including whether there are restrictions on their practice PSA concerns are about the accuracy and integrity of the register, due to discrepancy/error rates between Registration database (WISER) and FTP Case Management System.
4	Employers are aware of the importance of checking a health professional's or social worker's registration. Patients, service users, and members of the public can find and check a health professional's or social workers registration
5	Risk of harm to the public and of damage to public confidence in the profession related to non-registrants using a protected title or undertaking a protected act is managed in a proportionate and risk based manner

Fitness to practise	
1	Anybody can raise a concern, including the regulator, about the fitness to practise of a registrant
2	Information about fitness to practise concerns is shared by the regulator with employers/local arbitrators, system and other professional regulators within the relevant legal frameworks
3	Where necessary, the regulator will determine if there is a case to answer and if so, whether the registrant's fitness to practise is impaired or, where appropriate, direct the person to another relevant organisation
4	All fitness to practise complaints are reviewed on receipt and serious cases are prioritised and where appropriate referred to an interim orders panel Large number of High Court extensions:- in PSA's view this demonstrates that cases are not being prioritised and concluded promptly; interim orders lapsed without review.
5	The fitness to practise process is transparent, fair, proportionate and focused on public protection Weaknesses in voluntary removal and consensual panel determination processes and decisions, premature publication of a panel decision and weaknesses in approach to reviewing closed cases.
6	Fitness to practise cases are dealt with as quickly as possible taking into account the complexity and type of case and the conduct of both sides. Delays do not result in harm or potential harm to patients or service users. Where necessary the regulator protects the public by means of interim orders Timeliness of case progression:- in PSA's view, poor performance against adjudication KPI during 2013-2014 and high adjournment rate.
7	All parties to a fitness to practise case are kept updated on the progress of their case and supported to participate effectively in the process Customer service weaknesses: inadequate support for witnesses and failure to learn from customer feedback.
8	All fitness to practise decisions made at the initial and final stages of the process are well reasoned, consistent, protect the public and maintain confidence in the profession Inconsistency in quality of decisions by staff and panel members, number of PSA section 29 appeals and number of PSA learning points on final FTP outcomes.
9	All final fitness to practise decisions, apart from matters relating to the health of a professional, are published and communicated to relevant stakeholders
10	Information about fitness to practise cases is securely retained Number and seriousness of data security breaches involving personal information.

Key to 2013-2014 performance	Standard met	Inconsistently met	Standard not met
Where Standards are rated red or amber in the tables, areas identified by the PSA for improvement are listed underneath the Standard.			

Map of corporate objective activities, risks and performance in 2013-2014 against PSA Standards of Good Regulation

Guidance and Standards	**1** **Nursing and Midwifery Standards** CO2: 2.2, 2.4, 2.7	**2** **Nursing and Midwifery Guidance** CO2: 2.2, 2.3	**3** **External input to Standards** CO2: 2.2, 2.3, 2.4 CO4: 4.1, 4.2 CO5: 5.4	**4** **Public Information on Standards** CO2: 2.1, 2.2., 2.3 CO5: 5.2, 5.3, 5.4, 5.7	
Education and training	**1** **Education Standards** CO2: 2.6, 2.7	**2** **Revalidation** CO2: 2.1, 2.2 **CR3**	**3** **Education QA process** CO2: 2.5, 2.6	**4** **Education QA monitoring** CO2: 2.5	**5** **Public information about Education QA** CO2: 2.5 CO5: 5.2, 5.3

Key

CO Corporate objective activity (see quarterly progress reports)
CR Corporate risk (see risk register)
KPI Corporate key performance indicator (see KPI reports)

Key to 2013-2014 performance:

Standard met

Inconsistently met

Standard not met

Registration	**1** **Registration requirements** CO1: 1.1, 1.3, 1.6 **KPI 1**	**2** **Applications and appeals including customer service** CO1: 1.1, 1.2, 1.3, 1.4, 1.5 **KPI 1**	**3** **Register accuracy and integrity** CO1: 1.4, 1.5 **CR1 A and B** **KPI 1**	**4** **Public register and employer checks** CO1: 1.4 CO5: 5.2	**5** **Protected titles** CO1: 1.1					
Fitness to practise	**1** **Referrals** CO3: 3.1 CO4: 4.4 CO5: 5.2	**2** **Information sharing** CO3: 3.1 CO4: 4.4 CO6: 6.3	**3** **Screening** CO3: 3.1, 3.4	**4** **IOs/Prioritising serious cases** CO3: 3.1 **CR2** **KPI 2**	**5** **Fair and transparent processes** CO3: 3.1, 3.8 CO5: 5.2 **CR2** **KPIs 3, 4**	**6** **Timeliness** CO3: 3.1, 3.2, 3.4, 3.8 **CR2** **KPIs 3, 4**	**7** **Customer service** CO3: 3.7 CO8: 8.4	**8** **Decision-making** CO3: 3.4, 3.5 **CR2**	**9** **Publication of outcomes** CO3: 3.1	**10** **Information security** CO3: 3.1, 3.6 CO8: 8.7 **CR6**

Item 9
NMC/14/91
1 October 2014

Annexe 2

Progress against our key performance indicators (KPIs)

This report is based on information as at 31 August 2014.

KPI 1

Percentage of registration applications completed within 90 days

Rationale:	In the short term we are able to measure receipt of completed initial paperwork through to entry to the register. Over time we will refine this to enable us to isolate NMC processing time and a separate record of time with the applicant. Relates to increased efficiency in Registration and improved customer service / communication. *(PSA standard not met – Registration 2)*
Definition:	The KPI will measure the time elapsed between receipt by the NMC of a new application and where appropriate the applicant joins the register. Ultimately we hope to develop reporting to include processing time (based on "stopping the clock" when information or decisions are required from the applicant for any reason).

Corporate goal 1, objective 1
We will protect the public's health and wellbeing by keeping an accessible accurate register of all nurses and midwives who meet the requirements for registration and who are required to demonstrate that they continue to be fit to practise.

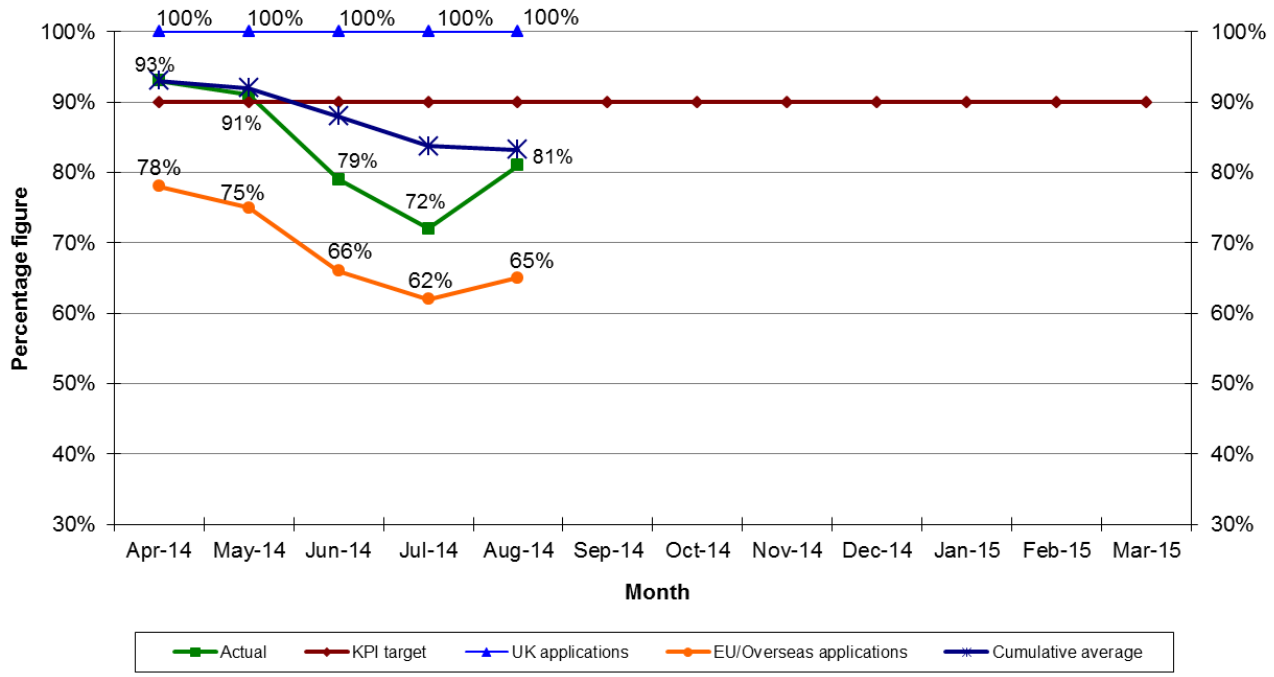
			Current performance		Year end (March 2015)	
Historical figure (Average for the year 2013-14)	**June 2014**	**July 2014**	**August 2014**	**Year to date cumulative average**	**Year end average forecast**	**Year end average target**
85%	79%	72%	81%	83%	90% (Green)	90%

Year end average forecast is based on the average of monthly forecast figures.
YtD cumulative average: Average of performance figures from April to August 2014.

RAG rating: Year end average forecast vs. Year end average target.

Red/Amber/Green rating:
Based on 10% variance threshold.
Green = figure matches or is higher than the target figure of 90%.
Amber = figure is between 80-89%.
Red = figure is 79% or lower.

Graphical information and commentary:



UK registration volumes are beginning to increase as universities begin to process course completions after their summer closures. There were 729 UK initial registration applications processed, more than double the July figure, with 99.6% of these being processed within 7 days.

The numbers of EU and overseas applications were slightly lower than for July but applications received from Spain, Italy, Romania, Portugal and the Philippines remain consistently high. Two new staff members have now completed their training and the improvement in performance is expected to continue in terms of this increased capacity.

The introduction of the test of competence may have an impact on both our performance, while User Acceptance Test and system transition is undertaken, and on applicant behaviour in terms of timing of application submission. This is being carefully considered as part of transition and closely monitored.

Seasonal fluctuations in the type of applications we receive mean that overall performance is lower over the summer. The historical trend is for higher performance from September onwards. We will review our year-end forecast at the mid-year point to take account of peak volumes and changes to overseas registration.

KPI 2

Percentage of interim orders (IOs) imposed within 28 days of receipt of referral

Rationale:	We aim to protect the public in the most serious cases by applying restrictions to a nurse or midwife's practice as quickly as possible after the need is identified. *(PSA standard inconsistently met – FtP 4)*
Definition:	Percentage of interim orders imposed within 28 days of the referral received date.

Corporate goal 1, objective 3
We will take swift and fair action to deal with individuals whose integrity or ability to provide safe care is questioned, so that the public can have confidence in the quality and standards of care provided by nurses and midwives.

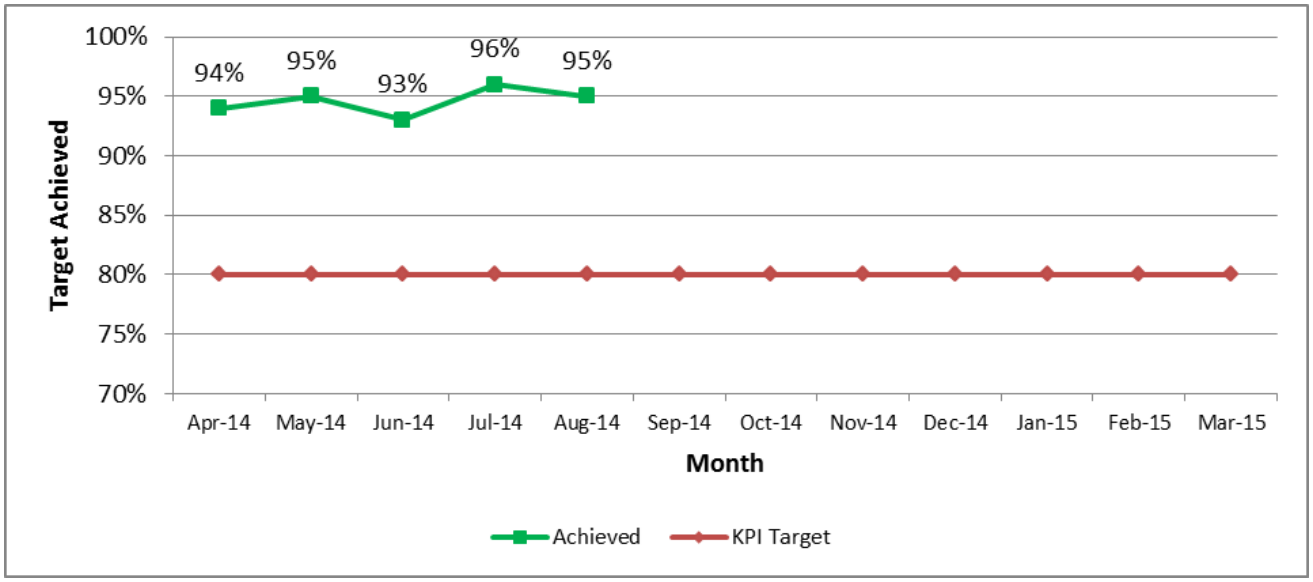
			Current performance		Year end (March 2015)	
Historical figure (Average for the year 2013-14)	**June 2014**	**July 2014**	**August 2014**	**Year to date cumulative average**	**Year end average forecast**	**Year end average target**
84%	93%	96%	95%	95%	>80% (Green)	80%

YtD cumulative average: Average of performance figures from April to August 2014.

RAG rating: Year end average forecast vs. Year end average target

Red/Amber/Green rating:
Based on 10% variance threshold.
Green = figure matches or is higher than the target figure.
Amber = figure is between 70-79.9%.
Red = figure is 69.9% or lower.

Graphical information and commentary:



Performance against the KPI has remained consistent. There is no reason to anticipate a change to this profile but there is very little tolerance for error in the process. The average number of days in IOs were imposed was 22.5. The shortest and longest were 12 and 35 days respectively.

KPI 3

Percentage of cases progressed through the investigation stage within 12 months

Rationale:	We aim to screen and investigate referrals within 12 months. We have a responsibility to balance the need for a swift decision on whether to refer the case for a substantive decision with the need for a proportionately thorough investigation. *(PSA standard not met – FtP 6)*
Definition:	The percentage of investigations which have been completed within 12 months of the referral received date.

Corporate goal 1, objective 3
We will take swift and fair action to deal with individuals whose integrity or ability to provide safe care is questioned, so that the public can have confidence in the quality and standards of care provided by nurses and midwives.

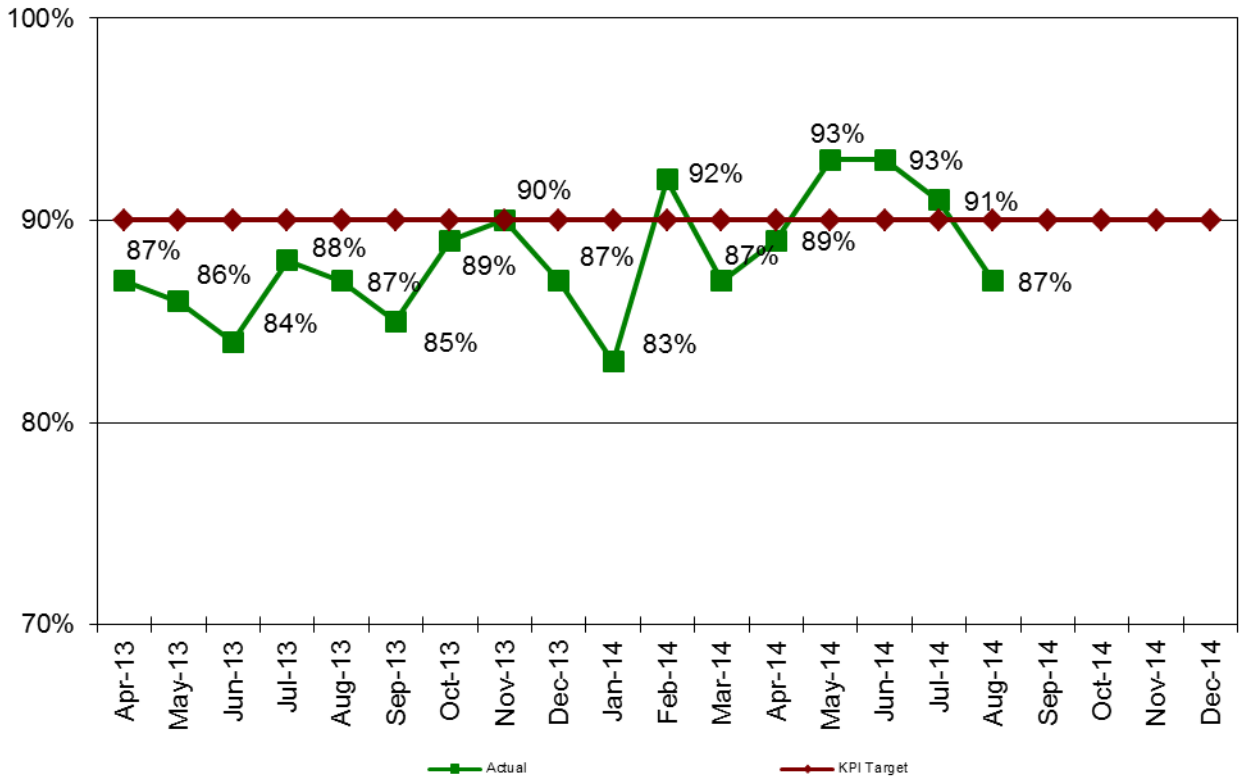
			Current performance		Year end (March 2015)	
Historical spot figure (March 2014)	**June 2014**	**July 2014**	**August 2014**	**Year to date cumulative average**	**Year end average forecast**	**Year end average target**
87%	93%	91%	87%	91%	90% (Green)	90%

YtD cumulative average: Average of performance figures from April to August 2014.

RAG rating: year end average forecast vs. year end average target

Red/Amber/Green rating:
Based on 10% variance threshold.
Green = figure matches or is higher than the target figure.
Amber = figure is between 80-89%.
Red = figure is 79% or lower.

Graphical information and commentary:



Performance dipped below the 90% target for the first time since April. This was expected as we know that we have a number of cases which are over twelve months old and which will be reaching the investigating committee decision stage. The impact that those cases have on the monthly spot will vary as we intend to list them as soon as they are ready and that will in all likelihood not result in a consistent proportion coming through each month. The next steps for a significant proportion of the older cases are dependent on the decisions of third parties and we have little control over when those will be made.

KPI 4

Percentage of cases progressed through the adjudication stage to the first day of a hearing or meeting within 6 months

Rationale:	When the investigating committee decides that there is a case to answer we have a responsibility to put it to a substantive committee as swiftly as possible. *(PSA standard not met – FtP 6)*
Definition:	The percentage of cases which have reached their first day of a hearing or meeting within six months of referral from the investigating committee.

Corporate goal 1, objective 3
We will take swift and fair action to deal with individuals whose integrity or ability to provide safe care is questioned, so that the public can have confidence in the quality and standards of care provided by nurses and midwives.

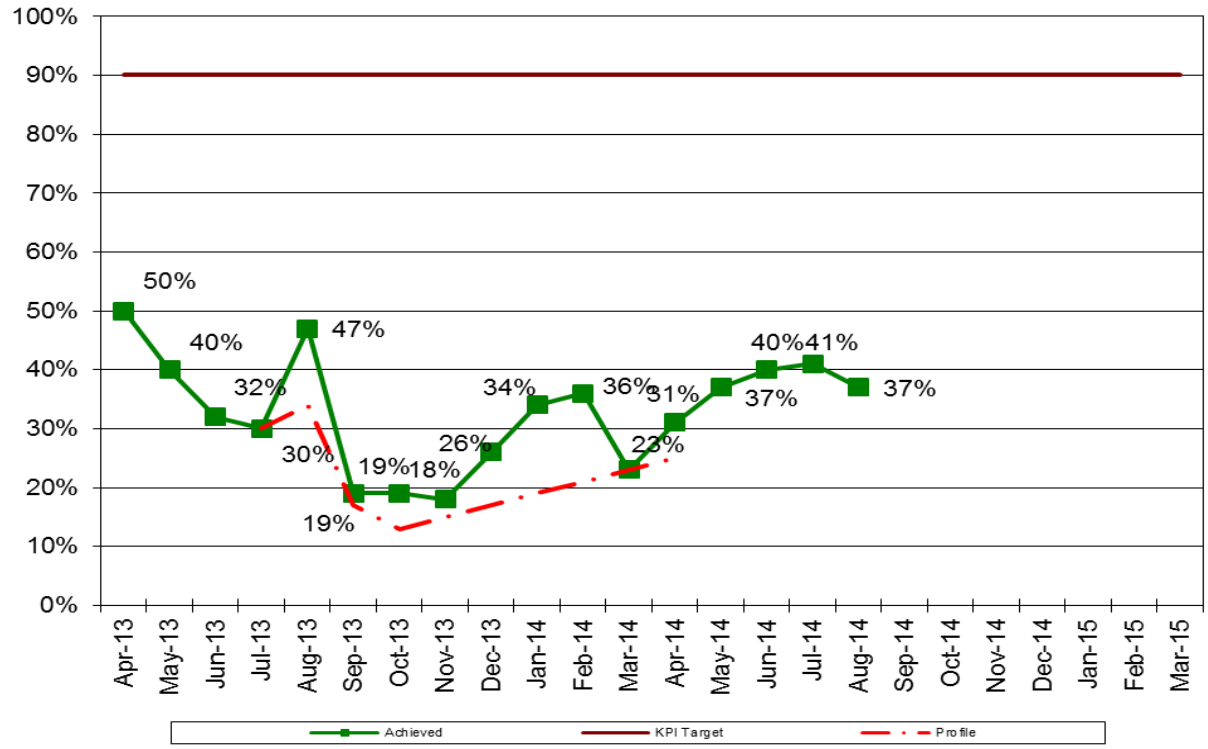
			Current performance		December 2014		March 2015
Historical figure (Average for the year 2013-14)	**June 2014**	**July 2014**	**August 2014**	**August 2014 profile***	**December 2014 current forecast**	**December 2014 target****	**March 2014 target*****
31%	40%	41%	37%	70%	90% (Green)	90%	90%

* Profile is the forecast frozen at July 2013
** Target is a spot target
***Target we are aiming for at the end of this financial year.

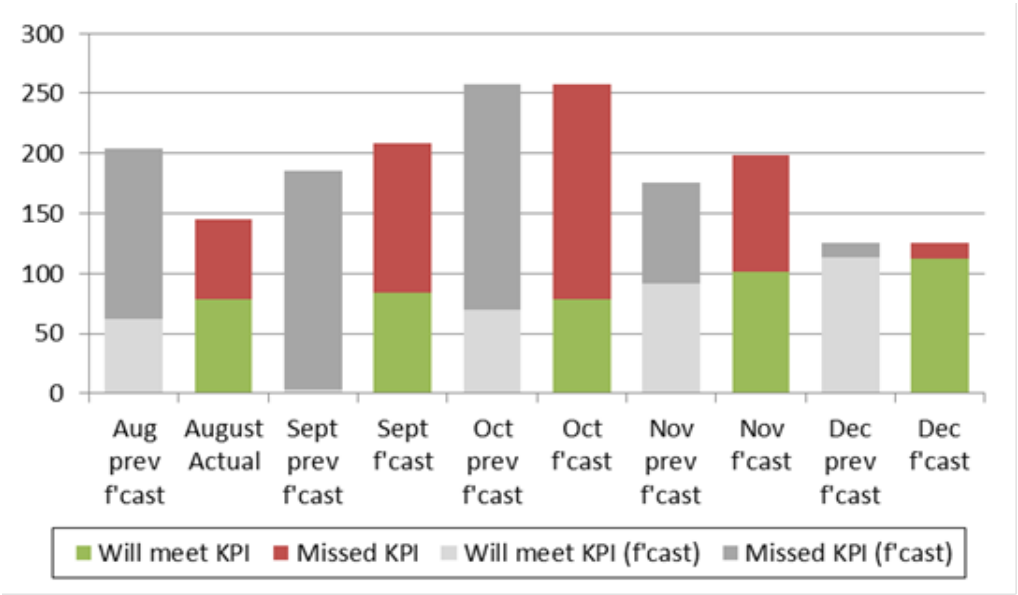
RAG rating: current forecast vs. Dec 2014 target

Red/Amber/Green rating:
Based on 10% variance threshold.
Green = figure matches or is higher than the December 2014 target figure of 90%.
Amber = figure is between 80-89%.
Red = figure is 79% or lower.

Graphical information and commentary:



The percentage of cases meeting the KPI in August was 37%. A drop in performance has been forecast as we expect this to continue through to October, with an improvement in November and December.



The graph above shows the latest forecast of adjudication case closures through to December. Numbers have changed since the last iteration as cases have had their scheduled dates confirmed but the overall profile has remained consistent. Around fifty cases originally forecast to close in August have been reallocated into September and November and we anticipate that there will be further changes to this rapidly evolving picture. At the end of August around 800 cases which need to be heard before December remained in the caseload. The vast majority were scheduled with fewer than 100 of those that were ready to be scheduled remaining. This is positive as it underpins the view that we have sufficient capacity in place to handle the remaining caseload.

KPI 5

Available free reserves

Rationale:	The NMC's budget and financial strategy is predicated on a gradual restoration of minimum available free reserves to a minimum target level of £10 million by January 2016. This KPI measures how close we are to our plan for achieving this target. This KPI also demonstrates delivery against meeting the target for available free reserves as agreed with the Department of Health.
Definition:	The level of available free reserves at month end compared with budgeted available free reserves at that month end.

Corporate goal 3, objective 8
We will develop effective policies, efficient services and governance processes that support our staff to fulfil all our functions.

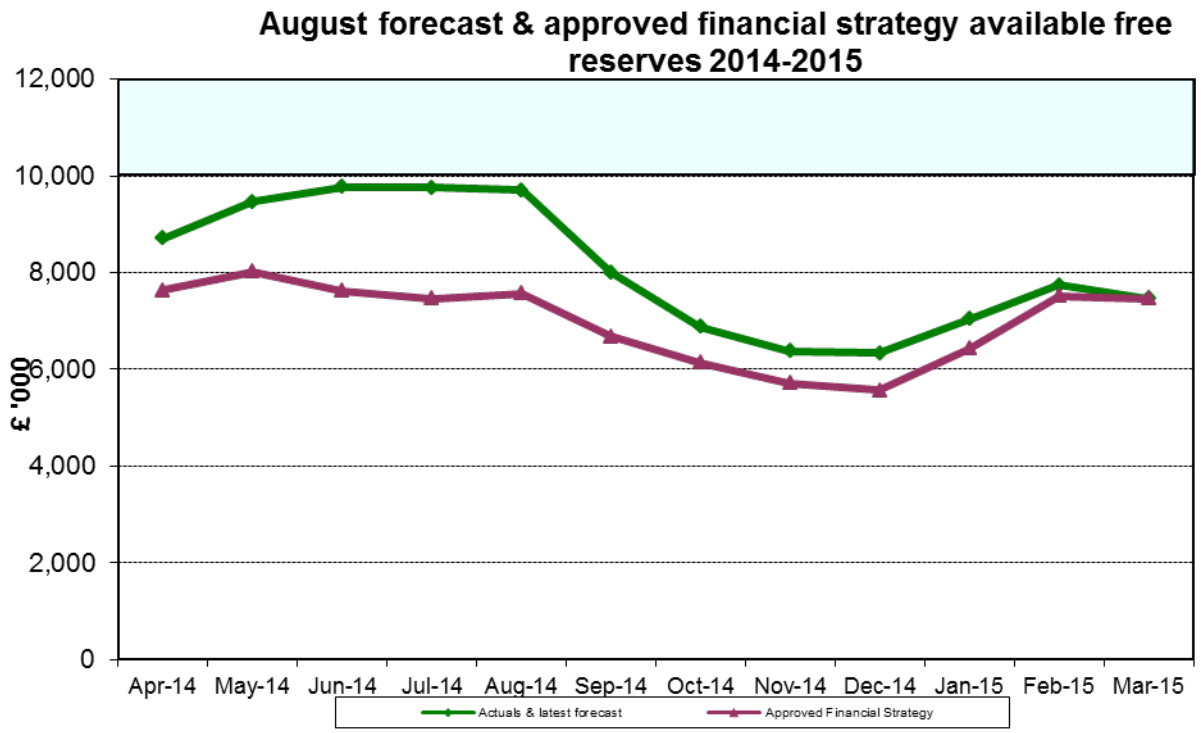
			Current performance		Year end (March 2015)	
Historical figure (March 2014)	**June 2014**	**July 2014**	**August 2014**	**August 2014 budget***	**March 2015 current forecast**	**March 2015 budget***
£7.6m	£9.8m	£9.8m	£9.7m	£7.6m	£7.5m (Green)	£7.5m

* As adjusted for restatement of opening balance sheet, subject to final clearance of year end audit

RAG rating: current forecast vs. March 2015 budget

Red/Amber/Green rating:
Green = the figure matches or is above the target figure.
Amber = within 5% of the target figure.
Red = greater than 5% of the target figure.

Graphical information and commentary:



The target figure for March 2015 is similar to that of March 2014. The available free reserves will fluctuate each month based on the pattern of budgetary expenditure.

At August 2014, available free reserves were £9.7 million compared to the planned level of £7.6 million. This was due to lower than budgeted revenue expenditure, largely considered to be timing differences between actual and budget and planned spend, principally in FtP and Revalidation. An under spend to August 2014 on ICT capital expenditure is offset by capital expenditure for the move to Stratford.

The full year forecast predicts that available free reserves at March 2015 will be on target at £7.5 million and will take into account planned increased FtP costs up to December 2014 and the full cost of the move from Old Bailey to Stratford.

Activity levels, their financial impact and forecasts are reviewed monthly by the Executive Board.

KPI 6

Staff turnover rate

Rationale:	The level of staff turnover has been consistently high and represents a high risk and cost to the NMC and an indicator of a sub-optimal organisational culture. A number of initiatives included within the Human Resources and Organisational Development Strategy are aimed at retaining staff, hence this KPI being a key measure of the effectiveness of that strategy.
Definition:	Sum of permanent leavers in last 12 months Average number of permanent staff in post in last 12 months

Corporate goal 3, objective 9
We will build an open culture which engages and empowers staff to perform to their best and which encourages learning and improvement.

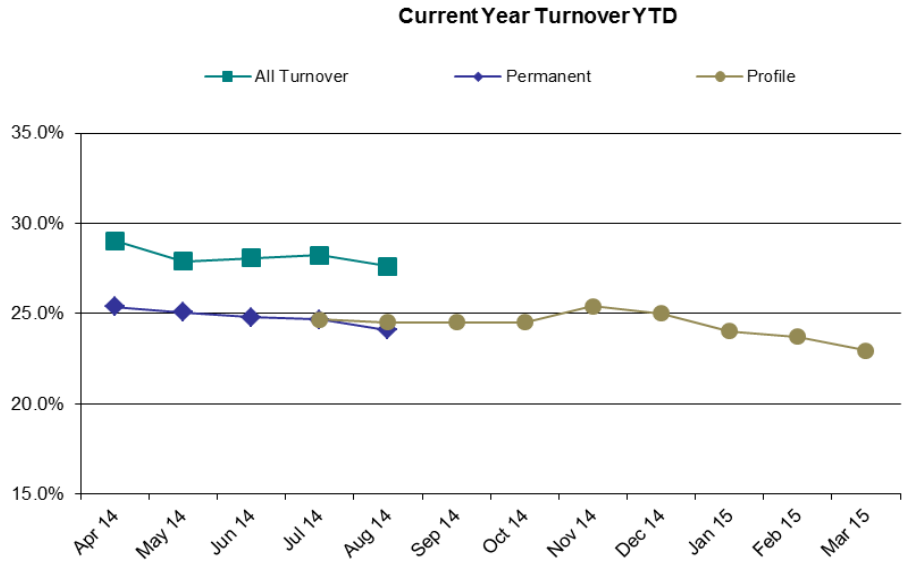
			Current performance		Year end (March 2015)	
Historical figure (as at March 2014)	**June 2014**	**July 2014**	**August 2014**	**August 2014 profile***	**March 2015 current forecast*****	**March 2015 target****
26.3%	24.8%	24.7%	24.1%	24.5%	23% (Green)	23%

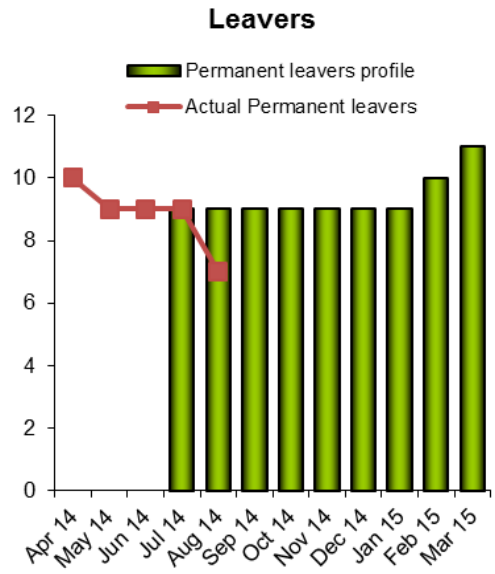
* Profile here is based on a forecast from July 2014
** Target is a spot target
***Current forecast for March 2015 is based on July 2014 profile

RAG rating: March 2015 current forecast vs. March 2015 target.

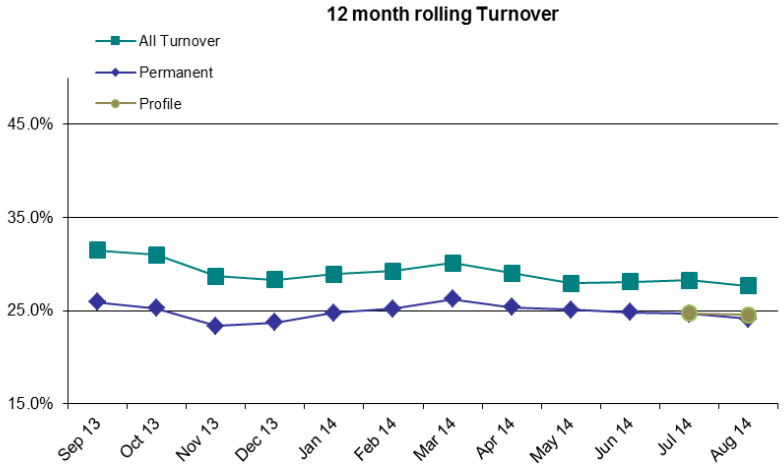
Red/Amber/Green rating:
Green = the figure matches or is below the target figure.
Amber = within 1% of the target figure.
Red = where there is a difference of greater than 1% of the target figure.

Graphical information and commentary:





Permanent leavers data for July onwards was profiled in July 2014, based on the average of actual leavers in the first quarter and trends in previous years.

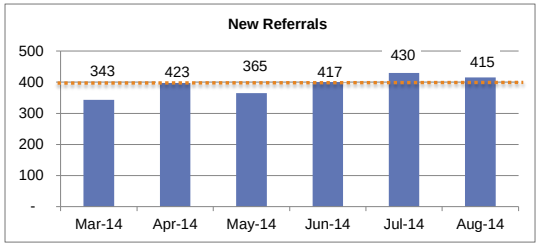


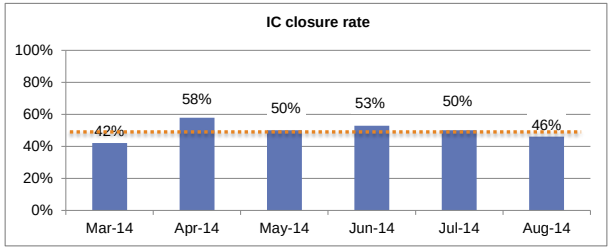
For reference, this graph shows all and permanent turnover for the last 12 months, including the profile for the year to date.

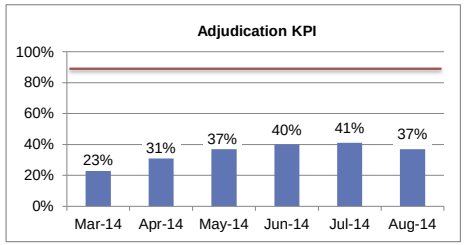
In reviewing permanent turnover as compared to the target set at 23% at the July Council meeting, the data for August (in the first graph) shows a continued trend in the reduction of the permanent turnover rate for the fifth month in a row. The sustained decline in the number of permanent leavers, as reflected in the turnover graphs for the current year to date, leavers and 12 month rolling has brought the actual turnover figure below the August profile. A review of reasons given by employees leaving include returning to full time education, change in career circumstances, expired visa, career progression and personal reasons. The number of permanent leavers in August was lower than predicted and subsequently, the year-end forecast is now below the year-end target by 0.5%.

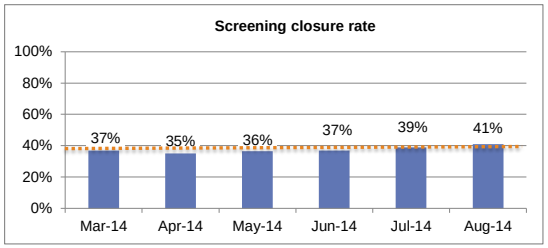
FtP Performance for March to August 2014

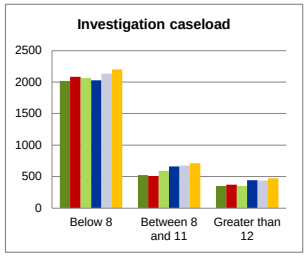
12 month average

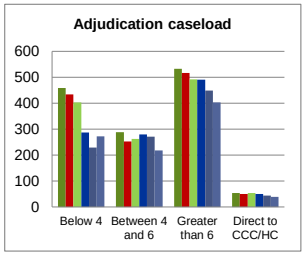


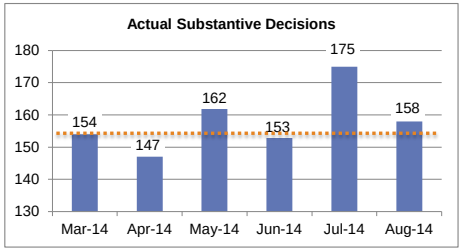


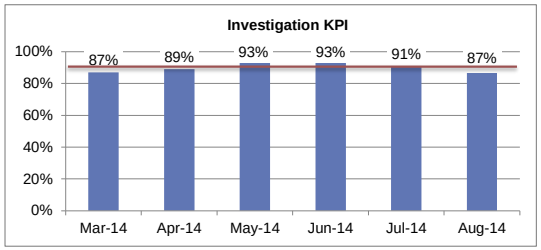


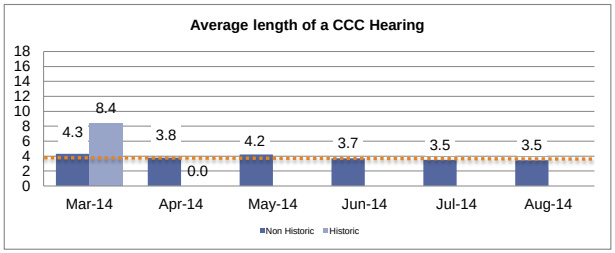


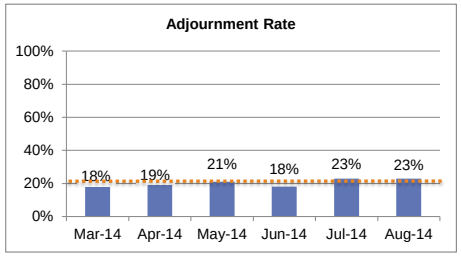


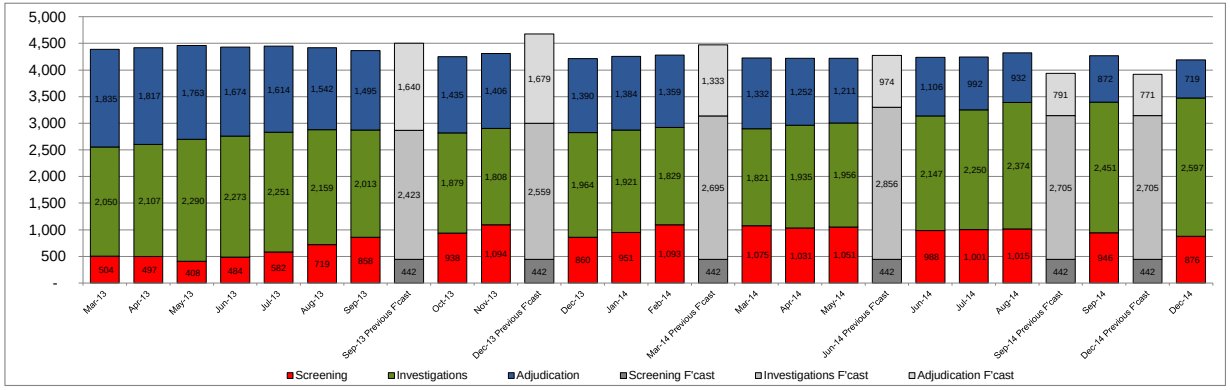


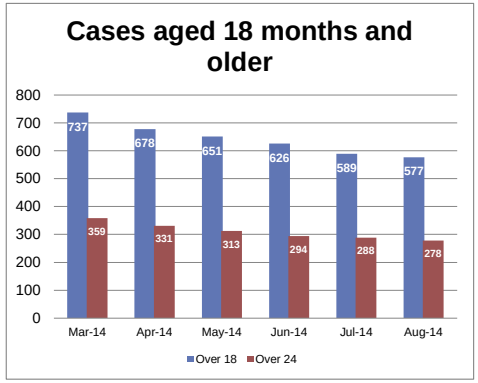












Corporate risk register

Date: 20 September 2014 | **Issue No: 18 (following 14 August risk scrutiny meeting)**

Note: The 'inherent risk scoring' column does not take into account any mitigation. The 'post-mitigation scoring' involves taking into account the mitigation in place but not the planned action.

No.	Date of origin	Risk Scenario			Inherent risk scoring			Mitigation in place / Planned action	Post-mitigation scoring			Risk Owner (and Mitigation Owner)	Dates up-dated (log of dates for when risk was updated)	Status (open / closed plus clear indication of whether and when on track / not on track to reduce scoring)	Direction (of risk score from the previous issue)
		Root cause(s)	Potential situation	Consequences	Likelihood	Impact	Score		Likelihood	Impact	Score				
CR1 A Cross ref: R7	May-13 (previously risk Reg 2011/02. Date of origin: Apr 2011)	**Integrity of the register - Current** (1) Wiser and Case Management System (CMS) not fully integrated. (2) Current policies, processes and procedures may be ineffective or inconsistently applied. (3) Relying on registrants to make full and accurate declarations in respect of their Professional Indemnity Arrangements	1)The online register may be inaccurate. 2) Registrants may be practising without appropriate indemnity arrangement in place.	(1) Public protection compromise (2) Negative impact on registrants. (3) Reputation damaged. (4) PSA Standards of Good Regulation not being met.	5	5	25	**Mitigation in place:** (1) Standard operating procedures and improved training. (2) Daily reconciliation reports and manual processes to address system anomalies. (3) Overseas registration procedures strengthened following pause and review. (4) Council has committed to introduce a proportionate and effective model of revalidation by the end of 2015. (5) All Overseas applicants are now required to attend the NMC in person to present original I.D Documents. (6) ID Checker now in post. (7) 2nd ID Verification officer now in post and effective in role. **Planned action:** (1) Implement Registration Improvement Programme (September 2013-September 2014). (2) Address prioritised system defects (Feb-April 2014) - this is an ongoing piece of work and WISER improvements are to be implemented as part of other IT releases throughout 2014-15. (3) Further process refinements and alignment of FtP and Registration data (ongoing). This planned action is aligned to Risk BI2 - see for further information. (4) Implementation of Internal audit recommendations on registration control framework and registrant data integrity - Q2 2014-15. (5) Establish longer term strengthened overseas process, incorporating competency test pending planned consultation (October 2014). (6)The Code and standards will be reviewed and revised to ensure they are compatible with revalidation. Guidance for revalidation will also be developed (December 2015). (7) Further investigation to take place of APD Database and its veracity and possible impact on integrity of the register - joint CP/Registration review of this area is ongoing and will be reported in December 2014. (8) Implement audit of Professional Indemnity Arrangement declarations (early 2015).	3	4	12	Director, Registrations	16.9.14 Update to add root cause (3) and potential situation with planned action. Update to planned action 7, ongoing to be reviewed in December 2014	Open - on track. Risk reviewed monthly. Focused on current registration activity and therefore is more controllable through mitigation actions than the historic risk below. Risk reduction expected Jan 2015	No change

No.	Date of origin	Risk Scenario			Inherent risk scoring			Mitigation in place / Planned action	Post-mitigation scoring			Risk Owner (and Mitigation Owner)	Dates up-dated (log of dates for when risk was updated)	Status (open / closed plus clear indication of whether and when on track / not on track to reduce scoring)	Direction (of risk score from the previous issue)
		Root cause(s)	Potential situation	Consequences	Likelihood	Impact	Score		Likelihood	Impact	Score				
CR1 B Cross ref: R7	May-13 (previously risk Reg 2011/01. Date of origin: Apr 2011)	**Integrity of the register - Historic** (1) Policies and procedures may have been absent, ineffective or inconsistently applied in the past. (2) Historic decisions may have been made on a different basis, but cannot be reversed. (3) Circumstances may have changed after initial admission to the register, however these are not routinely checked. (4) Historic inaccuracies in recording FtP case statuses.	We may identify individuals currently on the register who would not meet current requirements for admission, and we may not have appropriate plans in place to respond to this.	(1) Public protection compromised. (2) Reputation damaged. (3) PSA Standards of Good Regulation not being met.	5	5	25	**Mitigation in place:** (1) Standard operating procedures and improved training. (2) Initial Overseas Audit (April 2002 - 2013) results indicate a strengthening of process over time (since 2007). (3) Council has committed to introduce a proportionate and effective model of revalidation by the end of 2015. (4) FtP/Registration working group who have identified all known issues relating to historical inaccuracies. (5) Daily reports available to FtP/Registration to identify anomalies for these to be rectified. **Planned action:** (1) Analysis of specific cohorts where potential issues/risks are identified - to provide assurance or scope any issues (on-going). (2) Introduction of continuous improvement manager who will interrogate register to establish areas of risk (November/December 2014). (3) Investigate gathering employer data to allow analysis of appropriate registration (ESR). This will form phase 2 of the NMC Online project and is dependent on obtaining a change to legislation (early 2015). (4) Further risk based audits as required (ongoing).	4	4	16	Director, Registrations	16.9.14 - update to date of recruitment of continuous improvement manager. Update to planned action 3.	Open - on track. Risk reviewed monthly. Involves a long lead time for any action to play forward and impact the risk scoring. Very marginal improvement predicted until after revalidation in place from 2015. Reduction in post mitigation scoring of likelihood to 4 based on joint FtP/WISER work completed and outcomes of audit work completed by external reviewers	No change
CR2 **(FtP1)** Cross ref:	26/06/2013	**Fitness to practise performance** (1) Historic under investment in FtP. (2) Inflexible legislative framework. (3) Fluctuations in referrals above the forecast levels. (4) Possibility that processes may be unable to sustain required volume of case progression/hearings at the expected quality.	The quality of our decision making may be compromised and we may not achieve the investigation/ adjudication targets	(1) Public protection compromised. (2) Negative impact on registrants. (3) Negative impact on referrers. (4) Reputation damaged. (5) PSA Standards of Good Regulation not met (6) Adverse PSA initial stages audit.	5	5	25	**Mitigation in place:** (1) Detailed profiling and forecasting of caseload and activity and oversight by FtP Steering group. (2) Improved case management processes including voluntary removal and consensual panel determinations. (3) Standard operating procedures and improved training for staff. (4) Increased staffing base. (5) Targeted review of adjudication caseload. (6) Increase in number of panel members and introduction of rolling recruitment for panel members and chairs. (7) Training for panel members and introduction of rolling programme. (8) Increased number of hearing venues. (9) External review of management information and forecasting assumptions (September 2013). (10) Contingency planning for increase in hearing activity at the end of Q3. (11) Further workforce planning (March 2014). (12) Targeted review of investigation cases. (13) Quality assurance management fully implemented (July 2014). (14) Interim order proportionality review (July 2014). (15) Refocused FtP scheduling July 2014. (16) Diverted resources from FtP teams to schedule cases further in advance (July 2014). **Planned action:** (1) Closer working with employers (January 2015). (2) Legislative change (December 2014).	3	5	15	Director, Fitness to Practise	09.09.2014	Open - on track Weekly performance/delivery against target reviewed at weekly management meeting and risk reviewed monthly. Risk reduction expected by the end of Q4 2014/15 once adjudication caseload has decreased and new case management measures have embedded.	No change

No.	Date of origin	Risk Scenario			Inherent risk scoring			Mitigation in place / Planned action	Post-mitigation scoring			Risk Owner (and Mitigation Owner)	Dates up-dated (log of dates for when risk was updated)	Status (open / closed plus clear indication of whether and when on track / not on track to reduce scoring)	Direction (of risk score from the previous issue)
		Root cause(s)	Potential situation	Consequences	Likelihood	Impact	Score		Likelihood	Impact	Score				
CR3 **(CP1)** **Cross ref:**	May-13 (previously risk T30. Date of origin: May-13)	**Revalidation** (1) Complexity of revalidation model delivery at four country level by end of 2015. (2) Cost of revalidation process to the NMC and to the wider system. (3) Lack of buy-in from stakeholders/ PSA/ HSC regarding revalidation model and how it aligns to corporate objectives. (4) Stakeholders expectations of a fully developed model during the consultation stage.	(1) Delivered model may be ineffective and/or fail to be applicable to all scopes of practice and registrants. (2) Possibility that the model is not delivered on time and/ or to budget. (3) Cost of Revalidation may be perceived as burden on system. (4) Allocation of resources to manage stakeholder expectations may be disproportionate.	(1) Public protection compromised. (2) Negative impact on registrants and employers. (3) Critisism drawn as PSA standards of good regulation, and expectations of HSC are not met. (4) Further criticism from stakeholders.	4	4	16	**Mitigation in place:** (1) Ongoing engagement via Revalidation Strategic Advisory Group, Patient and Public Forum, Stakeholder Summits between March - July 2014 and ongoing consultation - all helping to shape the revalidation model and manage stakeholder expectations. (2) Implications on system project report - August 2014. (3) Oversight and scrutiny by Revalidation Programme Board and Executive Board, to address issues of complexity and cost of model. (4) Extensive stakeholder engagement activities. (5) Programme resourcing plans in place for future projects. **Planned action:** (1) Revalidation Boards/ Stakeholder groups to be set up across four-counties (to report to RSAG). (2) Risk based revalidation model for audits - December 2014 (3) PSA update provided through annual performance review. (4) Early implementers to be announced - October 2014. (5) Evidence report - November 2014.	3	4	12	Director, Continued Practice (sponsor) AD Revalidation (lead)	15.09.2014	Open - Programme to be achieved in Dec 2015 Interim programme manager in post. Engagement activity has moved to focus on strategic partnership building. Stakeholder groups have been re-shaped to support programme's needs.	No change
Risk CR4, Professional Indemnity insurance, was closed August 2014.															
CR5 Cross ref: CS1	May-13 (previously risk G39. Date of origin: Mar-13)	**Financial resources** (1) Limited sources of income and projected fee income dependent on outcome of consultation. (2) Possible increase in resource requirements as a result of external factors e.g. external reviews, Inquiries, government policy etc. (3) Possible increase in fitness to practise referrals above forecast rate. (4) Resource requirements arising from several, simultaneous improvement projects. (5) Possibility that we do not achieve targeted efficiency savings.	We may have insufficient financial resources to meet all our planned operational requirements.	(1) Inability to deliver corporate objectives and/or improvement programme. (2) Negative impact on registrants. (3) Reputation damaged.	4	5	20	**Mitigation in place:** (1) Prudent budgeting aligned to corporate planning and change management programmes. (2) Financial strategy. (3) Risk based reserves policy. (4) Monthly finance and planning meetings with each directorate. (5) Monthly monitoring by Executive Board. (6) Standing financial report to the Council. (7) Grant secured to meet unexpected costs re overseas registrations (8) Balanced budget for 2014-15 after careful prioritisation of activity, approved by Council. (9) Targeted efficiency savings monitored through Corporate Efficiency Board. (10) Contingency built into the budget. **Planned action:** (1) Consultation on fees for longer term financial position (October).	3	5	15	Director, Corporate Services	11.09.14	Open - on track. Risk reviewed monthly --- Linked to Department of Health KPI of January 2016 --- Review after outcome of fee consultation on 01.10.2014	No change

No.	Date of origin	Risk Scenario			Inherent risk scoring			Mitigation in place / Planned action	Post-mitigation scoring			Risk Owner (and Mitigation Owner)	Dates up-dated (log of dates for when risk was updated)	Status (open / closed plus clear indication of whether and when on track / not on track to reduce scoring)	Direction (of risk score from the previous issue)
		Root cause(s)	Potential situation	Consequences	Likelihood	Impact	Score		Likelihood	Impact	Score				
CR6 (CS4) Cross ref:	May-13 (previously risk T24. Date of origin: Oct-12)	**Information Security** (1) Large volume, complex information processing. (2) Possibility that policies and procedures may be ineffective or inconsistently applied. (3) Security enhancements to some systems needed.	Sensitive information may be accessed by, or disclosed to, unauthorized individuals.	(1) Negative impact on data subject. (2) Regulatory intervention and/or fine by the Information Commissioner's Office. (3) Reputation damaged. (4) Failing to meet PSA standard of good regulation	5	4	20	**Mitigation in place:** (1) Information security and data protection policies. (2) Mandatory training for staff and panellists. (3) Oversight by Information Governance Steering Group. (4) Laptop encryption programme. (5) Information security gap analysis completed and independently validated, identifying risk areas. Improvement Plan in place. (6) Internal audit activity on data security completed, with amber rating. (7) New email encryption solution rolled out. (8) More than 90% compliance with mandatory training. (9) May 2014 - 36 of 51 high priority actions complete (to be updated at September IGSB). **Planned action:** (1) Continue to Implement information security improvement plan, addressing remaining highest risk areas as priority (2014-15 as per planned schedule).	4	4	16	Director, Corporate Services AD ICT	11.09.14	Open - on track. Risk last reviewed by IGSBM in June 2014. Next review September 2014	No change
CR7 **Cross ref:** S15, S16, FtP9, FtP10, R6, R10, CP3, CP4	May-13 (previously risk G20 & G35. Date of origin: 26.3.2012)	**Quality of information** (1) Inconsistency in collection and use of data. (2) Ownership and governance arrangements for data and information management fragmented. (3) Enhanced system and analysis tools needed.	We may not consistently provide a coordinated response to management information and data requests.	(1) Inability to deliver corporate objectives and/or improvement programme. (2) Barrier to making sound business decisions and prioritisation of work. (3) Ineffective use of resources. (4) Reputation damaged.	5	3	15	**Mitigation in place:** (1) Short term improvements to strengthen understanding of management information across registration and fitness to practise systems. (Cross reference CR1) (2) Short term improvements to support stakeholder engagement intelligence needs underway, including liaison with other regulators. (3) Improved FtP MI to support corporate KPIs. (4) Initial intelligence shared with CQC. (5) High level data strategy completed and approved. **Planned action:** (1) Reviews of the quality of data and management of corporate KPIs are included in the QA team's programme of work (Q2). (2) Knowledge manager recruited in Q3. (3) Data Strategy Steering Group established Q3. (4) Data definition and cleansing activities underway (Q3).	4	3	12	Director, Strategy Assistant Director, Strategy and Comms	05.09.14 Planned actions updated.	Open. High level strategy will provide framework for a range of activities to deliver the strategic benefits outlined. A follow on project to address the identified priority activities and an ongoing data and intelligence capability provided for in ongoing business plan.	No change

No.	Date of origin	Risk Scenario			Inherent risk scoring			Mitigation in place / Planned action	Post-mitigation scoring			Risk Owner (and Mitigation Owner)	Dates up-dated (log of dates for when risk was updated)	Status (open / closed plus clear indication of whether and when on track / not on track to reduce scoring)	Direction (of risk score from the previous issue)
		Root cause(s)	Potential situation	Consequences	Likelihood	Impact	Score		Likelihood	Impact	Score				
CR9 **(CS3)** Cross ref:	May-13 (previously risk T25. Date of origin: Oct-12)	**Staffing** (1) 2014 Staff survey indicates that only 48% of staff see themselves staying with the NMC for 2 years. (2) Staff perception of pay progression remains an issue. (3) Management of staff expectations regarding career management.	Staff turnover is decreasing but in a recovering economy we may continue to lose staff due to competing offers externally.	(1) Impact on delivery of corporate objectives and directorate business plans. (2) Negative impact on staff morale, motivation, and performance. (3) Organisational reputation damaged. (4) For specific roles e.g. IT, a continued reliance on consultants and contractors for key roles. (5) Loss of knowledge holders.	4	3	12	**Mitigation in place:** (1) Improved employee communication and engagement in place. (2) Human Resources and Organisational Development Strategy in place and being implemented. (3) Staff survey completed (2014), directors taking forward staff survey action plans, and staff are being engaged directly through their managers. (4) Learning and development programme for 2014 implemented. (5) Improved management information reports produced and used in directorate discussions to aid decision making. (6) Pay and grading review implemented. (7) Opportunity for developing Career Pathways being developed within job family model embedded in pay and grading proposals. (8) Recruitment to all posts is 100% successful through web pages and then agencies. (9) Workforce planning discussions underway in phased approach across directorates. **Planned action:** (1) Long term workforce planning aligned to strategic direction (in 2014-15 Business Plan). (2) Pay and Grading Phase 2 project starting September 2014. (3) Discussion on pay award/pay progression with Rem Com (ongoing). (4) Directorate Action Plans developing from staff survey 2014.	3	3	9	Director, Corporate Services AD HR & OD	11.09.14: Risk refreshed. Inherent risk score reduced from 16 to 12	Open - on track. Linked to KPI on employee turnover.	No change

No.	Date of origin	Risk Scenario			Inherent risk scoring			Mitigation in place / Planned action	Post-mitigation scoring			Risk Owner (and Mitigation Owner)	Dates up-dated (log of dates for when risk was updated)	Status (open / closed plus clear indication of whether and when on track / not on track to reduce scoring)	Direction (of risk score from the previous issue)
		Root cause(s)	Potential situation	Consequences	Likelihood	Impact	Score		Likelihood	Impact	Score				
CR10 Cross ref: CR7, CP2, S18	May-13 (previously risk T29. Date of origin: Feb-13)	**Profile and proactivity** (1) Engagement with patients, public and stakeholders not yet fully embedded. (2) Complex healthcare landscape and regulatory environment. (3) Joint working with other regulators inconsistent.	The NMC's lack of public profile means we may not communicate our role effectively and therefore our role is not properly understood. Ineffective joint working inhibits sharing of information about potential identification of unsafe practice or health provision settings where nurses and midwives provide care.	(1) Inability to deliver public protection effectively. (2) Reputation damaged. (3) Inappropriate or lack of referrals to fitness to practise. (4) Inappropriate recommendations from external reviews.	4	4	16	**Mitigation in place:** (1) Council seminar on engagement in March 2014. (2) Seminar on professionalism in regulation held March 2014. (3) Programme of key stakeholder meetings ongoing between Chief Executive, Chair and senior staff with the DH, professional bodies and unions, patient groups, nurses, midwives and other regulators. (4) Patient and Public Engagement Forums held quarterly in England and first Patient and Public Engagement Forum held in Scotland 25 April. (5) Changes made to NMC website in response to Patient and Public Engagement Forum feedback. (6) System in place for tracking and recording FtP referrals. (7) MoU with CQC agreed. (8) Public facing leaflets approved and published. (9) Council meeting held in Scotland in June 2014 - Council members met with public and professionals and members of the Scottish Govt. Health and Sport Committee to boost profile (10) Health Committee appearance 17 June - gave evidence to the Complaints and Raising Concerns Inquiry. (11) Professional Strategic Advisory Group established and inaugural meeting held 15 July. Group to meet quarterly. (12) MoU with TDA agreed. **Planned action:** (1) Patient and Public Engagement Forums to be pursued in Wales and Northern Ireland (Q3 2014-2015). (2) Employer engagement on revalidation. (3) Website relaunch to make it more public focused and interactive (by end 2014). (4) Memorandums of understanding to be underpinned with information and data sharing protocols (March 2014 and ongoing). (5) FtP developing regional liaison model (for implementation in early 2015). **(**6) Next CMS release to enable capture of referrals to and from other regulators (Q2 2014-2015). (7) Planned internal audit activity to look at communication and engagement in Q4 2014 - 15. (8) Joint input to party conferences planned with GMC, GDC, HCPC and others (Autumn). (9) Next seminars following on from professionalism being planned (Whistleblowers, February 2015). (10) Proactive media strategy being developed in line with emerging corporate strategy (Spring 2015). (11) Four nations stakeholder mapping project completed in October. (12) Ministerial and key stakeholder engagement in Belfast (Sept). (13) Strong presence at Scottish Regulators Conference (October). (14) QA function investigating inter-regulatory work (Q2).	3	3	9	Director, Strategy Assistant Director, Strategy and Comms	05.09.14 Mitigations and planned actions updated	Open	No change

No.	Date of origin	Risk Scenario			Inherent risk scoring			Mitigation in place / Planned action	Post-mitigation scoring			Risk Owner (and Mitigation Owner)	Dates up-dated (log of dates for when risk was updated)	Status (open / closed plus clear indication of whether and when on track / not on track to reduce scoring)	Direction (of risk score from the previous issue)
		Root cause(s)	Potential situation	Consequences	Likelihood	Impact	Score		Likelihood	Impact	Score				
CR11 (S11) Cross ref: CR2, FtP6, FtP12	14-Feb-14	**Legislative change** (1) The government decided not to include the Bill in the fourth session of this Parliament. --- (2) The Department of Health may not make all the amendments we are seeking to the Law Commission draft Bill in its own draft Bill, whenever this is taken forward.	(1) The Bill may not be introduced by the government at all. (2) In the absence of a Bill, the government may not prioritise our request for further legislative change. --- (3) We may be unable to secure all our desired amendments or correct all the oversights. (4) The Bill may reserve too many powers to the government.	(1) We will be left operating within our current unsatisfactory legislative framework, which will not be financially viable and which will render us unable to carry out our regulatory functions without continuing to raise the registration fee. --- (2) The DH Bill does not deliver the promised streamlined and flexible legislative framework, but actually either maintains too many of our existing legislative problems or creates more mandatory requirements so that the additional burdens outweigh the benefits. (3) A requirement for further legislation leading to long delays before some of the benefits can be felt.	4	4	16	**Mitigation in place:** (1) We have an engagement plan in place to work with, and alongside, other key stakeholders to continue to exert pressure and influence on all parties to include this Bill in the next parliament. (2) We are now engaging directly with DH with a view to influencing their response to the draft Bill and engaging with other regulators, PSA and patient groups to secure consensus on many key issues. (3) Legislation Programme Board has been set up to support this work. (4) Joint regulators working group and CEOs forum set up to share information and agree joint regulatory approaches where possible. (5) Corporate legislation adviser is leading this work towards developing a new legislative framework. **Planned action:** (1) We are now looking at the alternative options for legislative change, including future section 60 orders and the Private Members Bill being introduced by Jeremy Lefroy MP, whilst still pressing for the Law Commission Bill. (2) We will publish a statement setting out the case for further legislative change (beyond the Section 60 Order currently being progressed) in the Autumn, as agreed by the Council in July.	4	4	16	Chief Executive Corporate Legislation Adviser	18.09.14: Title amended, potential situation 2 added and status updated.	Open Post-mitigation scoring reflects concern that the Bill or alternative legislative change may not be introduced within a reasonable timescale, rather than expected contents of Bill.	No change

No.	Date of origin	Risk Scenario			Inherent risk scoring			Mitigation in place / Planned action	Post-mitigation scoring			Risk Owner (and Mitigation Owner)	Dates up-dated (log of dates for when risk was updated)	Status (open / closed plus clear indication of whether and when on track / not on track to reduce scoring)	Direction (of risk score from the previous issue)
		Root cause(s)	Potential situation	Consequences	Likelihood	Impact	Score		Likelihood	Impact	Score				
CR12 Cross ref: CS7	May-14	**ICT business systems** 1. Lack of robust procedures and controls over the management, testing and roll-out of changes to hardware and software, and development of new products and systems. 2. Ongoing use of critical business systems that are now unsupported by suppliers. 3. Insufficient capacity in our telephony system to handle peak periods in the Registration call centre. 4.Inadequate management of key third party ICT supply contracts. 5. Lack of quality-assured ICT service support. 6. Lack of planning for business continuity and disaster recovery. 7. IT infrastucture insufficient to cope with our operational requirements.	Current systems are either already at risk of failure or become at risk of failure.	1. Critical business operations either stop or performance is negatively impacted. 2. Key performance targets or corporate commitments are not met or are put at risk. 3. Staff frustration contributes to poor motivation and increases staff turnover. 4. Wasted resources used in reacting to events. 5. Loss of confidence by staff, the Council and external stakeholders.	4	4	16	**Mitigation in place:** (1) Review of servers completed with operational loads more even spread to reduce risk of server failure. (2) Change Management process updated to improve quality of ICT changes. (3) Testing policy updated to improve quality of testing and roll-out. (4) Upgrades to our operating platforms and telephony system to supported and more up to date versions, thereby reducing risk. (5) Series of enhancements to Windows 7 environment to improve concerns over performance (in progress, complete Jun 2014). (6) Replacement of old hardware for newer machines (98% complete). (7) Enhanced contract management with key ICT supplier to improve contractor performance. (8) Performance testing taking place as normal practice on all major upgrades. (9) Upgraded storage to provide additional capacity and performance (completed September 2014). (10) Upgraded servers to provide additional processing power (September 2014). **Planned action:** (1) Upgrade to Disaster Recovery environment to enable all systems to run effectively in Disaster Recovery situations (ongoing). (2) WISER replacement project to protect against risk of unsupported components (2016 most likely date). (3) Enhanced telephony capacity to support peak periods (in progress). (4) Renewal of key ICT infrastructure contract (2015). (5) Planning in progress to replace unsupported components in CMS and system for processing payments of registration fee by telephone. Discussion in place with vendors. (Final solution by end of financial year). (6) Clear plans underway to ensure all services are fully supported (by end of Sep 2014). (7) Workforce planning for ICT department underway ensuring capacity and capability to provide effective support (end of September 2014). (8) Embedding sound project governance in all ICT projects (SER learning point) (June - September 2014 and ongoing).	4	4	16	AD ICT (Director, Corporate Services)	11.09.14	Open	No change

Risk map of all corporate, CMPB and directorate risks as at 15 September 2014

Impact			1 Very low	2 Low	3 Medium	4 High	5 Very high
	Critical	**5**			**CR2** (FtP performance) **CR5** (Financial resources) **CMPB03** (Resources) **CS9** (Business continuity)		
	Major	**4**		**CMPB02** (Achievement of Corp Plan) **FTP13** (Fraud) **S19** (Welsh Lang Scheme) **CS1** (Financial management)	**CR1A** (Integ of register – current) **CR3** (Revalidation) **CMPB01** (Direction of the programme) **CMPB04** (Leadership, gov and mgmt) **CMPB07** (Lack of benefits realisation) **CP7** (Education function) **CS7** (Improvements in ICT) **CS10** (Accommodation) **FTP5** (Downtime: ICT and print) **FTP6** (Substantive order caseload) **FTP10** (Inadequate data/risk intel) **R12** (Provision of telephone services) **S16** (Equality and diversity compliance) **S17** (Compliance framework) **S18** (Accountability commitments)	**CR1B** (Integrity of register – historic) **CR6** (Information security) **CR11** (Legislative change) **CR12** (ICT business systems)	
	Moderate	**3**		**CP3** (Corporate memory) **CP4** (Standards) **CP8** (Contractor for QA of education) **FTP9** (CMS case stages not automated) **R6** (Gathering risk intelligence) **R8** (Disclosure policy for Registration) **R14** (Fraud and bribery)	**CR9** (Staffing) **CR10** (Profile and proactivity) **CMPB05** (Comms/ staff engagement) **CS2** (Workforce capability) **CS5** (Review of policies) **CS8** (Review of processes) **CS13** (Fraud and bribery) **FTP8** (High Court IO extensions) **FTP11** (Bribery) **R4** (IT support for Registration) **R10** (Recording contacts) **IR4** (Overseas Nursing programme) **IR5** (Competency test) **R16** (Supplier/contractor risks)	**CR7** (Quality of information) **CMPB06** (Learning and improvement) **R7** (Functionality of WISER) **S3** (QA strategy) **S13** (Complaints function) **S15** (Learning from SERs/complaints)	**FTP12** (FtP legislation changes)
	Minor	**2**		**CP2** (Strategic engagement in CP)	**CP6** (QA of education framework) **R13** (Workforce planning impact on Reg)		
	Insignificant	**1**					
			1	**2**	**3**	**4**	**5**
	Likelihood		**Very low**	**Low**	**Medium**	**High**	**Very high**

Risk scores:	**1-8**	**9-15 ***	**16-25**

Arrows indicate the direction of travel:

↑ Risk score has increased since 14 August 2014

↓ Risk score has decreased since 14 Aug 2014

↔ Risk score has stayed the same since 14 Aug 2014

Risk references:

CR: Corporate risk
FTP: Fitness to Practise risk
IR: Registration risk (International Reg)
R: Registration risk

CMPB: Change Management and Portfolio Board risk
S: Strategy risk
CS: Corporate Services risk
CP: Continued Practice risk

* due to their 'Critical' impact, an amber rating is also given to risks which score 5 for Impact and 1 for Likelihood

Item 10
NMC/14/92
1 October 2014

NMC Council

Conclusions following consultation on proposed changes to the Fitness to Practise and Registration Rules

Action: For decision.

Issue: This paper summarises the results of a consultation on proposed changes to the Fitness to Practise and Registration Rules, and sets out a proposed way forward for decision.

Core regulatory function: Fitness to Practise / Registrations.

Corporate objectives: Corporate objective 3: "We will take swift and fair action to deal with individuals whose integrity or ability to provide safe care is questioned, so that the public can have confidence in the quality and standards of care provided by nurses and midwives."

Decision required: The Council is recommended to:

1 Review and approve the conclusions reached following consultation on proposed changes to the Fitness to Practise and Registration Rules as set out in Annexe 1 (paragraph 10).

2 Agree to review the amendment rules at its meeting on 4th December 2014 and (subject to agreement of the rules when reviewed) then make the necessary rules by correspondence on or about 11 December 2014 (when the changes to the Nursing and Midwifery Order have taken effect, and as permitted under part 5.10 of the Council's Standing Orders) so they may be passed to the Privy Council for approval and be laid in parliament (paragraph 11).

Annexes: The following annexe is attached to this paper:

- Annexe 1: NMC conclusions on proposed changes to the Fitness to Practise and Registration Rules following consultation.

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.

Authors: Charlie Stapleton / Clare Padley
Phone: 020 7681 5580 / 5515
Charles.Stapleton@nmc-uk.org
Clare.Padley@nmc-uk.org

Director: Sarah Page
Phone: 020 7681 5864
Sarah.Page@nmc-uk.org

Context:

1 Between 17 April and 12 June 2014, we consulted on a number of changes to our Rules aimed primarily at improving the efficiency and effectiveness of our processes. The consultation paper can be viewed on our website (http://www.nmc-uk.org/Get-involved/Consultations/Consultation-on-changes-to-the-Fitness-to-Practise-and-Registration-Rules/) and sets out our full proposals. We consulted in parallel with the Department of Health (DH); their consultation on proposed changes to the Order can be found on their website (https://www.gov.uk/government/consultations/nursing-and-midwifery-council-changes-to-governing-legislation). Changes to the Order progressed by DH would allow our changes to Rules to be progressed.

2 The proposals consulted upon were:

2.1 To introduce Case Examiners to the Fitness to Practise process, and change the focus of the Investigating Committee to making and reviewing interim orders;

2.2 To introduce the power to review no case to answer decisions;

2.3 To amend the composition of Registration Appeal Panels, so they no longer included a Council member as Chair, or a Registered Medical Practitioner where the health of the applicant was in question; and,

2.4 Provisions for the collection and verification of information relating to a new legal requirement to have professional indemnity insurance.

3 In addition, the DH consultation set out a proposed approach to clarifying our ability to make striking- off orders in health or lack of competence cases.

Discussion and options appraisal:

4 The proposals above received broad support as set out in Annexe 1. There were a number of positive themes of support identified in the respondents' answers. A number of unsupportive or other comments were also identified, but were not evidenced. A full assessment of each proposal following consultation responses received can be found in Annexe 1.

5 Overall, DH and the NMC believe that the proposals as consulted upon should be implemented. The Executive Board agreed with the recommendations in this paper and conclusion in Annexe 1 in their meeting of 2 September 2014. DH is intending to publish its conclusions shortly. DH then intend to lay amendments to the Order in parliament on 13 October 2014; once the Order amendments take effect in December 2014, the Council would be able to make the amendment Rules.

6 The Rules will be finalised in conjunction with the DH legal team and the Council (subject to approval of the conclusions in Annexe 1) will be asked to publicly review them at its meeting on 3 December 2014, and then to formally make them by correspondence once the Order has come into force on or about 11 December 2014. The amendment Rules, once made by the Council, would be sent for Privy Council approval and laid in parliament for 28 days. Subject to the appropriate approvals being obtained and the parliamentary process, we anticipate the amended Rules coming into force in early March 2015.

7 Recommendation 1: The Council is recommended to review and approve the conclusions reached following consultation on proposed changes to the Fitness to Practise and Registration Rules as set out in Annexe 1.

8 **Recommendation 2: The Council is recommended to agree to review the amendment Rules at its meeting on 3 December 2014 and (subject to agreement of the rules when reviewed) then make the necessary Rules by correspondence on or about 11 December 2014 (when the changes to the Nursing and Midwifery Order have taken effect, and as permitted under part 5.10 of the Council's Standing Orders) so they may be passed to Privy Council for approval and be laid in parliament.**

Public protection implications:

9 The proposed amendments will have a positive impact on our ability to protect the public. Please see Annexe 1 for full details.

Resource implications:

10 Resources for development and implementation of the proposals are covered within existing budgets.

Equality and diversity implications:

11 An Equality Impact Assessment has been completed for these proposals and shows no evidence of adverse equality impacts.

Stakeholder engagement:

12 In developing the policy proposals, a communication plan was developed and we have engaged with stakeholders to gather feedback. Key elements of this have been:

12.1 NMC news release;
12.2 An NMC listening event; and,
12.3 A public consultation.

Risk implications:

13 The key risks are associated with any delay in the parliamentary process relating to the s.60 Order which will inevitably result in a consequential delay of the implementation of these Rule changes.

Legal implications:	14	Please refer to Annexe 1. The original consultation contained legal drafting; the proposals would amend current NMC legislation and will ensure our legislation is consistent with recent judicial decisions from the higher courts.

Nursing & Midwifery Council

DRAFT - NMC conclusions on proposed changes to the Fitness to Practise and Registration Rules following consultation

October 2014

Contents

Introduction and background

1 The Nursing and Midwifery Council (NMC) is the healthcare regulator for nursing and midwifery in the UK. We exist to safeguard the health and wellbeing of the public. We do this by setting standards of education, training, conduct and performance for nurses and midwives. We also hold the register of those who have qualified and meet those standards. If an allegation is made that a registered nurse or midwife is not fit to practise, we have a duty to investigate that allegation and, where necessary, take action to safeguard the health and wellbeing of the public.

2 Our roles, functions and many of our processes are set out in secondary legislation: the Nursing and Midwifery Order 2001 ('the Order'), and a series of Rules which sit underneath the Order. Between 17 April and 12 June 2014, we consulted on a number of changes to our Rules[1] aimed primarily at improving the efficiency and effectiveness of our processes. That consultation can be found here and sets out our full proposals. We consulted in parallel with the Department of Health; its consultation on proposed changes to the Order can be found here.

3 We asked for views from stakeholders on our proposed changes in order to help finalise our approach. We received 183 responses to our consultation, 17 of these

[1] The Nursing and Midwifery Council (Education, Registration and Registration Appeals) Rules 2004 (as amended), and The Nursing and Midwifery Council (Fitness to Practise) Rules 2004 (as amended).

were from organisations and 166 were from individuals. 139 of the individual responses were declared as being from registered nurses and midwives. It should be noted that not all of the respondents answered all the questions.

4 We would like to thank all of those who responded to our consultation.

5 This document sets out the responses we have received to our proposals. It also sets out our assessment of those responses, and our conclusions having taken account of those responses. Finally, it sets out the next steps that we intend to take. The Department of Health will publish its the conclusions to its consultation separately.

Stakeholder responses and our conclusions

Responses about registration fees

6 Concerns were raised within some of the consultation responses that the proposed changes would result in greater expense for the NMC, and that this was a contributory factor to the NMC separately consulting on a proposal to raise the registration fee. As part of our policy development, in conjunction with the Department of Health, we undertook a financial impact assessment on the proposals. This estimated that the collective financial impact of the proposed changes to the Order and the Rules would be annual efficiency savings of between £340,000 and £650,000 for the NMC.

7 The proposed changes represent part of our drive to improve efficiency and keep our costs under control as set out in our fee rise consultation[2]. We would like to take this opportunity to reassure nurses and midwives that the proposed changes to the Fitness to Practise and Registration Rules are designed to produce financial savings and not contribute towards the proposal for an increase in registration fees. We therefore consider this concern does not impact on the proposals upon which we have consulted.

Case examiners / changes to the role of the Investigating Committee

8 We proposed that we should introduce case examiners into our fitness to practise process. A pair of case examiners (one lay and one registrant) would fulfil many of the functions currently carried out by the Investigating Committee (IC) in deciding whether a registrant had a case to answer against an allegation that their fitness to practise was impaired. The IC would reach a decision where case examiners failed to agree on a decision, and the IC would extend their role regarding interim orders (IOs)[3]. IOs could be made by the IC throughout the fitness to practise process until the commencement of a substantive hearing, and could be reviewed by the IC up until the final decision at the substantive hearing.

[2] Pages 8 & 12 – http://www.nmc-uk.org/Documents/Consultations/2014/Fee%20Rise%20Consultation.pdf

[3] A temporary measure (suspension from practice or conditions of practice) that the NMC is able to place on a nurse or midwife whilst considering a fitness to practise allegation against them. The measures available are set out in Article 31 of the Nursing and Midwifery Order 2001 (as amended) and Rules 2 & 8 of the Nursing and Midwifery Council (Fitness to Practise) Rules 2004 (as amended).

9 65% of all respondents agreed with the introduction of case examiners, 21% did not agree and the remainder were unsure or had no view. 60% of all respondents agreed with a pair of case examiners (one lay and one registrant) making a decision on whether there was a case to answer, 23% disagreed and the remainder were unsure or had no opinion. 78% of all respondents agreed a case should be referred to the IC if a pair of case examiners could not agree, 14% disagreed and the remainder were unsure or had no opinion. 65% of all respondents agreed with proposals around the IC making IO's, 21% did not agree and the remainder were unsure or had no opinion. 70% of all respondents agreed with proposals around the IC reviewing IOs, 20% did not agree and the remainder were unsure or had no opinion.

Supportive responses

10 We received a number of supportive responses for our proposals to introduce case examiners and the expanded ability of the IC to make and review IOs. The supportive themes, with which we agree, are set out below:

11 Respondents generally believed the changes proposed would be a means of improving efficiency, swiftness and consistency in decision making and would result in a welcome streamlining of processes. They considered that it would also be simpler to understand, more proportionate, improve robustness and produce cost savings, boosting public protection and public confidence as a result.

12 Respondents observed that the proposals broadly mirror changes made by the General Medical Council (GMC) and General Optical Council (GOC) so would bring consistency in regulation. The introduction of case examiners at the GMC and GOC is reported to have made a positive impact on the swiftness, robustness and consistency of decision making.

13 There was strong support for the IC retaining its case to answer decision-making function in situations where case examiners could not agree, as a safeguarding mechanism.

14 Respondents stated that the expansion of the existing ability of the IC to make and review IOs would improve public protection and free up the time of the Health Committee (HC) and Conduct and Competence Committee (CCC) to focus on substantive hearings. The IC would also develop greater specialism in IOs which would potentially be beneficial for all involved. Respondents believed there would be an increase in the swiftness of decision making to the point of referral which was not always the case with the current approach.

Unsupportive or other responses

15 There were a number of responses regarding our proposals to introduce case examiners and the expanded ability of the IC to make and review IOs which were unsupportive or suggestive that further clarity was required. These are set out below.

16 The two main questions asked about case examiners related to their independence (given that they would be employees of the NMC) and the ability of

lay persons to make sound decisions in areas where they had no professional experience.

17 The NMC is the independent regulator of nurses and midwives in the UK, therefore decisions by case examiners employed directly by us or making a decision on our behalf will be independent of the profession. We do not exist as a representation body. This model is widely used to good effect throughout regulatory approaches in the UK. Furthermore, within the NMC itself the role of case examiners is a distinct one and they will make their decisions impartially and independently. They will not be involved in undertaking the investigation itself nor in presenting cases at any final hearing.

18 Furthermore, the role of lay people in professional regulation and in the governance of health and care institutions is well established. For the case examiner role, the NMC is seeking to appoint people with sufficient skills and experience to make robust decisions.

19 One respondent questioned why a case could not be reviewed by another pair of case examiners in the event that the first pair could not agree, instead of referring it to the IC. We do not believe that this would be a fair or proportionate way to resolve a case. We think that the IC is the best place for resolving such a case as it (the IC) has the required expertise and experience to perform such a function. A case should also be escalated to be resolved if one level of decision maker cannot decide on the case in the first instance. This approach is also consistent with the model used by other regulators.

20 Finally, it appears that there was some confusion amongst respondents over our proposal to extend the IC's ability to make and review IOs and whether this was an existing power, or whether it was a new power to be introduced. For clarity, the use of IOs is a key element of our existing fitness to practise process. They enable us to suspend a registrant's practice, or put conditions on their practice, during the period of time between allegations, investigations and final substantive hearing. The consultation proposal only related to which committee could make such orders at which stage of the process. It was proposed that IOs could be made by the IC at any point prior to a final hearing commencing rather than its power to make an IO ending where a referral to the HC or CCC had been made by the case examiners or IC. At present the power to make an IO rests with the CCC or HC after the referral to them, but under our proposal the IC would also be able to make or review an order after referral to the CCC or HC.

Conclusion

21 We have decided to implement our case examiner and IC proposals as set out in our consultation. These proposals have been well supported through the consultation process, with no material objections being raised. No evidence has been submitted to us that would suggest another course of action is required. The expected outcome is swifter and more efficient and consistent decision making.

Reviewing no case to answer decisions

22 We proposed that where case examiners or a panel of the IC decides there is no case to answer, the Registrar would be able to carry out a review of that decision if the Registrar:

a. had reason to believe the decision was materially flawed in whole or in part, and it would be in the public interest to review the decision; or
b. had reason to believe that new information may have led to a different decision in whole or in part, and it would be in the public interest to review the decision.

23 We proposed the inclusion of an additional safeguard so that any such review must start within one year of the original decision, save in exceptional circumstances.

24 The Registrar would have the ability to carry out appropriate investigations and could decide to uphold the original decision, may substitute all or part of the decision or refer the case to the case examiners for reconsideration.

25 55% of all respondents agreed with our proposals to introduce a power to review no case to answer decisions, 31% disagreed and the remainder were unsure or had no opinion. 48% of all respondents agreed that a 1 year time limit for review (except in exceptional circumstances) was appropriate, 34% disagreed and the remainder were unsure or had no opinion. 51% of all respondents agreed that the grounds for review were appropriate, 17% disagreed and the remainder were unsure or had no opinion.

Supportive responses

26 We received a number of supportive responses for our proposals to review no case to answer decisions. The supportive themes, with which we agree, are set out below.

27 Respondents agreed that reviewing materially flawed decisions or decisions where new information has come to light is an important safeguard for public protection. Respondents commented that this power would assist accountability and agreed that the trigger points for a review were appropriate.

Unsupportive or other responses

28 A number of responses received about our proposals for reviewing no case to answer decisions were unsupportive or sought clarity on our proposals. These are set out below.

29 We received numerous differing views on the one year time limit for review. Views we received ranged from having no time limit for review, to a 28 day, six month, 12 month, 18 month, two year, three year or five year time limit for review. Other respondents believed that no review should be allowed as a no case to answer decision should be final to provide certainty for the registrant. Overall, the public and some registrants favoured 12 months or a longer time limit, with other

registrants and professional bodies favouring no review power at all or a much shorter time limit.

30 It is plainly not possible to arrive at a time limit that will be welcomed by all parties. The main objective in arriving at an appropriate time limit must be to afford the regulator an ability to review a decision in the public interest whilst giving the registrant certainty by not allowing a review to be brought a long period of time after the event. We therefore feel on balance that a one year time limit, to be applied unless there are exceptional circumstances, is reasonable. The power to undertake a review outside this normal time limit in exceptional circumstances addresses the concerns of those seeking a longer time limit for reasons of public protection. For the reasons set out in our consultation, we believe that having no option to review a no case to answer decision represents a fundamental flaw in regulatory arrangements and is not conducive to public protection.

31 Other significant comments were that a review power could be detrimental to the health of those involved and that any power of review could also undermine the credibility of the NMC's decision making.

32 We disagree with these points, and note that no supporting evidence has been provided to substantiate either comment. The key reason for a power to review a no case to answer decision is to ensure that those who may represent a danger to the public and patients can be held to account.

Conclusion

33 We have decided to implement our reviewing no case to answer decisions proposals as set out in our consultation. There have been no material objections to them, nor has any evidence been submitted to us that would suggest another course of action is required. The expected outcome is a more robust regulatory regime that will be better able to hold nurses or midwives to account.

Changes to the composition of a registration appeal panel

34 We proposed that Council members should no longer chair registration appeal panels and that this function would instead be performed by existing practice committee[4] Chairs. We also proposed that where the health of a registrant is in issue, there would no longer be a requirement for the registration appeal panel to have a registered medical professional (RMP) on the panel. Instead, medical opinion would only be provided by expert witnesses called by either party (which may also be done at present) ensuring it is provided to all parties involved and was open to cross examination. This would make the Registration Rules consistent with the Fitness to Practise Rules, and bring the NMC in line with general legal principles.

35 57% of all respondents agreed with removing Council members from the panel, 18% disagreed and the remainder were unsure or had no opinion. 49% of all respondents agreed with the removal of RMPs from the registration appeals panel, 39% disagreed and the remainder were unsure or had no opinion.

[4] i.e. an existing Chair of the Investigating Committee, Health Committee or Conduct and Competence Committee.

Supportive responses

36 We received a number of supportive responses for our proposals to change the composition of a registration appeal panel. The supportive themes, with which we agree, are set out below.

37 There was strong support for the removal of Council members from the Panel, with respondents commenting that it would improve public confidence by removing any suggestion that the panel was not impartial. This would bring clear lines of demarcation between the operational and governance function of the NMC and remove any perceived or potential conflicts of interest.

38 Many respondents also commented that it is preferable that medical opinion is provided from an expert witness rather than a RMP panel member. This will improve public confidence in the transparency of the panel's decision-making.

Unsupportive or other responses

39 Almost all unsupportive or other comments received were around concerns that removing an RMP would result in no medical opinion being able to be offered at a registration appeal panel hearing where health is in question. This was considered to be unacceptable.

40 We believe this objection is a misunderstanding. For clarity, we would like to confirm that expert medical opinions would still be available in cases where the nurse or midwife's health is in issue. However, this would come from an expert witness instead of a panel member. Panel members would be making their decisions on registration based on expert medical opinion which can be considered and challenged in the correct forum.

Conclusion

41 We have decided to implement our proposals to change the composition of registration appeals panels as set out in our consultation. The removal of Council members has been widely supported, and objections on proposals to remove RMP's were, we believe, based on a misunderstanding. There have been no material objections to our proposals, nor has any evidence been submitted to us that would suggest another course of action is required. The expected outcome is more open and independent panels.

Requesting and verifying information

42 We proposed that in order to meaningfully comply with EU legislation requiring nurses and midwives to have a professional indemnity arrangement appropriate to their role, the NMC should be able to request and verify the following in registration applications[5]:

a. evidence that they have, or will have when they are practising, appropriate cover in place under an indemnity arrangement;

[5] Meaning during an initial registration application, an application for re-admission, or an application for renewal of registration.

b. details of the nature and scope of the nurse or midwife's practice;
c. the name and address of any person or organisation by whom the nurse or midwife is employed or intends to be employed, or for whom the nurse or midwife provides services, or intends to provide services; and,
d. other documents and information that the Registrar may reasonably require for the purpose of verifying the information in and determining renewal applications, including whether the nurse or midwife has, or will have when they are practising, appropriate cover in place under an indemnity arrangement.

43 There was broad support for the proposal that the NMC should be able to request certain indemnity information. The proposed power to disclose that information to a third party was supported by the majority of respondents, but support was not as clear cut as for the power to request information. There was also a difference in support of disclosure between organisations and individuals.

44 64% of all respondents agreed with our proposals to be able to request certain information in relation to indemnity arrangements, 17% disagreed and the remainder were unsure or had no opinion. 49% of all respondents agreed with our proposals to have the ability to disclose indemnity information to a third party in order to verify it, 31% disagreed and the remainder were unsure or had no opinion.

Supportive responses

45 We received a number of supportive responses for our proposals around requesting and verifying information. The supportive themes, with which we agree, are set out below.

46 The majority of respondents agreed that the ability to request and then verify certain information was required to be able to meaningfully comply with EU legislation. Most agreed it would bring a robust approach to compliance and therefore help to protect the public and patients in the event of a failure in care. Without the ability to disclose in order to verify information, respondents agreed the powers would be an administrative and toothless exercise. Organisations in particular were strong in their support of this.

Unsupportive or other responses

47 A number of responses received about our proposals around requesting and verifying information were unsupportive or sought clarity on our proposals. These are set out below.

48 Some respondents objected to the principle of professional indemnity arrangements, stating it would reduce the choice for women by ending the ability for midwives to practise independently. This issue is out of scope for this consultation and has previously been addressed and concluded on by the Department of Health[6]. Furthermore, the requirement is now in both EU and UK law. Please see the guidance on our website for further information.

[6] Indemnity or Insurance for Regulated Healthcare Professionals – Department of Health - https://www.gov.uk/government/consultations/protecting-patients-from-negligence

49 Some respondents asked for clarity on exactly what information would be requested and who it would be disclosed to. The information proposed to be requested is set out in paragraph 42 above. In order to verify such information, we may disclose it to any third party in a position to verify it which may include employers, agencies or insurance providers.

Conclusion

50 We have decided to implement our proposals to request and verify information as set out in our consultation. The proposals have received a good level of support. There has not been any evidence submitted to us that would suggest another course of action is required. The expected outcome is to ensure we can meaningfully comply with EU and UK law in order to protect the public in the event of a failure in care.

Our proposed legal drafting

51 We proposed that we would give effect to our proposals by the legal drafting that was contained within Annex A of our consultation. This is available here.

52 The majority of respondents had no comments on our legal drafting. Some respondents who supported the consultation proposals stated the legal drafting would give effect to the proposals. Some respondents who did not support proposals opposed the legal drafting on the basis that it would give effect to the proposals they did not support.

53 We therefore do not consider that any of the responses raise matters which would cause us to change the amendments we seek to the Registration or Fitness to Practise Rules. Subject to any minor drafting amendments after further review by the Department of Health's legal team, we propose to implement the legal drafting as consulted upon to give effect to the approaches set out in our consultation.

Impacts of the proposed changes

54 In our consultation, we asked a further question on what impacts, financial or otherwise, the introduction of the proposed changes would have. The majority of respondents indicated there would be no direct impact. Others believed the impact would be positive by increasing speed and efficiency whilst maintaining robustness.

55 One trade union body noted that there could be financial impacts on them due to retaining case information for longer (in relation to the one year review period) and a possible increased demand for union representation of registrants.

56 In terms of the administrative impact on a trade union body, like us they are bound by the requirements of the Data Protection Act as a public body holding personal data. They are required to have a data retention schedule which sets out retention for a period appropriate to the information. Whilst it is up to any public body to define their data retention periods, we consider it would be unlikely that a significant change to any document storage policy would be required as a result of this proposal.

57 In terms of any impact on demand for trade union representation, this will depend on the individual being a member of that trade union and the frequency of such reviews being undertaken, which we are not in a position to accurately estimate at present. The proposed approach is, however, significantly cheaper and more aligned with the principles of better regulation than a Judicial Review. Furthermore, as the review power is being sought to improve our ability to protect the public, we do not consider that a potential and unquantified impact on a representative body would be sufficient evidence of a negative impact to change our proposals.

Next steps

58 We have concluded that we will proceed with the implementation of our proposals as presented in our consultation document.

59 We will lay the legal drafting amending our Registration Rules and Fitness to Practise Rules before parliament for approval. We will be able to do this once the amendments to the Nursing and Midwifery Order 2001 being progressed by the Department of Health have successfully completed their parliamentary process and taken effect. We anticipate that we will be able to lay the legal drafting in parliament in early 2015. Subject to this and a successful parliamentary process we anticipate that these amendments to our Rules will take effect in March 2015.

Item 11
NMC/14/93
1 October 2014

Council

Review of mandatory time limits for completion of education programmes

Action: For decision.

Issue: This paper proposes an amendment to the NMC standards for education for the removal of the current mandatory maximum time limits allowed for the completion of pre and post registration programmes.

Core regulatory function: Education / Setting standards.

Corporate objectives: Corporate objective 2: "We will set appropriate standards of education and practice and assure the quality of education programmes and the supervision of midwives, so that we can be sure that all those on our register are fit to practise as nurses and midwives."

Decision required: The Council is recommended to:

- Approve the decision to consult on the proposal to revoke the requirements across all our education standards that indicate mandatory time limits for completion of education programmes (paragraph 28).
- Approve the decision to consult on the proposal that responsibility for management of completion timescales should be devolved to AEIs. (paragraph 29).

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: Anne Trotter
Phone: 020 7681 5779
anne.trotter@nmc-uk.org

Director: Katerina Kolyva
Phone: 020 7681
Katerina.kolyva@nmc-uk.org

Context:

1 The NMC's overriding objective is to protect the public and ensure that those who enter our register have met the requirements for safe and effective practice as a nurse or midwife, having successfully completed an approved education programme.

2 Currently a significant number of our education standards state requirements that set mandatory maximum time limits for the completion of education programmes.

3 Historically the statutory instruments of the NMC's predecessor organisations stated this position so this position was bound in the legislation at that time.[1]

4 The current Nursing and Midwifery Order 2001 does not contain such provisions but the requirement was stated in the Quality Assurance framework of 2002 and was previously communicated to stakeholders via QA factsheets. These were withdrawn in 2009/10.

5 Completion time limits continue to be explicitly articulated in our pre-registration nursing and midwifery education standards and some of our post registration education standards.

6 The historic reasoning for the setting of mandatory time limits for education programmes by the regulator is not entirely clear but appears to have been based upon a wish to ensure the currency of knowledge and experience during the education programme.

7 Separate time-limits then apply to ensure that nurses and midwives join the register within a set time after completing their training. These time limits are not being changed and are important for the protection of the public

8 We are currently evaluating our education standards and this evaluation includes a consideration of equality factors. In relation to the requirements for completing programmes, as outlined above, the NMC is concerned that there is little flexibility for students who may need to take longer than the specified time to complete a programme.

9 The result of this is that certain students may be perceived to be disadvantaged, if unforeseen events, including illness or consecutive pregnancies, require longer study periods than are currently allowed for.

Discussion and options appraisal:

10 With the exception of the standards for preparation of supervisors of midwives which were published in 2013 all our education standards

[1] 1969 Statutory Instrument 1675, Nurses and Midwives, The Nurses Rules Approval Instrument 1969, Statutory instrument Number 873, Nurses, Midwives and Health Visitors, The Nurses, Midwives and health Visitors Rules Approval Order 1983.

were published before the Equality Act 2010 came into force.

11 The Equality Act 2010 (the Act) is the current legal framework for equality and anti-discrimination in England, Scotland and Wales[2] and protects people with certain characteristics (the protected characteristics) in relation to the provision of services. These are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. This law covers all of the NMC's functions including the standards it sets for pre-registration nursing and midwifery education and its post registration standards.

12 The Disability Discrimination Act 1995[3] is the legal framework for equality and anti-discrimination in Northern Ireland.

Education standards, approved education institutions (AEIs) and our quality assurance (QA) framework

13 Our pre registration nursing and midwifery education standards currently set mandatory maximum time limits for both full time and part time routes for pre registration programmes and require full time students to complete their programme within five years and part time students within seven years. Registered nurses who go on to undertake a shorter route for pre registration midwifery programmes also have mandatory maximum time limits imposed on them.

14 Some post registration standards also state time limits for completion. Specifically:

14.1 standards of proficiency for nurse and midwife prescribers sets the number of days for this programme delivery and also expects a time limit for successful completion of all assessments within one year that can be extended in exceptional cases to two years.

14.2 standards of proficiency for specialist practice public health nursing (SCPHN) articulate the time limits for both full and part time completion in weeks: 78 and 156 weeks respectively.

15 Our remaining post registration standards do not explicitly state mandatory maximum time limits, which indicates that historically our approach has not been consistent. However, AEIs often apply the same mandatory maximum time limits to other NMC programmes.

16 AEIs are required to have policies and procedures in place that demonstrate that all approved programmes comply with relevant legislation, including equality and diversity legislation.

[2] Equality Act, 2010
[3] The Disability Discrimination Act 1995 at www.equalityni.org

17 The NMC's QA framework[4] requires AEIs to seek approval of nursing and midwifery programmes to demonstrate how our standards are being met within their individual programme design. Then through monitoring we are able to assess AEIs actual delivery of programmes against our published standards.

18 Although the NMC sets education standards and approve programmes against those standards, it is for those AEIs to manage individual students' sickness, absence and interruption. Equally AEIs must also monitor student progress and attainment together with the achievement of the requisite number of hours as required by the EU Directive.[5]

19 Current evidence suggests that the vast majority of students complete their programme of education within the expected time scales, with only a small number of students extending their period of study to the maximum permitted within the current standards.

20 AEIs are expected to monitor those students who are at risk of running out of time in order to manage these situations effectively. However occasionally students do run out of time and are then unable to complete their studies within the maximum time limits that are currently set, irrespective of their personal circumstances or any protected characteristics.

21 The reasons for exceeding the mandatory maximum time limits are varied; however, there are occasions when equality legislation may apply for example in the case of pregnancy or particular illnesses such as cancer and cancer treatments.

22 The result of this is that certain students may be disadvantaged if unforeseen events require longer study periods than are currently allowed for within our standards and the AEI has no discretion to extend the time for completion of the course.

Proposal for change

23 The Quality Assurance Agency, who quality assure higher education, do not set limits for the time to complete undergraduate or post graduate degrees; instead, decisions about maximum time limits is left to the academic regulations of individual institutions. This can vary between AEIs but their own academic regulations usually indicate a period of completion of between four and seven years with the capacity for reasonable adjustments to be made.

24 Other healthcare regulators – for example, the General Medical Council and the Health Care and Professions Council - do not set maximum time limits. The management of interruptions to and

[4] NMC Quality Assurance Framework: annexe one, requirements of approved education institutions, 2013
[5] EU Directive 2005/36/EC Annex V.2 (5.2.1)

completion of programmes is the responsibility of the education institution.

25 Our education standards must demonstrate the balance between the NMC's duty to protect the public, and our legal duty to comply with equality and anti-discriminatory legislation.

26 This does not mean that the completion of a programme should become open ended. Instead we are proposing that responsibility for management of individual students' completion timescales would be devolved to AEIs and the mandatory maximum time limits be removed from the NMC standards. This approach means that AEIs would be responsible for the whole of the student journey.

27 AEIs would be responsible for measuring the impact of sickness, absence and interruptions when verifying the required standard of proficiency and professional readiness of individual students to enter the register. We would monitor this approach as part of our QA framework activity to ensure assurance in the delivery of our education standards.

28 Recommendation: The Council is recommended to approve the decision to consult on the proposal to revoke requirements across all our education standards that indicate mandatory time limits for completion of education programmes.

29 Recommendation: The Council is recommended to approve the decision to consult on the proposal that responsibility for management of completion timescales should be devolved to AEIs.

30 The responses to the consultation will be analysed and a report will be presented to Council who will make a decision on this issue.

Public protection implications:

31 This proposal would not have any impact on the level of proficiency students require to successfully complete a programme and enter the NMC's register. A student's entry to the register would remain subject to them meeting all of the standards, competencies or proficiencies within the approved programme.

32 AEIs would be required to demonstrate that they had robust procedures in place to ensure that students completing programmes were fully competent to enter the register, regardless of the length of time taken to complete their studies. This will ensure that everyone on our register is fit to practise.

Resource implications:

33 The cost of undertaking this consultation, analysing the responses and any subsequent changes to our standards will be covered by existing budgets and resources.

Equality and diversity implications:	34	An equality consultant has undertaken a full review of all education standards; has contributed to the development of the consultation and will participate in the analysis and final report of the consultation.
Stakeholder engagement:	35	We will seek the views of stakeholders on our proposals in publicising this consultation through our communications and stakeholder groups.
Risk implications:	36	There is a risk that the public may infer that we are relaxing our standards in enabling students to take as long as they need to successfully complete their nursing or midwifery programme. This is not our intention; instead, we are proposing to devolve the responsibility for managing student absence, progression and competence to the individual. This is consistent with the approach taken by other healthcare regulators.
Legal implications:	37	We are following legal advice in proposing this consultation as outlined.

Item 13
NMC/14/95
1 October 2014

Council

Revalidation update

Action: For information.

Issue: An update on the revalidation programme.

Core regulatory function: Registration / Standards

Corporate objectives: Corporate objective 2: "We will set appropriate standards of education and practice and assure the quality of education programmes and the supervision of midwives, so that we can be sure that all those on our register are fit to practise as nurses and midwives."

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: Yasmin Becker
Phone: 020 7681 5744
yasmin.becker@nmc-uk.org

Director: Katerina Kolyva
Phone: 020 7681 5882
Katerina.kolyva@nmc-uk.org

Context:

1 In September 2013, the Council approved a proposed model for revalidation for consultation. Our two part formal consultation on this proposed revalidation model and the draft revised Code started in January 2014 and closed in August 2014.

2 The proposed model is based on a phased approach within existing legislation. It builds on the current three year registration renewal process with a clear link to the NMC Code and elements of third party feedback and confirmation. We have committed to delivering the model in December 2015 and have also committed to its evaluation after launch to inform further development.

3 The proposed model is based on every nurse and midwife on the NMC register at the point of renewal of their registration:

3.1 declaring that they continue to remain fit to practise against the NMC Code and that they meet the NMC standards for practice and Continuing Professional Development (CPD);

3.2 demonstrating that they have sought and reflected on feedback regarding their practice received from patients, service users, peers, students (or other parties as relevant);

3.3 declaring they have received confirmation from a third party as part of an existing process (such as appraisal).

4 We have committed to auditing a sample of nurses and midwives based on a random and risk based approach.

Discussion and options appraisal:

Consultation and engagement

5 We have consulted extensively on our model through two distinct consultations of three months each run by two independent organisations. We have also engaged extensively with the public and the sector through a number of dedicated events, social media, workshops and our five large scale summits in the four countries of the UK.

6 The Chair of the Council, Council members, Chief Executive and Registrar along with the Director of Continued Practice and senior staff in the organisation have engaged extensively with patient and public organisations, other regulators and employers, the professional bodies, senior leaders in nursing and midwifery and our key stakeholder organisations.

7 All the evidence we have collated from the summits, consultation activity (surveys and focus groups), events and strategic engagement is informing the evidence report on revalidation model that will be published at the end of November 2014. We are taking a similar approach to the Code and an evidence report on the Code

will be published at the same time.

8 We continue to engage closely with our key stakeholders through our Revalidation Strategic Advisory Group (RSAG) and the Task and Finish Group (TFG). While we are also in the process of establishing a Revalidation Pilots Group to support senior and effective engagement between NMC and the pilot organisations.

Programme update

9 The programme is now moving from focusing on consultation and extensive external engagement toward focusing on assessing readiness and delivery in partnership.

10 The Chief Executive and Registrar is engaging with the Chief Nursing Officers (CNOs) and government officials in the four nations around plans to establish programme boards for revalidation across the four countries and the focus of CNOs on readiness for revalidation. Scotland established a revalidation programme board in August 2014 and the other nations are in the process of setting up boards by the end of this year.

11 Internally, our focus between September and December 2014 is on refining the model and developing the Code, based on the results of the consultation as well as preparing for pilots and developing policy, guidance, process and IT requirements.

12 Key deliverables during this period include:

12.1 The pilot organisations to be announced during the second and fourth week of October 2014. Piloting will commence in January and will be completed in June 2015;

12.2 Between October and December 2014, the process and IT requirements will be developed to be tested in the pilots;

12.3 Documentation for employers to assess their readiness for revalidation and supporting information to pilot organisations to be available in December 2014;

12.4 The evidence reports on the revalidation model and the Code to be published in November 2014;

12.5 The high level model and policy to be agreed by Council in December 2014 for testing through pilots;

12.6 The revised Code to be agreed by Council in December 2014;

12.7 The draft guidance for revalidation, which will be used during the pilots, to be agreed by Council in January 2015.

Implications of implementing revalidation

13 Following a request from the Council and the Revalidation Strategic Advisory Group, we commissioned in July 2014 an independent small scale project to assess implications of our proposed model to employers.

14 The project involved engagement with a small number of employers across the four countries of the UK over a period of two months. This provided wide geographical coverage as well as inclusion of different types of practice. Given the limited scope, the findings cannot be considered representative of all the employers of nurses and midwives and the conclusions reflect this limitation.

15 Key findings of this project and recommendations to the NMC were around the level of awareness of revalidation across the sector, investment required by employers, the need to understand how revalidation could work in different settings as well as scopes of practice and to develop scenarios to support the sector in understanding how revalidation may work in different contexts.

16 This project is an initial piece of work and we are using the findings of this project to inform the approach to the pilots and the selection of pilot organisations. For example we are including, within the pool of pilots, those who could potentially have difficulty in meeting the requirements for revalidation to develop understanding of how revalidation could work in these settings.

17 The revalidation pilots will test the proposed model from January to June 2015 in a variety of settings across the four countries of the UK. This testing will give us a better picture of the implications of implementing revalidation.

Public protection implications:

18 Revalidation aims to enhance public protection by introducing a structured way for nurses and midwives to demonstrate their professionalism as well as improve their practice by reflecting on feedback and meeting the requirements of the Code on an ongoing basis.

Resource implications:

19 This revalidation work continues to be undertaken within the approved revalidation budget.

Equality and diversity implications:

20 An initial equality assessment has been carried out and we continue to assess in an iterative manners as the policy and process continue to develop.

Stakeholder engagement:

21 Stakeholders across the four countries of the UK continue to be extensively engaged in the development the NMC revalidation

model.

Risk implications:	22	The overall risk relating to revalidation is currently reported on the corporate risk register as risk CR3. As we approach the start of the pilot phase, we are reassessing the risk. At the December meeting of the Council, we expect to report two risks, distinguishing between (a) programme delivery and (b) system impact and readiness.
Legal implications:	23	The revalidation model is built to work within existing legislation and there will be a full legal review of the policy in October 2014.

Item 14
NMC/14/96
1 October 2014

Council

External review of progress against the PSA strategic review 2012

Action: For discussion.

Issue: External review of progress against the Professional Standards Authority Strategic Review 2012.

Core regulatory function: All.

Corporate objectives: All.

Decision required: The Council is asked to:

- Consider the external review of progress against the PSA Strategic Review 2012 (annexe 1)
- Note how the report's findings will inform future work.

Annexes: The following annexe is attached to this paper:

- Annexe 1: External review of progress against the PSA Strategic Review 2012.

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: Fionnuala Gill
Phone: 020 7681 5842
fionnuala.gill@nmc-uk.org

Director: Jon Billings
Phone: 020 7681 5339
jon.billings@nmc-uk.org

Context:

1 In 2012 the then Parliamentary Under Secretary of State for Health commissioned the Professional Standards Authority (previously CHRE) to carry out a strategic review of the NMC. The Professional Standards Authority's (PSA) final report in July 2012 made 15 recommendations across four areas. The PSA said that the NMC should be allowed time to implement change and that it would "expect to see demonstrable improvement within two years".

2 In May 2014, we commissioned an independent review to assess the extent of our progress against the PSA recommendations. Following an open, competitive process, KPMG was appointed to conduct the review.

3 The review was carried out between June and September 2014. Considerable evidence was gathered including from a wide range of external stakeholders, Council members and staff, focus groups with staff, observing a range of meetings and review of extensive documentation.

4 The final report was published on 15 September 2014. It has been shared with Ministers and senior officials at the Department of Health and with the PSA and disseminated widely (see paragraph 15). The Chief Executive briefed all staff on the review findings prior to publication.

Discussion:

External review findings

5 The full external review report is at annexe 1. The key conclusions are that:

5.1 The NMC's focus is clearly set on its core purpose to protect the public.

5.2 A substantial number of improvements have been either fully implemented or are underway, against each of the four areas highlighted by the PSA in its recommendations

5.3 The NMC is in a much stronger position than was the case in 2012.

5.4 Considerable progress has been made in engaging effectively with stakeholders. The NMC is now visible in the right arenas and importantly considers all four countries' perspectives.

6 Progress against each of the PSA's fifteen recommendations was accorded one of three ratings: basic; established or enhanced. Progress against two recommendations was judged as enhanced; progress against 12 recommendations was rated as established; and one recommendation was rated as basic. The report notes that this progress needs to be judged in the context of rising public expectations, as well as the legislative and financial constraints we

faced.

7 The full ratings table is at annexe 1 (section 1, page 10) together with the methodology and ratings definitions (annexe 1, section 3, page 12).

Future focus

8 The confirmation that significant progress has been made means that we can now determine and set our agenda for the future.

9 At the same time, we recognise that there is more to do. The report confirms the Council's own assessment of areas where continued focus is needed such as ICT, customer service and quality management.

10 The findings and learning from the review will inform future work in a number of ways including:

10.1 Development of the draft strategy for 2015-2020 which will be brought to the Council for approval in January 2015.

10.2 Transformation of the current change programme, put in place to address the findings of the 2012 review, into a strategic delivery programme supporting the future strategy.

10.3 Development of the next corporate and directorate business planning round about to get underway and alignment of business planning to the new strategy.

10.4 Review of the HR strategy and the planned career and reward review.

10.5 The ongoing work of the ICT programme board. Quarterly reports on progress will be provided to the Council, as previously requested.

11 The Council is invited to discuss the findings of the review.

Public protection implications:

12 The external review found that we are clearly focused on our core purpose of protecting the public.

Resource implications:

13 We ran an open tender process for an independent contractor to undertake the work using the Consultancy One Crown Commercial Service Framework. The benefit of the framework is that it provides fully EU compliant commercial procurement which delivers value for money, cost savings and favourable rates for the public sector. Following a full competition and evaluation process, KPMG was selected to undertake the work. The cost of the work was £118,963

plus VAT.

Equality and diversity implications:	14	None directly arising from this report.
Stakeholder engagement:	15	The review included seeking views from a wide range of externals stakeholders (see annexe 1, appendix C). The report has been disseminated to all those who contributed, as well as more widely, for example to all Directors of Nursing, Heads of Midwifery, Local Supervising Authority Midwifery Officers, Public and Patient Engagement Forum members, other professional and system regulators and through other normal public communication channels.
Risk implications:	16	None arising from this report.
Legal implications:	17	None arising from this report.

KPMG
cutting through complexity

External review of progress made by the NMC against the recommendations of the PSA's Strategic Review 2012

Final Report

10 September 2014

Use of this report is limited – see Notice on page 3

Contents

Important notice

This Report has been prepared on the basis set out in our Engagement Letter addressed to Jackie Smith in respect of the engagement contract (reference RT343 - provision of external review services) with the Nursing and Midwifery Council ("the Client") dated 20 June 2014 (the "Services Contract") and should be read in conjunction with the Services Contract.

Nothing in this report constitutes a valuation or legal advice.

We have not verified the reliability or accuracy of any information obtained in the course of our work, other than in the limited circumstances set out in the Services Contract.

This Report is for the benefit of the Client only.

This Report has not been designed to be of benefit to anyone except the Client. In preparing this Report we have not taken into account the interests, needs or circumstances of anyone apart from the Client, even though we may have been aware that others might read this Report. We have prepared this report for the benefit of the Client alone.

This Report is not suitable to be relied on by any party wishing to acquire rights against KPMG LLP other than the Client for any purpose or in any context. Any party other than the Client that obtains access to this Report or a copy (under the Freedom of Information Act 2000, the Freedom of Information (Scotland) Act 2002, through the Client's Publication Scheme or otherwise) and chooses to rely on this Report (or any part of it) does so at its own risk. To the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability in respect of this Report to any party other than the Client.

In particular, and without limiting the general statement above, since we have prepared this Report for the benefit of the Client alone, this Report has not been prepared for the benefit of any other person or organisation who might have an interest in the matters discussed in this Report, including for example other regulators, those who work in the sector or those who provide goods or services to those who operate in the sector.

1 Executive summary

1.1 Background to the review

In 2012, the Professional Standards Authority (PSA) was commissioned[1] to carry out a strategic review of the NMC. The PSA's final report published in July 2012[2] made 15 recommendations in four areas: regulatory purpose and function, external stakeholders' perspectives, staff and culture and operational management. The PSA stated that the NMC should be allowed time to implement change but that it would 'expect to see demonstrable improvement within two years'.

Two years on, the NMC commissioned KPMG to undertake an independent review to assess the extent to which progress has been made in implementing the recommendations. As well as documentation review and observation of key NMC meetings, our work has been informed through seeking a wide range of perspectives from internal and external stakeholders and focus groups with staff.

1.2 Progress against the PSA Recommendations

Overall, this review has identified that the NMC has made a substantial number of improvements, either fully implemented or underway, against each of the four areas highlighted by the PSA in its recommendations. Although the NMC recognises that there is still much more to do, these improvements cumulatively place the NMC in a much stronger position than was the case in 2012.

Nevertheless, investment in ICT and a greater leadership focus on this key function of the organisation is now required. Furthermore, the NMC must continue to improve its approaches to customer service, quality assurance, management and financial information, in order to address effectively the ongoing challenges that it will face.

The NMC is widely regarded to have re-established its core purpose and function as a regulator. At the same time, it is considered to have made a step change in its engagement with stakeholders.

The perception of progress of the NMC by its staff trails that of external stakeholders. Whilst operational improvements made in this timescale do not normally lead to a transformed organisational culture immediately, there is a need for the NMC to continue to focus strongly on ensuring that it improves its approach to HR initiatives, its organisational decision-making below Executive team level and its management of staff turnover.

1.3 Readiness for the future

Confidence in the NMC as a regulator will increase if it continues to focus on addressing the future risks it faces, keeping its operations in good order, maintaining emphasis on listening to staff, whilst also now embarking on regulatory change, such as revalidation.

Furthermore, the NMC's Corporate Strategy, with strong oversight from its Council, will be an important step forward in ensuring the NMC stays grounded in its core functions whilst preparing for the future. This now provides the NMC with the opportunity to determine its own direction of travel, so that it can firmly establish itself as a well-regarded, high quality, professional regulator.

[1] Commissioned by Parliamentary under Secretary of State for Health

[2] Strategic review of the Nursing and Midwifery Council, http://www.nmc-uk.org/Documents/120629%20CHRE%20Final%20Report%20for%20NMC%20strategic%20review.pdf.

1.4 Summary findings

1.4.1 Contextual factors

Throughout the course of our work many stakeholders commented that there were a number of important contextual factors which we should consider to fully appreciate the circumstances under which the NMC has been operating to implement the PSA's recommendations. In particular, stakeholders cited that both legislative and financial constraints as well as rising referrals to fitness to practise (FtP) may have limited the ability of the NMC to fully address the challenges facing it.

1.4.2 Regulatory purpose and function

Overwhelmingly, stakeholders commented that the NMC's focus is clearly set on its core purpose to protect the public. Its open and transparent approach to tackling the key regulatory issues it faces is welcomed. Many consider this turnaround to be testament to the personal leadership styles of the Chief Executive and Chair.

It is apparent that in the last two years the NMC has invested in "fixing the basics" of FtP and Registrations. However, the NMC and many of its stakeholders recognise that it will need to continue to focus on ensuring its long term financial sustainability and is able to balance the use of its resources across all its core functions.

1.4.3 External stakeholders' perspectives

Considerable progress has been made in the NMC's approach to engaging effectively with stakeholders. The NMC will need to continue to develop this, investing in its systems and processes to support its relationship management. Many stakeholders believe that the NMC is now visible in the right arenas and importantly considers all four countries' perspectives. However, stakeholders' views were mixed on whether the credibility of the NMC's engagement may be further enhanced if nurses or midwives were employed in key roles within the NMC. It has recently sought to enhance the insight it receives from the professions by establishing its Professional Strategic Advisory Group.

1.4.4 People and Culture

The PSA in 2012 noted that it was the internal culture which prevented the NMC moving forward. In the last 12 months since its organisational restructure, the NMC has taken forward a number of people initiatives: it has raised the profile of its values and behaviours, enhanced its HR systems and made investment in learning and development opportunities for staff. However, changes in culture take time to embed, and both the staff survey and focus groups highlight there is still much to do in key areas such as communication, leadership beneath executive level and career progression.

Whilst some of the staff-related issues identified by the PSA still persist, this may in part be explained by the rising expectations of staff, many of whom were not at the NMC in 2012. However, staff turnover remains high[3], albeit improved. The Executive team and Council are mindful of this, monitoring turnover and recognising that continued effort will need to be made on accelerating improvements in its approach to HR initiatives and wider organisational development.

1.4.5 Operational management

The PSA in 2012 highlighted *'serious deficiencies'* in relation to operational management. In response, the PSA raised seven recommendations covering several areas of the NMC operational functions.

1.4.5.1 Change management

Responding to the need to coordinate and centralise its change programme the NMC created a Change Management Portfolio Board (CMPB). Significant, organisational wide improvements and benefits have been, and continue to be delivered through this Board, including improvement

[3] 26% as at July 2014. 34% as at July 2012 (PSA Strategic review report)

programmes in both FtP and Registrations. However, we have noted a number of concerns in relation to the operational effectiveness of this Board, particularly in relation to its ability to prioritise and rationalise the overall programme given the NMC's resources, the manner in which project benefits are realised and tracked, and the way project dependencies are monitored across the organisation. The NMC has begun work to address these concerns, and has committed to the development of a new change programme structure aligned with the corporate strategy by February 2015.

1.4.5.2 Financial management and reporting

Increased importance and rigour has evidently been directed to finance and good financial management, and the NMC has made significant strides in embedding these behaviours across the organisation. In particular, financial reporting has been strengthened at all levels, and the NMC now provides more useful financial information and explanation to the Council. The NMC will benefit from continued focus on its financial management mechanisms, in particular, the degree of financial scrutiny of business as usual activities and efficiencies at the Council, and Executive Board level.

1.4.5.3 Strategic planning

Although the NMC does not yet have an agreed Corporate Strategy, a draft strategy was approved by Council in July 2014 setting out four strategic priorities for 2015-2020: public protection, effective regulation, use of intelligence, and communication and collaboration. In addition, in the absence of a Corporate Strategy, the NMC has had a three year rolling corporate plan since 2012/13 providing clarity in relation to the NMC's focus, objectives and goals and this has been underpinned by an enhanced business planning framework.

1.4.5.4 Governance arrangements

Since May 2013, the NMC has made a number of fundamental changes to its governance structures including a streamlined committee structure, creation of an Executive Board, establishment of a number of advisory groups and revised standing orders and schemes of delegation. These changes have combined to allow the Council to shift its focus to strategic matters and to allow the Executive Board to concentrate on running the day-to-day operations of the NMC.

Stakeholders agree that the effects of the changes are now beginning to be felt and the Council is starting to appropriately challenge the Executive Board and provide the degree of scrutiny required on key operational issues such as fees, Key Performance Indicators (KPIs) and risk. We noted that continued improvements need to be made to support the governance of the NMC below Council and Executive levels.

1.4.5.5 Quality Assurance

In July 2013, the Council approved a Corporate Quality Assurance (QA) Strategy to strengthen QA at the NMC. The QA strategy consists of three key outcomes including: implementation of a performance and quality framework by October 2014; development and delivery of the QA team's annual working programme; and the embedding of a culture of learning and continuous development. The NMC is making progress against each of these three outcomes. However, as at September 2014, it does not have an established system of quality improvement across the organisation providing assurance to the Executive Board that directorate QA systems are operating effectively.

1.4.5.6 Management information

The NMC has taken steps to improve its management information monitoring and reporting mechanisms. The six KPIs routinely reported to Council now allow financial information to be considered and scrutinised alongside performance. Furthermore the Council has worked with the Executive team in refining the presentation of these to enhance Council's scrutiny. The NMC will need to continue its focus on meeting its KPIs, and in developing further its ability to provide directorate level management information from its current systems which is reliable and accurate.

1.4.5.7 Information Communication Technology (ICT)

Progress with ICT development over the last two years has not proceeded at the pace the NMC would have wished. Although the NMC has stabilised its existing systems and mitigated some of the

risks inherent in the NMC's core ICT systems, significant ICT change has not materialised. Although ICT has a defined strategy, this is not yet aligned to the NMC's draft Corporate Strategy. There are issues in relation to the governance arrangements surrounding ICT and the team's capacity, capability and profile. This may have hindered the more substantial ICT infrastructures changes that are required. We note that Council is now clear that this needs to be addressed.

1.4.5.8 Customer service

The NMC does not yet have a consistent organisation-wide approach to customer service standards. However, the Change Management Portfolio Board has recently approved the use of a framework to allow for the central coordination of customer service. Further, the NMC has already taken forward a number of initiatives to drive improvements in its customer service, including NMC Online, the FtP Witness Improvement Plan, and processes in FtP which seek to address the speed with which it deals with cases.

1.5 Summary ratings of progress against the PSA recommendations

In order to provide the NMC with clarity on overall performance and an indication of the extent to which it has implemented each of the PSA's Strategic Review recommendations, we have provided an assessment of progress. We have used a three-level rating approach: 'basic', to 'established' through to 'enhanced' where we consider performance has exceeded the PSA's expectations.

In arriving at our ratings below, we have applied a degree of pragmatism when assessing the NMC against recommendations set two years ago. We have rated the NMC's progress against recommendations made at a time when the exact nature and scope of changes required could not have been foreseen. On this basis, we have considered the 'spirit' of each recommendation and are mindful that not every aspect of the PSA's recommendations as drafted may have been implemented in full in order for a recommendation to be rated as 'established.' However, where the NMC has already gone a long way to address the recommendation, or has a clear plan in place to do so, we have taken this into account in reaching our assessment.

Thematic Area	PSA Recommendation number	PSA Recommendation area of focus	KPMG Progress Rating
Regulatory purpose and function	1	Efficient and effective regulator	Established
	15	Direction, accountability and oversight of operations	Established
External stakeholders' perspectives	2	Communication of plans for improvement	Established
	3	Constructive dialogue with stakeholders	Established
	4	Liaison with nursing and midwifery organisations	Established
People and culture	5	Leadership values and behaviours	Established
	6	NMC staff and culture	Established
	7	Appointment of Chair and Chief Executive	Enhanced
Operational management	8	Change management	Established
	9	NMC strategic direction and executive accountability	Established
	10	Council governance function and structures	Enhanced
	11	Presentation of financial information to inform decision making	Established
	12	Financial management and grip	Established
	13	ICT investment and strategic direction	Basic
	14	Management information	Established

2 Introduction

2.1 Background to the NMC

The Nursing and Midwifery Council (NMC) is the nursing and midwifery regulator for England, Wales, Scotland and Northern Ireland and exists to safeguard the health and wellbeing of the public. The NMC's remit is set out in the Nursing and Midwifery Order 2001 and the work of the NMC is governed by this and other associated legislation. The NMC's work is subject to oversight by the Professional Standards Authority for Health and Social Care (PSA) which reports annually to parliament on its performance.[4] The NMC is also accountable to the public and to Parliament, through the Privy Council.

As set out in legislation, the NMC's role is to protect the health and wellbeing of the public by:

- setting of the standards of education, training and conduct that nurses and midwives need to work to, to ensure the delivery of high quality healthcare;
- the maintenance of a register of all nurses and midwives;
- ensuring that nurses and midwives keep their skills and knowledge up to date and uphold the standards of their professional code;
- ensuring that the NMC has equitable, transparent and clear processes to investigate allegations made against nurses and midwives who fall short of the NMC's standards;
- ensuring that midwives are safe to practise by setting rules for their practice and supervision.

The NMC maintains a register of 680, 858[5] nurses and midwives and employs 694 people on permanent, fixed term, contractor and agency contracts. In 2012-13 its annual expenditure totalled £63 million.[6]

2.2 Scope of this review

In 2012, the Parliamentary under Secretary of State for Health commissioned the PSA (previously Council for Healthcare Regulatory Excellence[7]) to carry out a strategic review of the NMC. The PSA's final report published in July 2012[8] stated that the NMC should be allowed time to implement change but that it would '*expect to see demonstrable improvement within two years*'. Within the Strategic Review the PSA made 15 recommendations. These recommendations are included for reference at Appendix A.

[4] Professional Standards Authority, Annual Report and Accounts and Performance Review Report 2013/14, http://www.professionalstandards.org.uk/docs/default-source/scrutiny-quality/performance-review-report-2013-2014.pdf?sfvrsn=0

[5] As at 31 March 2014

[6] NMC Annual report and accounts 2012-2013, http://www.nmc-uk.org/Documents/Annual_reports_and_accounts/Annual%20Report%20and%20Accounts%202012%20-%2013%20and%20Corporate%20Plan%202013%20-%2016.pdf

[7] The Professional Standards Authority changed its name in 2013 from the Council for Healthcare Regulatory Excellence.

[8] Strategic review of the Nursing and Midwifery Council, http://www.nmc-uk.org/Documents/120629%20CHRE%20Final%20Report%20for%20NMC%20strategic%20review.pdf

Two years on, the NMC commissioned KPMG to undertake an independent review to assess the extent to which progress has been made in implementing the PSA's Strategic Review recommendations. Our review, running from June to September 2014, focused on:

- the extent to which recommendations directed by the PSA to the NMC and accepted by the NMC have been implemented, including recommendations in relation to financial management and controls, except in so far as these relate to income or expenditure decisions made by the Council;
- whether adequate plans are in place to address any such recommendations not yet implemented in full; and
- the extent to which improvements can be demonstrated as a consequence of these or other actions taken by the NMC since April 2012.

Our review has focused on the 15 recommendations and has grouped these into four thematic areas of the NMC's activity. As commissioned by the NMC, we have not considered those operational areas which may overlap with the existing assurance mechanisms or assessments of performance by other organisations which review the NMC's progress (notably the Department of Health and the PSA). These additional mechanisms are listed at Appendix B.

This report is the conclusion of our review and follows extensive engagement with external stakeholders, Council members and staff at all levels of the organisation; observation of Council and other internal meetings; and a desk-based review of relevant documentation.

We would like to thank all staff, Council members, and stakeholders who have met with us and shared their views during our review. We have considered all these perspectives as part of this work and we reflect them within our findings and conclusions.

3 Methodology

Our report sets out the extent to which the NMC has implemented the 15 recommendations made by the PSA's 2012 Strategic Review.

Section 4 provides our perspective on a number of the contextual factors affecting the NMC since 2012.

In Sections 5 to 8 we set out our detailed findings under four headings corresponding to those within the PSA's report:

- Regulatory purpose and function;
- External stakeholders' perspectives';
- People and culture; and
- Operational management.

We provide a commentary on the NMC's current position, the extent of change which has already taken place and the areas the NMC has recognised for further development. We also comment on areas where we consider there is further scope for development and progress.

In Section 9 we provide a high level implementation rating which gives our assessment of progress for each of these recommendations.

In Section 10 we draw our report to a close with our conclusions on the progress the NMC has made and our reflections on its readiness for the future.

At Appendix D we provide a table demonstrating the cross-cutting thematic nature of the coverage for each recommendation.

3.1 Approach

Our review has been undertaken through a combination of:

- desk-based review of relevant documentation;
- observation of NMC meetings and other events/committees/forums;
- semi-structured interviews/discussions with internal stakeholders;
- six focus groups with staff (71 staff in total); and
- semi-structured interviews/discussions with 29 selected external stakeholders.

The degree of engagement has meant that throughout the course of our work we have had the opportunity to seek a wide variety of perspectives. A full list of external stakeholders interviewed, as well as a list of all meeting observations, is included at Appendix C.

3.2 Implementation rating methodology

In order to provide the NMC with greater clarity on progress against each PSA recommendation, we have provided a maturity assessment rating against each recommendation: basic; established; or enhanced. This score reflects:

- the extent to which each of the recommendations have been implemented; and
- the degree of evidence available (obtained through both documentation review and meetings with stakeholders) to support each of these outcomes.

The recommendation ratings shown at Section 9 reflect the extent to which the NMC has made progress in all elements of each recommendation. The rating definitions are detailed in Figure 1 below.

Figure 1: Implementation Rating Definitions

Rating	Rationale
Basic	Limited or no evidence of developed systems and processes supporting the implementation of the recommendation. Slower than reasonably expected pace of change.
Established	Some evidence of developed and embedded systems and processes supporting the implementation of the recommendation. Expected pace of change.
Enhanced	Strong evidence of well developed and embedded processes supporting the implementation of the recommendation, as well as evidence demonstrating how the NMC has considered areas of further development to strengthen existing processes. Good pace of change.

4 Contextual factors affecting the NMC since 2012

We understand that the NMC's core purpose of protecting the public (and the way this is manifested, such as through the management of its operational functions) is set against the backdrop of factors. This includes rising public expectation as well as, to a certain extent, legislative and financial constraints, both of which were mentioned to us by many external stakeholders. In particular, we noted:

- **Increasing volume and complexity of Fitness to Practise (FtP) referrals** – Referrals to the NMC have doubled since 2008–2009. In addition, the NMC has seen an increased complexity in cases resulting in a greater number of hearing days per case and consequently higher costs. In 2009–2010 the NMC spent £17.8 million on FtP activities; this has risen to £48.6 million in 2012–2013.
- **Financial pressure continues** – The NMC has a recurring, forecasted annual financial gap. In 2012–2013 the NMC's annual costs were £63 million. In the years 2013–2014 to 2016–2017 the NMC's costs are projected to range from £73 million to £82 million per year. The NMC's income from registration fees alone (not including the grant from the UK government) is £67 million per year.
- **Changing healthcare landscape** – Since the PSA's Final Strategic Review report the landscape in healthcare has changed considerably. This is due in part to the findings of reports such as those of Francis[9], Berwick[10] and Cavendish[11] which were published after the PSA's Strategic Review.
- **Legislative framework** – As part of the government's response to the Francis report[12] the Prime Minister referred in February 2013 to the need to, *'sweep away the NMC's outdated and inflexible decision making process.'*[13] This acknowledged the prescriptive nature of the Nursing and Midwifery Order 2001 and its associated Rules. The government asked the Law Commission to consider the legal framework for professional healthcare regulators and on 2 April 2014 the draft bill was published[14].

  Within the current parliamentary session the bill is not being taken forward, so the NMC will continue to operate with powers which limit its ability to resolve matters without full panel FtP hearings and a lack of flexibility over the location of its hearings. This increases the cost of delivering its FtP function and impedes its ability to deliver efficiency savings. A Section 60 Order and associated rule amendments are underway to introduce a number of small changes including a new review power and case examiners. These changes are due to come into effect in early 2015, but will have taken over 18 months to progress as there is a need in each instance to reach agreement on the proposals with the Department of Health (DH), formally consult on the changes, and then follow parliamentary process. There are a number of other significant changes which the NMC requires to its Order and the Rules, in particular the introduction of undertakings and warnings, which a number of the other regulators already have. Unless the Law Commission Bill is introduced, it is likely that these changes will take a similar amount of time to introduce.

[9] http://www.midstaffspublicinquiry.com/sites/default/files/report/Executive%20summary.pdf

[10] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/226703/Berwick_Report.pdf

[11] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/236212/Cavendish_Review.pdf

[12] The Prime Minister's statement on the Francis Report, https://www.gov.uk/government/speeches/francis-report-pm-statement-on-mid-staffs-public-inquiry

[13] The Prime Minister's speech to Parliament on 6 February 2013, column 282, http://www.publications.parliament.uk/pa/cm201213/cmhansrd/cm130206/debtext/130206-0001.htm

[14] Law Commission, Regulation of Health Care Professionals – draft bill http://lawcommission.justice.gov.uk/docs/lc345_regulation_of_healthcare_professionals.pdf

- **Obligations to multiple key stakeholders** – The NMC operates in a politicised environment and it is mindful of the need to meet the expectations of multiple stakeholders who hold it to account for its performance or make recommendations for it to address. For example, over the period we are considering here the NMC has been responding to recommendations from the PSA, the Health Select Committee and the Francis Reports, as well as conditions associated with a grant provision from DH[15]. Although all the recommendations seek to improve the ability of NMC to protect the public, they address different elements of the NMC's work and require specific attention.

The implications of the factors outlined are important to consider as the context within which the NMC has been operating to implement the recommendations of the PSA strategic review.

[15] The £20 million grant was awarded to help the NMC meet the fitness to practise adjudication target by December 2014, clear the historic backlog of fitness to practise cases by December 2014, and achieve a minimum risk-based reserves level of £10 million by January 2016.

5 Regulatory purpose and function

5.1 A regulator focused on public protection

The PSA's Strategic Review report outlined that the NMC has *'not understood its regulatory purpose well and as a result it has not communicated it clearly to its stakeholders.'* It further reported that the role of the regulator is to set the *'baseline, the standard by which professional practice may not fall'*, that it is '*the role of professional bodies to support nurses and midwives to 'raise the bar'* and that it is the *'role of employers to manage performance'.*

5.1.1 Understanding its regulatory purpose

In its final report the PSA commented that, *'clarity of purpose is essential for any successful organisation,'* and acknowledged that the NMC was *'beginning to re-focus its thinking and its work solely on regulation.'* The PSA further reported that although the NMC understood its primary purpose was the protection of the public, amongst staff and external stakeholders there were varied views on what this meant and the activity it included. In this regard, two years on, the NMC is in a different place. From our interviews with both staff and external stakeholders the NMC very swiftly ceased a number of initiatives which were not considered to directly relate to its primary purpose, including student indexing and a nursing helpline, and concentrated its activities on those which directly contribute to its core objective of the '*protection of the public*'.

Many stakeholders acknowledge that strong leadership from both the current Chair and Chief Executive has sharpened this focus, ensured that the NMC is moving in the right direction and resulted in extraneous initiatives no longer being taken forward. Overwhelmingly, stakeholders commented that the NMC now '*sticks to the knitting*,' '*acknowledges and tackles issues head on*' and does so in an '*open and transparent manner*'.

A number of stakeholders commented that the focus of the NMC in the last two years has been sensibly on '*fixing the basics,*' of carrying out its core functions in registration, continued practice and FtP. The majority commented that the NMC '*justifiably*' has concentrated its efforts and resources in FtP. However, many consider that spending 77 per cent of annual income on FtP activities, which apply to less than 1 per cent of the nursing and midwifery population[16] is not sustainable in the long term, nor does this allow the NMC to focus a balance of its resources in areas such as policy, standards and education.

5.1.2 Demonstrating its regulatory purpose in practice

Since the report, the NMC has concentrated on improvements in FtP processes and Registrations. In addition, the NMC has continued to focus on clearing the FtP backlog and achieving performance targets in relation to adjudication and reserves which have been agreed with the Department of Health.

Alongside its commitment to drive forward improvements in these areas, the NMC has not lost sight of the need to develop new policy, systems and processes across all its operations to support its regulatory purpose. To this end, the NMC is taking forward a number of initiatives such as the new Code, its support for the review of midwifery supervision[17], and its proposals for the revalidation of nurses and midwives and the creation of the regional liaison service. Nevertheless, some stakeholders, though largely supportive of these developments, commented that in expanding its

[16] http://www.nmc-uk.org/Documents/Consultations/2014/Fee%20Rise%20Consultation.pdf

[17] NMC, http://www.nmc-uk.org/media/Latest-news/The-Kings-Fund-to-undertake-independent-review-of-midwifery-regulation/

range of activity, the NMC should not divert its attention from the noticeable continuing improvement in its core functions.

5.1.3 Asserting its regulatory presence

One of the main commendations from stakeholders is the degree to which in the last year the NMC has collaborated with other organisations on key areas of policy and standards. For example, its work on the duty of candour with the General Medical Council (GMC); education and standards; and the work on the Law Commission bill with all of the other eight professional healthcare regulators. Stakeholders believe this demonstrates a change in mindset of the NMC and a commitment to play its part in setting the tone of professional regulation and be seen on an equal footing with other regulators.

However, there is a range of opinion from stakeholders on the extent to which the NMC should be engaging in some collaborative initiatives, for example the co-sponsorship with Health Education England of the '*Shape of Caring Review*'[18]. Some stakeholders consider that the involvement of the NMC, particularly as a co-sponsor, strays outside of the NMC's core focus, whilst others consider that it is inextricably linked to its core regulatory purpose of setting the standards of education, as well as ensuring that the NMC is ready for the future, through working in partnerships with other organisations.

Large-scale failures of care, such as those at and Mid-Staffordshire NHS Foundation Trust mean that regulators are increasingly required and expected to be more collaborative, engaged and patient-centric. The NMC has taken a more proactive stance in recent months, for example with the release of its position statement on the degree of appropriate safe staffing levels in health care settings.[19]

5.1.4 Areas for continued focus in relation to regulatory purpose and function

Many stakeholders commented that they perceived the NMC to have been very clear on its regulatory purpose for some time and that it should continue to assert its role and responsibilities strongly. In order to build public confidence further, it is important that the NMC continues to focus on its core regulatory functions, and by doing so, demonstrates its commitment to being an efficient and effective regulator.

[18] Health Education England, Shape of Caring Review, http://hee.nhs.uk/work-programmes/shape-of-caring-review/

[19] NMC, http://www.nmc-uk.org/Documents/Press/Safe%20staffing%20position%20statement.pdf

6 External stakeholders' perspectives

6.1 Achieving a constructive, focused dialogue with stakeholders

The PSA Strategic Review indicated that stakeholders wanted the *'NMC to succeed but warned that it must improve quickly to retain their support as confidence is being damaged.'* The PSA's report outlined that there were several issues which the NMC needed to address in relation to stakeholder management. Specifically, some stakeholders perceived that the *'NMC works for the benefit of the profession rather than holding nurses and midwives to account, and '* many considered that there is a *'perceived bias towards nursing'* over midwifery. In addition, stakeholders reported to the PSA that the NMC is *'anglo-centric'* and does not adequately build relationships with nurses and midwives from across the UK and the islands.

6.1.1 Improved relationships

The PSA Strategic Review recommended, in light of stakeholder feedback, that the NMC '*must improve its performance, operate transparently in line with its published policies and communicate its plans for improvement effectively in order to retain the goodwill and support.*' It is clear through discussions with stakeholders and staff that the NMC has made a good deal of progress in addressing these concerns, and has targeted its communications and invested in key strategic relationships, particularly at senior levels. By way of example, a number of activities have been cited:

- regular one-to-one meetings between the Chair and Chief Executive and key stakeholders;
- Council member engagement, particularly in and with the four countries;
- a programme of Chair and Chief Executive visits to practice settings every year;
- establishment of professional advisory forums in areas such as education and revalidation;
- creation of a Professional Strategic Advisory Group to provide the NMC with an opportunity to engage with senior nurses and midwives, to share insights and information about strategic developments and advise the NMC's executive team. This group, which meets quarterly, includes senior nurses and midwives from across the four countries of the UK and from a range of fields, including academia, management, policy, health and social care; and
- a public and patient engagement forum, with 90 organisational and individual members who meet quarterly to discuss various patient issues and gain insight to inform policy work and operational delivery.

Although the NMC does not have a formally ratified[20] corporate stakeholder engagement plan and full stakeholder mapping analysis, it has made considerable improvements in the way in which it engages with its stakeholders. For example, at its March 2014 Council seminar, the Executive provided a presentation to the Council outlining its approach to engagement for the upcoming year. Recognising this in its Annual Report and Accounts and Performance Review Report 2013/14[21], the PSA reported that from *'the third-party feedback that we received this year, particularly from*

[20] A draft public engagement strategy was considered by Council in November 2012. This paper set out proposed approaches to engaging with patients and the public. An overarching engagement strategy was considered by Council in February 2013, which approved it for publication as the 'public commitment to NMC engagement (http://www.nmc-uk.org/Documents/NMC-Publications/Public%20commitment%20to%20NMC%20Engagement.pdf). The March 2013 meeting of Council agreed to postpone further discussion of engagement until after the reconstitution of Council.

[21] Professional Standards Authority, Annual Report and Accounts and Performance Review Report 2013/14, http://www.professionalstandards.org.uk/docs/default-source/scrutiny-quality/performance-review-report-2013-2014.pdf?sfvrsn=0

registrants and registrant representative groups, it is clear that the NMC and its stakeholders are now benefiting from its commitment to developing effective relationships.'

6.1.2 Visibility – moving in the right direction

There is a general recognition throughout the organisation that the status of communications and engagement with its stakeholders must be strengthened if it is to continue to improve as a regulator. The draft strategy approved by the Council in July 2014 cites stakeholder engagement as a key focus over the next five years indicating the strategic direction of NMC.

Notwithstanding the NMC's current commitment to openly engage with its stakeholders, some stakeholders commented that in the first 12-15 months after the issue of the PSA Strategic Review report the degree of NMC engagement and the visibility of key Executive Board members were limited. This was even in some policy areas where they may have expected the NMC to have a presence. Stakeholders recognised that this was likely to be due to the need for the NMC to concentrate on the delivery of its core functions, however they stressed that this could not continue in the long term.

In the last 9 to 12 months however, stakeholders overwhelmingly commented that the NMC has considerably increased its levels of engagement with registrants, professional bodies and other representative groups. It was also noted to us how the NMC has taken a more proactive stance with the media during this time reflecting an increased degree of confidence and its desire to raise its public profile.

6.1.3 Focused *'open and transparent'* engagement

It is evident that the NMC has a clearer view on which stakeholders it should be engaging with (it has a draft stakeholder map to support this) and the form that this engagement should take. All NMC projects, as part of the project planning stage, must include details of how they intend to engage and consult stakeholders. We understand that there are specific stakeholder and communications plans, reflecting engagement strategies tailored to particular projects or programmes, for example, road shows on new Midwifery Standards, the Code and Revalidation consultations, and engagement on Professional Indemnity Insurance guidance.

Stakeholders also almost universally commented that their relationship with the NMC was much more open and transparent, and that this was testament to the personal style and commitment of the Chief Executive and Chair. Many stakeholders also reflected that the strong '*two-way*' relationships with the Chief Executive and Chair were also supplemented by meetings with selected members of the Executive Board, although the degree of this engagement was dependent on the focus of the project or policy area.

6.1.4 Regulating across the four countries

Our discussions with stakeholders also indicate that the criticisms raised towards the NMC in relation to its 'anglo-centric' focus are largely no longer valid. The NMC, through the nature and focus of its engagement, has demonstrated that it recognises and understands the differences between the four countries. We understand that by September 2014 the Chair and Chief Executive will have met with health ministers from all four countries of the UK over the last 18 months. In addition, stakeholders commented that the Council session recently held in Edinburgh (June 2014), the plans in place to hold the next on-the-road Council session in Belfast in May 2015, the revalidation events across the country and regular NMC engagement with the Chief Nursing Officers in all the devolved administrations demonstrates that the NMC is committed to all four countries.

However, a number of stakeholders still felt that '*England only issues*' dictate the pace of change, time, resources and development opportunities provided for within the other three jurisdictions. Furthermore, some stakeholders commented that the NMC should be mindful of the devolution agenda, reflecting that in the past the degree of engagement was 'more tangible' as there was a dedicated NMC post representing Scotland and Northern Ireland, strengthening the depth of understanding of each country's particular issues at the NMC.

We understand that the NMC is keen to learn from its recent four nations' engagement project and intends to develop an action plan for further engagement in Northern Ireland, Scotland and Wales by the end of the 2014. In addition, this should be strengthened with the roll-out of the NMC's regional liaison project in 2015, and significantly, representatives from each country are involved in the scoping of this work.

6.1.5 '*Informed*' engagement

With a clear focus on its regulatory purpose of public protection, the NMC has in the last two years chosen to obtain insight and engagement in its activities from nurses and midwives through its Council (currently with six registrants as members), registrant members on the Midwifery Committee, and through its advisory groups similarly made up of lay and professional members. It has also recently formed the Professional Strategic Advisory Group to provide additional insight and guidance from senior members of the nursing and midwifery professions.

There was considerable divergence amongst stakeholders on whether the NMC '*needs*' to employ registrants and whether these should be at a senior level. We noted that there is not a consistent approach to employing registrants in senior posts amongst other professional regulators. For example, we understand that neither the General Optical Council nor General Dental Council have registrants in their management teams. The General Medical Council has two doctors in senior positions.

Stakeholders, particularly a number of those who are registrants themselves, commented that registrants employed in senior posts in the NMC may provide additional insight into the profession and ensure that policy and standards can be framed in the right style and tone. Some other stakeholders felt that the inclusion of senior nurses or midwives would give the NMC gravitas and increased credibility which would ultimately increase the profession's trust and confidence in it.

Although many consider the creation of the Professional Strategic Advisory Group is a helpful step, others consider that this does not fully replace the need to have registrants '*embedded*' into the 'business as usual activities' and may pose problems in the future, for example should the Executive disagree with any guidance provided by the group. We note that at this point in time the NMC has acknowledged that it requires registrant input, albeit in an advisory capacity.

6.1.6 Consultation

In recent years the NMC has undertaken wide formal consultation, as it is required to do so by its legislation, particularly in relation to major programmes such as revalidation, the Code and its fees. To support this and ensure consistency, the NMC has produced a document for staff based on the Cabinet Office guidelines setting out best practice when consulting with stakeholders. The NMC is also developing business procedures in relation to consultations to ensure that consultations are centrally signed off before issue and directorate due procedure is consistently followed for all consultations.

A number of stakeholders, mainly registrants, felt that consultation was unlikely to have an impact on the overall outcome, and therefore questioned the value of undertaking the exercise. An example of this was the consultation on the latest fee rise. It is understood that the NMC's future reserves position is premised on the ability of the NMC to raise its fees, therefore, stakeholders feel the ability to influence whether or not the fees should go up is relatively limited.

Contrastingly, the NMC's approach to consultation with regard to revalidation was broadly commended by a number of stakeholders. Although, the PSA commented that the limited level of detail currently provided in consultation documents, may make it difficult for the reader to provide meaningful feedback.

6.1.7 Areas for continued focus in relation to stakeholder management

The NMC recognises the importance of engagement with its stakeholders and it is committed to strengthening its relationships. Whilst the NMC has already increased the capacity of its stakeholder management team, we note that it wishes to enhance its ability to effectively coordinate, manage and understand all of its stakeholders. We understand that the NMC is currently considering making a number of developments in this area, in particular:

- a customer relationship management system (CRM) to assist the NMC in managing its relationships with its stakeholders;
- a series of bi-lateral agreements with other regulators and partner organisations governing detailed operational protocols;
- commissioning an annual external perceptions review of the NMC for the first time to ascertain stakeholder views on performance; and
- a revised media strategy to enhance the NMC's public profile and improve public confidence in regulation.

7 People and culture

7.1 Embedding change and empowering staff

The PSA Strategic Review stated that the *'NMC has underlying cultural problems built up over a number of years that prevent it from achieving success,'* and a more 'open culture' will be required to succeed. The PSA commented on the dysfunctional relationship between the previous Chair and Chief Executive and that it was the job of the new leaders to develop an '*empowering culture*'.

It further acknowledged that, *'many of the issues facing the NMC are not new and have been identified to a greater or lesser degree throughout its life.'* The NMC has taken steps to respond to these findings, however, as with any programme of culture change, these will take time to embed. The Executive team also appreciates that further improvements can still be made in this area.

Throughout this section we refer to the findings from this survey, as well as those from the seven focus groups we held with NMC staff, to inform our conclusions.

7.1.1 Areas of progress in relation to people and culture

7.1.1.1 Organisational restructure

In the summer of 2012, the NMC instigated an organisational restructure, resulting in fewer directorates,[22] recruitment of a new Director team and a significant increase at Assistant Director level. Alongside this, a programme of redundancies took place. Following this restructure, the subsequent 12 months have been focused on activities related to organisational development and engagement.

Since July 2012, the NMC has rapidly grown its workforce and has particularly strengthened its numbers in FtP. As at July 2014 the NMC had 694 staff, an increase of 241 over the two year period. This translates as overall organisational growth of just over a half of the workforce, including growth in staff in FtP of 64 per cent, with FtP now making up 58 per cent of the total workforce. There is also a greater reliance on agency and fixed term staff and contractors who now make up a third of staff.

The NMC has also invested in its workforce in other areas; it has set up the Continued Practice directorate (the delivery of revalidation by December 2015 is one of its core objectives) and expanded its workforce in Registrations.

7.1.1.2 Staff survey

The NMC, recognising the need to understand and listen to its workforce and their perspectives, commissioned two staff surveys, one in May 2013 and another most recently in June 2014. The 2014 survey has a 73per cent response rate (361 people) which compares to an 84 per cent response in 2013. This survey shows a 4% increase in engagement score on 2013 results to 64 per cent, characterised by staff perspectives on pride, longevity, endeavour, advocacy and care.

Other areas of development are reported by staff. For example, 96 per cent of staff reported that they understand the aims and objectives of the NMC and 75 per cent of staff reported that they enjoy their work. Significantly, a large proportion of staff, 83 per cent, consider that their manager treats people fairly and with respect.

[22] The NMC restructure resulted in a reduction of nine directorates to the current six.

In support of this, through discussions with staff we identified that the NMC is perceived to be a good place to work. It is seen to be a '*family friendly*' organisation offering flexible working and competitive holiday/pension entitlements, provides a good work life balance for the majority of its staff, and there is a sense of camaraderie in teams. Many staff also commented that the '*sense of purpose*' the job provides and the recent commitment to provide '*bite-size*' training opportunities, a degree of career progression in some posts, and a commitment by some managers to provide feedback, was appreciated.

7.1.1.3 Human Resources strategy initiatives

The current NMC Human Resource and Organisational Development Strategy was approved by Council in February 2013.[23] This strategy, covering the period 2012-2015, sets out a number of initiatives which the NMC has taken forward including revised induction processes, revised Performance Development Processes and upgrades to the HR system. We understand that the HR strategy will be updated and revised in the autumn of 2014.

7.1.1.4 Values and behaviours

Acknowledging the PSA's concerns in relation to the need for senior leaders to demonstrate the NMC values in practice and in relationships with others, and as part of its HR programme of work, the NMC introduced a refreshed behavioural framework in December 2012. To cascade these new behaviours to all staff, the NMC introduced a behaviours awareness, which although not mandatory, was attended by 278 staff members (68 per cent) from across the NMC. However, the lowest attendance was from the management team (bands 1, 2 and 3) which may have prevented the programme from achieving maximum benefits. In addition, the NMC ran a Behaviours Development Programme in 2013 which helped staff consider how they can link the behaviours into the competencies required for their post. A total of 348 staff members (85 per cent) attended these sessions and we understand that there are plans to embed this learning into the NMC's induction programme.

Although the NMC has invested in training and communications in relation to its values and behaviours, the degree to which staff consider that '*senior managers truly live the values of this organisation*' has not changed a great deal based on the 2013 and 2014 staff survey results. In the most recent survey just over a third of staff considered that senior managers live the values, compared to 30 per cent in 2013. Perhaps surprisingly in both surveys nearly half of staff, 48 per cent, neither agreed nor disagreed with this statement. Through discussions with staff we understand that this may be for several reasons which are worthy of note and further action:

- staff may have different interpretations as to who their '*senior leaders*' are;
- some staff are not clear on what the NMC values are; and
- some staff, particularly those in FtP, do not feel able to form an opinion, as they do not have regular contact and visibility of senior leaders.

Notwithstanding the survey results, staff reported in focus groups that senior managers were '*likely*' to be living the values. Many staff commented that it was a difficult question to answer as it directly related to Senior Management Team visibility and some suggested that that it may be useful to have more sight of what they are doing day-to-day. Some of this perceived lack of visibility may explain the limited increase in confidence of staff in the senior management team of five per cent (up from 44 per cent in 2013) and a perception amongst some staff that the senior team were not always made aware of some of the issues facing staff because middle managers do not always escalate issues upwards.

[23] There was an earlier draft of the HR Strategy discussed by the Council in July 2012, this was updated and formally approved by the Council in February 2013.

7.1.1.5 Staff wellbeing data – turnover and sickness absence

The PSA commented in 2012 that as a consequence of the absence of a *'constructive'* culture there were a number of *'negative consequences'*, one of these being high staff turnover. The PSA reported that in 2011-12 there was a 31per cent staff turnover.

The NMC continues to have relatively high staff turnover.[24] However, this has steadily improved so that the staff turnover rate has declined during the last financial year (April 2013 to March 2014) from 34 per cent to 26 per cent. Based on current turnover rates it is continuing this decrease to 24.7 per cent in July 2014[25] and if turnover continues to decrease in this way the NMC forecasts that it should sit at around 22 per cent by March 2015.

The NMC recognises that there is no single solution to addressing the issues of high staff turnover, particularly given that 74.2per cent of staff are under the age of 40 and are therefore more likely to look to move employment every two years.[26] Rather, the NMC is aware of the need to deploy a range of measures, and it is already starting to take action in some areas. In particular, the NMC is aware of and committed to '*the need to continue to invest in staff training, provide improvements to staff pay and progression, create better working environments and recognise achievement both through pay and non-pay means*'.[27]

As at June 2014, the average sickness absence per head stands at 5.9 days which has fallen below the NMC target of 6 days and below both the industry average of 8.1 days and the national average of 7.6 days.[28]

7.1.1.6 Leadership – Chair and Chief Executive

The PSA Strategic Review report highlighted that the issues surrounding the '*imbalances and dysfunctional relationships between the former Chair and the Chief Executive and between them and the Council*,' contributed to the poor management of the NMC. The PSA Interim Review report, published in April 2012, focussed on governance and leadership and recommended that the appointment of a new Chair and Chief Executive be carried out swiftly.

The Chair, Mark Addison, was appointed by the Privy Council and took office on 1 September 2012.

The Chief Executive, Jackie Smith, was appointed for a period of 12 months in October 2012, and this was confirmed as permanent in June 2013.

Our discussions with stakeholders all highlighted that the manner of the appointment of the current Chair and Chief Executive were not '*ideal*'. However, stakeholders unanimously recognised that both appointments have positively impacted and strengthened the leadership and given clear direction to the NMC.

At the time of our review, we understand that the NMC is undertaking a competitive process to appoint the new Chair of Council who will take up post in January 2015, when the current Chair concludes his term of office. Stakeholders commented that the appointment of a new Chair would benefit from succession planning for all other senior roles, particularly that of the Chief Executive, to maintain the stability of leadership over the last two years.

[24] Details of NMC staff turnover are made available at each NMC Council meeting as one of the NMC's KPIs.

[25] The NMC revised its turnover rate KPI calculation methodology in August 2013 to include only permanent staff.

[26] http://www.ashridge.org.uk/Website/Content.nsf/FileLibrary/5B2533B47A6D6F3B802578D30050CDA8/$file/G458_ILM_GEN_REP_FINAL.pdf

[27] NMC Executive Board Meeting August 2014

[28] Industry averages taken from NMC workforce reports.

7.1.2 Areas for continued focus in relation to people and culture

Through our discussions with NMC staff, we identified a number of additional areas of development on people and culture which the NMC could address. Staff explained to us that although the NMC is already starting to take action, progress is felt by staff to be slow in some areas. Some of the cultural issues apparent at the time of the PSA Strategic Review persist, albeit to a lesser degree. In the most recent staff survey, staff were asked *'if they could change one thing about the NMC what would they change'. Responses were as follows:*[29]

- *Consistent internal communication between teams/directorates* – particularly better communication around change, both large and small, and transparency in decision making;
- *Greater collaboration between teams* – particularly more knowledge sharing, development of an open blame free culture where teams are encouraged to work together instead of being competitive;
- *Provide greater career progression* – with a focus that senior staff should be encouraged to delegate more work and staff should promote people internally rather than hiring contractors;
- *Leadership/strategy* – the Executive Board should work together more cohesively, be proactive, more decisive and definitive with direction of NMC. They should also be less reactive to external stakeholders;
- *Recognition* – show appreciation for hard work and long hours and provide incentives to staff underpinning this;
- *IT systems* – invest and update the IT system as it hinders daily work tasks;
- *Work life balance* – there are pressures to meet KPIs with unrealistic deadlines in some instances.

Building on the detailed findings in the staff survey, which are largely supported by our conversations with staff, there are a number of areas for further focus underpinning the cultural issues at the NMC:

- **Hierarchical structure** – Many staff commented on the extent of hierarchy within the NMC. The increases in staff at middle management and Assistant Director level and the re-introduction of '*seniors*' to allow for career progression in some roles has meant that issues in relation to hierarchy, such as slow decision making remain. Notwithstanding this, many staff also mentioned that there is a general feeling that they are *'able to contribute to change, albeit sometimes in a limited way'*.
- **Encouraging an open culture** –Some 59 per cent of staff (51 per cent in 2013) consider that it is '*safe to speak up and challenge the way that things are done.*' Changes in Serious Event Reviews management and general communications indicate that the NMC is committed to encouraging staff to speak up, report all incidents and follow due process. In addition, HR has noticed a general rise in grievances and reportable incidents which it attributes to a shift in the culture and a willingness to be more open and transparent.

  Opportunities for learning and development of staff – From the staff survey, the majority of the questions showed general improvements being evidenced year on year. Staff at the focus groups acknowledged that there has been a degree of change in the volume of opportunities available in terms of career progression and training. Staff commented that *'if you were motivated to move up the organisation then it was possible to do so, you just had to be personally motivated to make it happen'*.
- **Communication with staff** – The NMC Executive team make time to ensure that staff are adequately briefed on new initiatives and change. There are weekly face-to face staff briefings for all staff to attend (via video-conference for those staff in Edinburgh), which are supplemented by weekly directorate/team briefings, newsletters and updates on the intranet. However, staff said that often there is the potential for there to be information "*overload*" via email. In particular, in relation to communication on change, the survey highlighted that only 46 per cent (50 per cent in

[29] NMC Staff survey findings from management report provided by People Insight to the NMC - 2014

2013) consider that the reasons for change are well communicated to them. Many staff commented in focus groups that communication in relation to areas such as pay and grading was often *'unclear and inconsistent'*.

- **Appreciation of work delivered** – In the latest staff survey fewer than half of staff, 48 per cent (44 per cent in 2013) feel valued and recognised for the work that they do. Through discussions with staff we understand that the degree of appreciation is dependent on the team where the individual is based. Those in operational roles, particularly in FtP tended to be more critical of managers in this regard, citing that managers were driven by KPIs and their attainment, rather than quality.
- **Confidence in management team decision making** – The PSA noted in 2012 that staff 'lack confidence in the management team's ability to change the organisation because they perceive them to make short term decisions as 'knee jerk' reactions to comments or direction from external parties. In our review, staff continued to express concern that this may still be the case, where small process changes are introduced without sufficient consideration of the wider impact root cause analysis or a clear rationale. In our discussions with staff, we believe that this is still the case, particularly in FtP.

- **Managing expectations** – the NMC has experienced considerable changes in staffing in the last two years at all levels. Consequently, many staff have joined the organisation in the time since the PSA Strategic Review. The NMC's Executive team will need to manage expectations of staff about the nature and pace of change that they would ideally like to see. We found that many staff, perhaps unrealistically, have an expectation that management should 'consult' with them in relation to small process changes.

The NMC Executive team and Council recognise that there is still a lot to do to address the constructive improvements that staff are raising. A number of initiatives are underway in areas such as performance related pay, the creating of action learning sets across directorates to break down siloed working, creation of job families to enable employees to see career development within the NMC and the maintenance of investment in learning and development activities.

To support this, the HR function is continuing to expand its HR reporting mechanisms and further developments are underway in relation to exit interviews to better understand the rationale for staff departures.

8 Operational management

8.1 Becoming an efficient and effective regulator

The PSA Strategic Review highlighted *'serious deficiencies'* in relation to *'poor planning, an absence of a clear decision making process, unreliable management information and collective failure to link activity with cost.'* The PSA also reported that the NMC Council did not request and was not appropriately appraised of the organisation's performance. In response, the PSA review raised seven recommendations in relation to change management, corporate accountability and governance, financial management and activity costing, ICT and management information.

This section is split into eight subsections: change management, financial management and reporting, strategic direction and business planning, governance and risk management, quality assurance arrangements, management information, information communication technology (ICT) and customer service.

Evidence for this section was drawn largely from document review and observation of NMC meetings.

8.2 Change management

8.2.1 Implementing effective change management

In response to the PSA's Interim Strategic Review report and the need *to 'have a clear understanding of the totality of planned changes so that they can determine if the speed and extent of change is achievable and appropriate,'* the NMC established a centralised change management process.

8.2.2 Areas of progress in relation to change management

In July 2012, the Directors' Group agreed on the creation of the Change Management Portfolio Board (CMPB). The CMPB, set up to address and collate the issues identified by the PSA's Strategic Review Report into a single change programme, has succeeded in implementing significant, organisational wide improvements and benefits, including improvement programmes in both FtP and Registrations. To support the change programme, the NMC invested in a change programme management office to centralise the function. It has also recruited a number of change specialists and has provided a suite of training courses to staff to support them in delivering good project management.

The CMPB is accountable to the Executive Board and updates are provided at each meeting. The Chief Executive's Report provides brief updates for each Council session covering some of the large change projects and formal CMPB reports are provided to the Council on a six-monthly basis.

The monthly meeting of the CMPB provides members with the opportunity to consider, scrutinise and challenge the entire organisational change programme. Our observations confirm that there is a good degree of challenge and scrutiny at these meetings, particularly in relation to larger projects.

8.2.3 Areas for continued focus in relation to change management

Two years on, the NMC is aware that the current structures of the CMPB no longer operate as required. To address these concerns the NMC has already committed to putting a new structure in place by February 2015, aligned to the new Corporate Strategy which is due to be signed off by the Council in January 2015. When developing a revised structure there are a number of areas that the NMC should be mindful of to ensure that the arrangements are fit for purpose and address the weaknesses within the current CMPB model:

- **Alignment to business planning** – All NMC change programmes and projects are aligned to individual directorate business plans. However, the CMPB is not responsible for financial project scrutiny, as this is done at the monthly finance/directorate accountability meetings where all objectives within each business plan are scrutinised. This means it is difficult for the CMPB to effectively scrutinise long term project viability.
- **Project prioritisation and portfolio management –** Although the CMPB when it was first set up considered the need to prioritise certain projects, there does not appear to have been a rationalisation of projects throughout the lifetime of the CMPB, and we understand that a number of projects have been delayed due to both human resource and capacity issues. We understand through discussions with staff that this is likely to be the reason why staff may have unfavourably answered the question in relation to change within the most recent staff survey, as 40 per cent (42 per cent in 2013) of staff consider that change is not well managed at the NMC. Members of the Executive Board told us that the NMC is aware of the need to develop project plans '*smartly*' and build in decision points so that projects can be approached in a modular manner and, where required, scaled back until resources permit.
- **Benefits realisation** – The NMC has made some efforts to realise the benefits of its programmes of change and there is a framework in place to support benefits realisation and ensure an organisational wide consistent approach. Until July 2014 the use of this model was not mandated and was not universally used across teams. Although prior to July 2014 the NMC did not have a fully defined benefits realisation model in place capturing both quantitative and qualitative benefits, we recognise that organisational wide improvements and benefits have still been delivered. The NMC intends to retrospectively apply the new framework to those projects where the CMPB considers it will have greatest impact. In addition, all lessons learnt from change projects will in future be captured on the NMC's '*Learning Hub*.'
- **Threshold for defining what constitutes 'change'** – We noted that whilst areas of major change, such those listed above are passed through the CMPB for ratification prior to consideration by the Executive Board, it is difficult to make an assessment of whether all change is centrally co-ordinated, as there is no organisation wide definition and threshold for a change project – financial or otherwise.
- **Identification of project dependencies** – The ability of the CMPB to be able to identify inter-dependencies between projects and ensure that projects are not '*siloed*' in specific directorates is limited. Efficiencies may be realised if projects were for example run concurrently or through the utilisation of similar project teams or engagement with similar stakeholders.

8.3 Financial management and reporting

8.3.1 Significantly improving financial management and reporting

The PSA Strategic review final report commented that the, *'NMC has shown a collective lack of competence in failing to establish an appropriate link between the costs involved in delivering its planned activity, the key performance indicators it has committed to and the budget it has approved.'*

8.3.2 Areas of progress in relation to financial management and reporting

The NMC has made significant strides in strengthening the profile of financial management within the organisation and improving its reporting framework.

8.3.2.1 Profile and engagement of the finance team

The NMC has raised the profile of good financial management and finance across the NMC right from the Council level down to the Executive level in a number of ways:

- up-skilling staff;
- enhancing budget setting processes;
- embedding directorate financial support;
- enhancing the financial competence of the council members;
- routine financial monitoring; and
- improving financial reporting to the Council.

The PSA was highly critical of the NMC's ability to be able to accurately report its financial performance and provide the Council with the right information to be able to make informed decisions in the knowledge of all the possible risks. The NMC have strengthened their approach to financial reporting: there is monthly scrutiny at Director and Executive Board level and the Council receive the latest monthly financial monitoring schedules. This has supported the Council in enhancing their financial grip and rigour in their approach to the scrutiny of the NMC's finances.

In March each year, the Council considers the Financial Plan, Annual Budget, and annual review of reserves for approval. A paper was presented in March 2014 with extensive financial performance information and operational scenario planning analysis. In particular, numerical data analysis of actual, budget and financial plan forecast, and detailed line by line breakdown of budget with year on year analysis was provided supported by narrative. This was accompanied by a detailed scenario analysis based paper presented including information on FtP including budgeted, current and worst case scenarios for referral rates, length of hearings, screening and Investigating Committee closure rates.

8.3.2.2 Management of efficiencies

The NMC also has a Corporate Efficiency Board, which, since being re-established at the start of 2014, has met frequently and has agreed on three efficiency measures to allow the extent of efficiency programmes to be evaluated. The Board has recently been re-shaped, recognising the need to provide greater focus on value for money and efficiency monitoring. There are a number of efficiency work streams which are managed via Directorate Improvement Programmes and governed via the Change Management Portfolio Board. All Directors are aware of the need to prioritise programmes of efficiency and acknowledged that the organisation has got better at understanding the cost implications of a project or initiative before commissioning work.

8.3.3 Areas for continued focus in relation to financial management and reporting

There are a number of areas where the NMC can still make progress to strengthen further its financial management and reporting processes:

- **Concentration of efficiency savings within FtP** – The NMC has concentrated on developing efficiency savings in FtP, procurement and other projects. At present, the quantification of efficiency savings is within FtP only, and there is scope for further work in the other areas.
- **Management of efficiency savings –** Efficiency savings are currently managed at directorate level. To ensure that the financial impact of any efficiency savings are considered at the correct level, finance should be further involved in the identification, assessment and monitoring of efficiency savings to ensure that accurate management information is available to monitor and report on the efficiency programme.
- **Greater challenge of financial information by the Council** – The degree of financial information and scrutiny, although improved, could still be further strengthened, particularly in relation to the in year financial monitoring.

8.4 Strategic direction and business planning

8.4.1 Enhancing strategic planning

The PSA's Strategic Review report emphasised the need for the NMC to focus on its core activities and prioritise the need to become an '*efficient and effective regulator,*' by concentrating its strategy and business planning on '*improving effectiveness, efficiency and customer service*'.

8.4.2 Areas of progress in relation to strategic planning

The NMC has had a three year rolling corporate plan since 2012/13. The current NMC Corporate Plan 2014-17, '*Moving towards better regulation*' clearly identifies the NMC's mission, five values and. three corporate goals. The NMC is currently developing its 2015-2020 strategy and does not have a Corporate Strategy aligned to its corporate planning activities. Notwithstanding this, the NMC's corporate plan provides a degree of clarity and continuity of purpose in relation to its mission, corporate objectives and delivery of key outcomes from initiatives.

8.4.2.1 Developing the NMC's Corporate Strategy

Setting the NMC's strategy is one of the key roles of the Council. Whilst it was agreed in July 2013 to develop a new strategy for the NMC, the newly constituted Council wished to take time to understand the organisation and its wider operating context. Throughout 2013 and early 2014 there have been a number of Council discussions on a Corporate Strategy. Additionally, a strategy sub group was formed and stakeholders, including other regulators, were consulted on the content. The Council agreed to introduce a five year strategy starting in April 2015, which will allow time for the new Chair, who will take up office in January 2015, to contribute.

In June 2014, the Council endorsed the NMC's strategic principles, underpinning foundations, key pillars and overarching statements. The new strategy consists of an overarching strategic priority of the NMC's public protection purpose, and three additional strategic priority areas for 2015-2020 which in summary are:

- **Effective regulation**: The NMC is committed to continuing to improve its core regulatory functions, focusing on professionalism of nurses and midwives via revalidation, and where required, continuing to strive for legislative reform to ensure its functions, particularly fitness to practise, is streamlined and efficient.
- **Use of intelligence**: The NMC is aware of the need to improve how it uses the data it has available to provide greater insight, focusing on developing its capabilities in relation to data to enable the NMC to learn about and provide commentary on its registered population and to allow self-evaluation on its effectiveness.
- **Communication and collaboration**: The NMC strives to continually improve its understanding of its stakeholders and develop stronger partnerships and relationships.

The strategy is underpinned by an '*effective organisation*' theme, recognising the NMC's need to improve and transform its systems, invest in people, utilise resources effectively and provide good customer service.

The NMC intends to use the draft strategy approved by the Council in July 2014 to inform its next business planning round, which will get underway in Autumn 2014. This will ensure that the Strategy and Corporate Plan are aligned from 2015/16 onwards.

8.4.2.2 Improvements in corporate planning

The Corporate Plan is put into operation through Business Plans in each directorate (FtP, Corporate Services, Continued Practice, Strategy, Registrations, and the Office of the Chair and Chief Executive). A business planning team has developed and built upon existing processes to establish a

robust organisation-wide Corporate Planning framework and there have been a number of improvements in the last two years including:

- written Guidance for directorates on business planning;
- alignment to the majority of the NMC's corporate goals and objectives;
- uniform structure for each business plan;
- annual business planning processes with agreed timetables;
- monitoring and scrutiny of plans via – monthly accountability meetings attended by cross-Directorate representatives; and
- progress is also monitored on a quarterly basis by the Executive Board and the Council.

8.4.3 Areas for continued focus in relation to strategic planning

For the last two business planning cycles, the NMC has conducted an annual evaluation of its business planning processes, allowing the system and processes to gradually evolve. In addition to the areas that the NMC has already identified, there may be a number of areas where the business planning processes could be further strengthened:

- Consistency in setting *SMART*[30] milestones; and
- Encouraging greater cross-directorate working at early stages of business planning to make it easier to effectively manage project inter-dependencies throughout the life of a project.

8.5 Governance and risk management

8.5.1 Revising governance and risk management

The PSA's Strategic Review report acknowledged that '*good governance*' will be central to the success of the NMC in addressing its problems. To address this, in 2013 the NMC commissioned a review of its governance arrangements with the aim of enabling the Council to become more '*board-like*' and strategic, streamlining its governance structures and processes, and ensuring that the executive team have clear responsibility and accountability for day-to-day operations.

8.5.2 Areas of progress in relation to governance and risk management

The NMC has implemented a number of changes to its governance structures including:

- **Smaller council** – Since May 2013, when the new smaller Council was reconstituted[31], the Council has met nine times in open session. The Council comprises lay and registrant members. All members received a comprehensive induction and each month the members meet in a private NMC Seminar session to receive a briefing on upcoming issues, operational updates and issues, and training.
- **Committees** – One of the main changes focused on streamlining the NMC's Council committee structure, retaining only the Midwifery Committee (as required by the Nursing and Midwifery Order 2001), the Audit Committee, Remuneration Committee (widely accepted requirements of good governance) and the Appointments Board. The Council de-constituted the following supplementary committees: the Education Committee, the Finance and IT Committee and the Fitness to Practise Committee. In addition, membership of the committees, except the Midwifery Committee and Appointments Board, is now limited to Council members only.
- **Frequency of Council meetings** – These are now held on alternate months in order to provide sufficient time between meetings for the executive to focus on delivery and performance

[30] Milestones which are Specific, Measurable, Achievable, Realistic and Time-constrained

[31] Only two of the incumbent council members remained in office.

improvement. It was also proposed that the Audit Committee and the Midwifery Committee should meet quarterly and the Remuneration Committee twice a year.

- **Improved Council papers** – The NMC discontinued the practice of '48 hour tabled' Council papers and has taken steps to plan agendas more effectively and improve the degree and presentation of information (financial and non-financial).
- **Executive Board** – The NMC created an Executive Board chaired by the Chief Executive which is attended by all Directors on a monthly basis. The purpose of the Board is to ensure the greater delegation of operational matters from the Council and to give the executive operational decision-making authority in those areas specified by the Council. In addition, the NMC retained the existing Directors' Group meeting to enable ongoing discussion of operational matters and collective understanding of any key issues arising amongst Directors and on a monthly basis by Assistant Directors. The Executive Board is also supported by a number of additional internal management committees.
- **Advisory groups** – The NMC now has three advisory groups: Education; Revalidation; and Professional Senior registrants, which are chaired by a member of the Executive Board and may include a Council member where their expertise is of particular relevance.
- **Standing Orders and Scheme of Delegation** – The NMC revised its standing orders and scheme of delegation. This was to ensure that Council and Committee business was streamlined, and that the setting of strategic direction, approving policy and holding the Executive Board to account are reserved to the Council while delegating day-to-day operations to the Executive.

The PSA Strategic Review Report recognised that the NMC had a documented approach to managing risk, but that this approach was not '*consistently and effectively applied*' and importantly had not detected poor performance or detected non-compliance with operating procedures. A revised approach, both policy and framework, to how the NMC identifies and manages risk centre on the co-ordination of risk management processes through the Risk Scrutiny Group. This group has met monthly since June 2013 and provides assurance to the Executive Board that risk is managed effectively. The Executive Board also scrutinises the corporate risk register and then this is reported to the Audit Committee and the Council.

As a result of the changes to the overall governance arrangements there are a number of areas of noticeable improvement:

- **Structure and focus of the Council meetings** – The structure and focus of the meeting has changed over the last 16 months to focus more on the key strategic issues. Stakeholders commented that the new Chair provides a sound sense of direction and it is clear that the Council has concentrated on the NMC's core business, and has a '*sharper focus on areas such as fitness to practise.*' A number of stakeholders commented that the Council is now maturing, beginning to challenge the Executive and *'asking the right questions,'* demonstrating their deeper understanding of the operations of the NMC.
- **Council reporting** – The degree of information provided to the Council is significant. In some areas, particularly finance, the degree of information provided in relation to the annual budget and the fee rise may be provided in too much detail. If more concise information was provided, it may actually prompt greater scrutiny in relation to areas such as individual directorate finances, ensuring that the Executive Board are challenged more in this area. Similarly, in key operational areas such as IT the degree of information and the updates provided may not provide the Council with sufficient information to challenge the Executive sufficiently.
- **Executive Board** – The Executive Board has met monthly since July 2013, over this timeframe the volume of papers has reduced and where possible the agenda has been streamlined focusing on metrics, risk and operational and reports. It has also improved the way in which it considers its performance, and has an improved relationship with Council members.
- **Audit Committee** – There is now a clear focus on risk and assurance and it is evident that the committee values the assurance derived from the internal audit team. The Committee is led effectively by the Chair, there is good time management and plenty of opportunity for comment from members and attendees. Significantly, staff are now held to account for the implementation

of internal audit recommendations and historic recommendations raised by the previous internal auditors are also being followed up. Stakeholders commented that the Audit Committee *'feels like a completely different meeting.'*

- **Internal audit –** The NMC appointed new Internal Auditors for the financial year 2013/14. The internal plan as approved by the Audit Committee sets out a 100 day plan, double the previous day allocation, and concentrates on the NMC's risk and quality assurance activities. The NMC's internal auditors[32] commented that there are key areas where the adequacy and effectiveness of the framework of governance, risk management and control is insufficient and requires improvement.
- **Risk management** – As part of the 2013/14 internal audit plan, and to provide assurance in relation to the operational effectiveness of the risk management framework, the Audit Committee commissioned two internal audit reviews focusing on risk. The findings concluded that the NMC has made good progress and the framework would take time to embed.

8.5.3 Areas for continued focus in relation to governance and risk management

There are a number of areas where the NMC can still make progress to further strengthen in arrangements in relation to governance and risk:

- **Rounded Council member skill set** – The NMC has recently undertaken its annual review of Council member effectiveness. In this review, the Council identified that it would like further training in relation to financial management, HR and ICT, identifying that there may be skills gaps in these areas.
- **Executive Board management of performance** – The Board has improved the degree of scrutiny and challenge of key operational areas. However, in areas such as revalidation there will need to be more scrutiny by the Executive Board to ensure that this change programme remains on track. In addition, although the Executive Board has more foresight in relation to issues such as the fitness to practise adjudication KPI, it may have been reasonable for the Board to have put contingency arrangements in place earlier.
- **Executive Board scrutiny and challenge** – Discussions at the Executive Board demonstrate that they are committed to meeting performance targets. Through observation and review of minutes, the degree of challenge evident in relation to the NMC's financial position, including consideration of under/overspends in year is limited, although we recognise that there is generally a good discussion in relation to the reserves position and directors do meet monthly with finance to consider individual directorate performance.
- **Management committees** – The Executive Board and its committees, some of which have not yet met[33], consist of many of the same people duplicating effort and resources. For example, the Executive Board members sit on the Change Management Portfolio Board, ICT Programme Board, the Corporate Efficiency Board and attend the Directors Group meeting. A number of the Executive Director group also sit on additional committees and boards.
- **Engagement with Assistant Directors** – There are 15 Assistant Directors drawn from different directorates across the NMC. The role of Assistant Director is varied, some are very operationally focused, such as those in FtP, others have a more strategic role. We understand that although Assistant Directors meet monthly with the Directors at the Directors Group meeting, there is no dedicated decision making forum of which they are all part. The Executive Board has not yet devolved responsibility in selected areas, nor set out a scheme of delegation to this group. If done, this could lead to further empowerment of this group of staff, so freeing up time for the Executive team to concentrate its time on more strategic areas.
- **Risk management framework** – Although the current risk management framework may be in our view somewhat mechanistic, it does provide the NMC with a framework to manage risk.

[32] Internal Audit Annual Report 2013/14, Moore Stephens

[33] As at September 2014 the Policy Committee was yet to meet and did not have formally agreed terms of reference.

However, there are still areas where the NMC recognises it needs to focus such as the degree to which the NMC effectively manages its regulatory risk, clarification on each group's responsibility in relation to risk management for monitoring risks and the extent to which risks escalate up through the organisation. Similarly, the effectiveness of the management and reporting of individual project risks and cross-cutting risks are two areas where the governance team are currently working with staff to improve the robustness of the system and ensure that risk-management is inherent in all processes.

We understand that the NMC is currently undertaking an Executive Board effectiveness self-assessment. Consideration of the role and remit of other boards and cohorts of staff alongside the Executive Board is important to ensure that assurance continues to be provided to the Executive Board allowing for effective operational day-to-day management.

8.6 Quality Assurance arrangements

8.6.1 Strengthening Quality Assurance

The PSA Strategic Review report recommended that the NMC would address some of the challenges in relation to culture and direction and oversight of its operations the NMC by strengthening quality assurance and '*consistently valuing quality*'.

8.6.2 Areas of progress in relation to Quality Assurance

In response, the Council agreed the Corporate Quality Assurance (QA) Strategy on 18 July 2013. The QA strategy consists of three key outcomes and all three outcome activities have run concurrently from the start of the programme:

- implement the performance and quality framework by October 2014;
- develop and deliver the QA team's annual working programme; and
- embed a culture of learning and continuous development.

In order to provide assurance to the rest of the organisation, the QA team provides regular progress updates to the Council (six-monthly), the Audit Committee (at each meeting) and the Executive Board (bi-monthly).

The NMC has not until recently had plans in place setting out for each directorate their individual quality control mechanisms. However, we understand through discussions with staff and review of the current draft quality action plans that there are a number of manager sign-offs, peer reviews, '*dip-checking*' which provide individual teams with assurance that systems are operating effectively.

8.6.3 Areas for continued focus in relation to Quality Assurance

In April 2014, the internal audit function examined the arrangements in place for delivering each of the three outcomes of the QA Strategy with a view to considering whether the assurance QA framework would be fully implemented by October 2014. The report concluded, *'that while some progress was being made it is at present unlikely that the QA framework will be fully implemented and fully effective by October 2014.'*[34] As at July 2014 the NMC has recognised that it needs to make several fundamental changes to its approach to each of the three strategy outcomes to ensure that sufficient assurance can be provided to the Executive Board and ultimately the Audit Committee and the Council that quality controls are operating effectively and as intended:

[34] Moore Stephens Internal Audit Report – Quality Assurance Part Two April 2014

8.6.3.1 Strategy: Outcome 1 - performance and quality framework

The Executive Board devolved responsibility for the delivery of outcome one to Directorates in September 2013. The Executive Board agreed in June 2014 that each directorate needed an action plan in order to ensure that there is a formal mechanism in place to provide assurance to the Executive Board that Directorate Quality Control systems were operating effectively by October 2014. By July 2014 all Directorates except for Registrations have provided a draft plan. The Executive Board acknowledges there is still work to do to ensure a consistent and robust approach; therefore, the QA team has delayed its scheduled reviews (part of outcome 2) until January 2015 and will focus on driving forward the implementation of outcome 1.

8.6.3.2 Strategy: Outcome 2 – QA team

A draft QA review programme was developed in June 2013 and has been subsequently revised and updated. The QA team has undertaken a number of reviews since its inception providing useful guidance to a number of the teams across the NMC. However, the most recent internal audit report highlighted a number of development points for the team to consider strengthening the processes and maximising the effectiveness of the team and the assurance it provides to the NMC.

8.6.3.3 Strategy: Outcome 3 – learning and continuous improvement

Progress against this outcome is more difficult to monitor, as it is premised on the strategy outcome of embedding a culture of learning and continuous development. We understand that there are several ways in which the NMC demonstrates progress against this outcome including:

- development of Serious Event Review processes and database to capture information and learning;
- revised processes for the handling of corporate complaints; and
- development of the 'Learning Hub' – an electronic central database, which is due to go live in September 2014, will act as an organisational database of learning and recommendations derived from a wide variety of sources.

Overall, the NMC needs to ensure that the Executive Board and the Council receive the degree of assurance required. Currently, although directorate systems of quality assurance and control are likely to be operating in practice, there are limited means to quickly discern whether these systems are operating effectively. In order to the meet the October 2014 deadline the NMC needs to ensure that directorate systems of quality assurance and monitoring are strengthened, consistently applied and reported upwards to provide assurance to those who require it so that system weaknesses can easily be identified.

8.7 Management information

8.7.1 Producing useable management information

The PSA's Strategic Review report outlined that the, '*absence of meaningful and consistent management information limits the ability of the NMC to make informed decisions and to set appropriate strategy.*' Recognising this, the NMC has taken strides to improve the way in which the data it has available is presented to the Council, Executive and individual Directorates.

8.7.2 Areas of progress in relation to management information

In line with good practice, the management information function is not centralised. Each individual Directorate has ownership for its information systems and is responsible for collecting, collating, reporting and assuring the accuracy of their own management information.

There are six KPIs which are presented to the Council at each meeting, alongside the fitness to practise dashboard. These indicators are aligned to the Corporate Plan objectives and have remained stable throughout the second half of 2013/14 and into 2014/15.

8.7.2.1 Directorate management information

Performance is monitored and reported in varying ways in each of the NMC directorates, for example:

- In FtP, recognising that it is one of the main areas of operational focus at the NMC, the team has developed a fitness to practise dashboard which consists of an indicator set comprising of the key operational lead and lag indicators which are regularly reviewed by the Senior Management Team and fortnightly by a Management Information Group; and
- In Registrations there is currently a set of five key subsidiary indicators which the team uses to monitor performance and report upwards to the Executive Board on a monthly basis. The Registrations directorate is currently in the process of developing a performance dashboard.

8.7.2.2 Information presented to the Council

Since its reconstitution in May 2013, the Council in the Performance and Risk Report has received a good degree of timely information on the NMC's KPIs. It is evident that the presentation, utility and degree of supporting management commentary have improved. In particular, reports now include graphical presentations of performance including past performance and longer term trends in some areas, a RAG[35] rating reflecting likely year end performance against a predefined threshold, average historical averages to aid comparison and a detailed commentary.

Our observation of the July 2014 Council session and documentary review confirms that there is a degree of challenge and scrutiny of the KPI information, in particular KPIs 4 and 5 which are associated with the Department of Health grant[36], and KPI 6 in relation to staff turnover.

8.7.3 Areas for continued focus in relation to management information

An internal audit report from September 2013 focusing on the six Council KPIs found that, '*significant work has been done to date, but there still remains a body of work to do to ensure that KPIs and underlying management information is fully fit for purpose.*' In light of this report the NMC, with input and direction from Council, refined and improved its processes for the compilation and reporting of its KPIs. Although it has made changes in the management information that is reported to Council, at Directorate level there are further improvements to be made in all areas relating to compilation, coverage, collation, accuracy, reporting and monitoring of performance.

In addition, the KPIs do not yet include qualitative performance measures demonstrating how the NMC is delivering a high quality service or meeting its customers' requirements and there are currently no indicators for the continued practice directorate. As recommended by the PSA, the NMC has not yet undertaken a full scale management information review to ensure that it is 'focused on meaningful and useful data.'

8.8 Information Communication Technology (ICT)

8.8.1 Modernising and improving ICT

The PSA's Strategic Review report noted that the, '*ICT systems currently in place at the NMC do not provide the basis for an efficient organisation*' as they are '*out-dated*' and there are '*limited interfaces between systems.*' The report further outlined that for the two main operating systems, WISER (registration system) and the Case Management System (CMS) (fitness to practise system), staff had developed a number of manual '*work arounds*' and there was a significant degree of time consuming manual data entry and consequential data inaccuracies. These issues alone limited the reporting

[35] Red, Amber, Green

[36] In 2012 the Department of Health awarded the NMC a grant of £20m. The grant was awarded to support the NMC to meet its fitness to practise adjudication target and to clear the historic backlog of cases (both by December 2014) and achieve a minimum risk-based reserves level of £10 million by January 2016.

capabilities of the NMC, whilst also impeding the NMC's ability to implement organisational efficient working practices.

8.8.2 Areas of progress in relation to ICT

In September 2012, the Council approved the NMC's Strategic Development programme and funding to support the first two phases of the strategy. Broadly the NMC's ICT strategy focuses on the organisation's need to:

- Stabilise – upgrade existing systems to the latest supported versions so as to increase the reliability of applications;
- Evolve – define the NMC's ICT vision for the future and create the long term strategy; and
- Transform – implement a new ICT system in light of approval of a long term ICT strategy.

Since the implementation of the strategy, the NMC has made significant progress in stabilising its ICT infrastructure through the delivery of the first phase. In order to increase the capability and reliability of the NMC's core systems, thus mitigating some of the inherent operating risks and weaknesses, the NMC has taken a number of actions including:

- moving business critical systems onto a newly supported version of Microsoft database software;
- implementing security improvements, including the encryption of laptops and emails;
- improvements within information security processes and practices including the Information Governance Security Board (IGSB), which reports to the Executive Board; and
- building reporting functions within WISER and CMS which allow for a degree quality assurance and reconciliation between the two systems.

In March 2014, a high level data strategy was approved by the Executive Board. The aim of the strategy is to improve the quality and completeness of the data held by the NMC, so that it provides greater insight to operational efficiency improvements, and supports the NMC's transition into a more proactive information conscious regulator.

8.8.3 Areas for continued focus in relation to ICT

Although the NMC has now stabilised its ICT systems, a substantial number of the issues identified by the PSA remain two years on, albeit that some of the operational the risks are now mitigated. We understand that the NMC has been delayed in making these much needed advancements in ICT for several reasons including:

- **strategic development** – In September 2012 when the ICT Strategy was originally approved, it was envisaged that specifications for new systems would be developed and presented to the Council for consideration in 2013. However, the pace of change was slower than anticipated and although an ICT Strategic Plan 2013-2016 was presented to the Council in November 2013 this lacked detail on the future vision for ICT as this was not aligned to a corporate strategy.
- **governance structures underpinning the development of ICT** – In the absence of a corporate strategy, ICT has looked inwardly to the business for strategic direction. The ICT Programme Board was formed in February 2014 with the remit to lead on the prioritisation and monitoring of strategic ICT change and be a forum to scrutinise ICT matters more comprehensively than is possible at Executive Board. The ICT Programme Board has not yet set a long term work plan. However, there is now agreement between the members, internal and external that the Board is moving in the right direction.
- **congruence of the ICT team and the NMC's business objectives** – Historically, there has been a lack of alignment between the main operational teams within the NMC which have looked to the ICT team to provide '*the answers*' on ICT requirements. More recently these operational teams have asked the ICT team to provide a range of options so that an informed decision can be reached. However, there appears often to be an impasse, where insufficient direction from the operational teams to the ICT team has led to projects being delayed or put on hold.

- **enterprise architecture** – There is currently no enterprise architecture at the NMC, and this constrains the ability of ICT to look across the organisation and map out business needs, IT dependencies and subsequently develop a model which is most conducive to addressing all of these. Individual directorates research, procure and use their own ICT business programmes and products in silos and often bypass ICT.
- **ICT capacity and capability** –The overall ICT team has increased in headcount by 18 from 29 over the past two years. However, capability gaps remain within the team and over half of team members are contractors or recruited on temporary contracts. The high dependency on contractors, even at senior positions within teams, presents a financial risk to the NMC as well as long term business vulnerability.
- **ICT strategic leadership and advocacy** – There also exists a wider question of ICT strategic leadership and advocacy and the potential for the NMC to address this via the appointment of a Chief Information Officer (CIO) or similar. A CIO would assist the Executive Board to define and shape the NMC's technology and business requirements and manage the subsequent implementation. However, presently, it is vital that greater leadership input from the Executive team input is given to ICT, under the remit of the ICT Programme Board.
- **staff confidence in the ICT function** – NMC staff have a limited degree of confidence in the ICT infrastructure and continue to use workarounds in a number of areas. The lack of confidence is derived from areas of perceived '*poor service*' provided by ICT to the business.

There are a number of issues particularly in relation to capacity, strategic direction, governance and financial constraint which have affected the NMC's ability to fully address ICT in a timely manner. In the medium term the NMC will need to carry out a full cost-benefit analysis in relation to the introduction of an organisation-wide ICT operating infrastructure. It is likely that this alone may impact positively on the ability of the NMC to improve its operations in FtP and Registrations and hence its ability to protect the public.

The NMC's Council, in its discussions on 4 September, agreed to take a closer look at the ICT function of the NMC and requested quarterly reporting at its meetings on this important aspect of the NMC's operations.

8.9 Customer service

8.9.1 Developing its customer service

In the most recent PSA's Annual Report and Accounts and Performance Review Report 2013/14, the PSA reported that the NMC continued to have weaknesses in its customer service in both the registrations and FtP functions. In recent months the Council has requested further detail on Customer Service initiatives.

8.9.2 Areas of progress in relation to customer service

The NMC has taken forward a number of initiatives in Fitness to Practise and Registrations focused on improving customer service, in particular:

- **Customer Service Standards** – In FtP there are Customer Service Standards which have been in place since 2011 and these have recently been revised. Similarly in Registrations there are also standards, and these are being refreshed for consolidation prior to formal publication;
- **NMC online** – The NMC launched this secure service which allows registrants to manage their registration online and it is expected that in the future it will provide even greater functionality. As at August 2014 over 30,000 registrants had activated their accounts;
- **Witness Improvement plan** – The NMC has completed the first phase of its work on witness improvements, with more wide-ranging ongoing work now underway. The programme is focused on improvements at hearing venues, set up of a witness liaison team, production of guidance leaflets and improvement of website information;

- **Processes in fitness to practise** – The NMC has brought in changes to address the speed in which it deals with fitness to practise cases including voluntary removal and consensual panel determination; and
- **Development of policies** – New policies are being developed in areas such as supporting patients and families involved in fitness to practise cases.

8.9.3 Areas for continued focus in relation to customer service

The NMC does not yet have a Corporate Customer Service Strategy[37] and has not yet set consistent organisational wide customer service standards or monitoring mechanisms to track overall performance. However, in recent months the NMC has recognised the importance of centrally co-ordinating its approach to customer service and has accelerated its work in this area:

- **Centralisation of customer service standards –** At the 18 August Change Management and Portfolio Board it approved the use of the Customer Service Excellence standard.[38] The intention is to use the four principles underpinning this standard: customer insight, culture of the organisation, information, and access and delivery, to provide a clear framework for the NMC to improve customer service.
- **Management Information –** The NMC intends to develop a suite of management information to allow it to effectively monitor its performance. Management information covering several elements of customer satisfaction, mainly drawn from the FtP directorate was presented at the July 2014 Council meeting and the Executive Board has agreed that six-monthly updates would be appropriate with the next report due in January 2015.

[37] The need to 'develop a customer service strategy and customer service programme for improving overall customer service experience when interacting with the NMC' is included within the NMC's 2014/15 business plan.

[38] Customer Service Excellence is a trade mark of the Cabinet Office and is used under licence (*www.customerserviceexcellence.uk.com)* .

9 Our rating of progress by PSA recommendation

We have provided an assessment of progress in order to provide the NMC with clarity on overall performance and an indication of the extent to which it has implemented each of the PSA's Strategic Review recommendations. The rating is derived using the methodology outlined in Section 3 of this report.

Overall the NMC has made good progress in a number of key areas. 'Of the 15 recommendations we assessed two at 'Enhanced', 12 as 'Established' and one as 'Basic'. This is set out in Figure 2, below.

In arriving at our ratings below, we have applied a degree of pragmatism when assessing the NMC against recommendations set two years ago. We have rated the NMC's progress against recommendations made at a time when the exact nature and scope of changes required could not have been foreseen. On this basis, we have considered the 'spirit' of each recommendation and are mindful that not every aspect of the PSA's recommendations as drafted may have been implemented in full in order for a recommendation to be rated as 'established.' However, where the NMC has already gone a long way to address the recommendation, or has a clear plan in place to do so, we have taken this into account in reaching our assessment.

Figure 2: NMC progress against each of the PSA's recommendations

Thematic Area	PSA Recommendation number	PSA Recommendation area of focus	KPMG Progress Rating
Regulatory purpose and function	1	Efficient and effective regulator	Established
	15	Direction, accountability and oversight of operations	Established
External stakeholders' perspectives	2	Communication of plans for improvement	Established
	3	Constructive dialogue with stakeholders	Established
	4	Liaison with nursing and midwifery organisations	Established
People and culture	5	Leadership values and behaviours	Established
	6	NMC staff and culture	Established
	7	Appointment of Chair and Chief Executive	Enhanced
Operational management	8	Change management	Established
	9	NMC strategic direction and executive accountability	Established
	10	Council governance function and structures	Enhanced
	11	Presentation of financial information to inform decision making	Established
	12	Financial management and grip	Established
	13	ICT investment and strategic direction	Basic
	14	Management information	Established

10 Conclusions

This review has considered an array of evidence of the NMC's activities in the last two years. It has taken views from a wide range of external stakeholders and NMC staff as to the extent of progress made, as well as reviewing a large amount of NMC documentation and observing the NMC in action.

Overall, this review has identified that the NMC has made a substantial number of improvements, either fully implemented or underway, against each of the four areas highlighted by the PSA in its recommendations. Although the NMC recognises that there is still much more to do, these improvements cumulatively place the NMC in a much stronger position than was the case in 2012.

Nevertheless, working within some key constraints (particularly financial, legislative and technological), its continued progress may be slower than some stakeholders within the NMC and beyond would like.

In particular, investment in ICT and a greater leadership focus on this key function of the organisation is now required. Furthermore, the NMC must continue to improve its approaches to customer service, quality assurance, management and financial information, in order to address effectively the ongoing challenges that it will face.

We provide overarching conclusions on the four key themes which underpinned the PSA's recommendations, and, in light of these, give our view on the readiness of the NMC to deal with the future.

10.1 Regulatory purpose and functions

Since 2012, the NMC has been clear about what its role and responsibilities are. In acknowledging the recommendations of the PSA Strategic Review, and under the leadership of the Chief Executive and Chair, the NMC has strongly declared its focus on public protection through an emphasis on delivering its core functions: registrations, fitness to practise and standards of education and practice.

External stakeholders and NMC staff experienced a noticeable shift in focus to its core regulatory functions and that has continued.

10.2 External stakeholder engagement

The ability of the NMC to know who its stakeholders are and to engage with them effectively has significantly improved in the last two years. External stakeholders are clear on what the NMC is there to do and welcoming of the straightforward engagement that the NMC has, on the whole, been able to achieve. The NMC is seen to be more collaborative and more consultative, and these behaviours are felt to be crucial to it being able to carry out its role effectively into the future. The NMC too recognises the importance of this not least in preparing for the introduction of revalidation.

10.3 Staff and culture

The perception of progress by NMC staff trails that of the wide range of external stakeholders whom we spoke to. This is perhaps to be expected given the level of change that has been required across almost all aspects of NMC operations in the last two years. Operational improvements made in this timescale do not normally lead to a transformed organisational culture immediately and this is certainly our observation of the NMC at this point it time.

However, there is a need for the NMC to continue to focus strongly on ensuring that it improves its approach to HR initiatives, its organisational decision-making below Executive team level and its staff turnover.

10.4 Operational effectiveness

The NMC (and its stakeholders) recognise that continuous improvement needs to be maintained, that some operational processes still need further improvement, and that in the area of ICT, the organisation has made limited progress other than importantly to stabilise its processes.

10.5 Readiness for the future

The NMC continues on a journey of improvement that it began in the aftermath of the PSA's interim and final reports of its Strategic Review in 2012. Two years on, the challenges the NMC has faced to fix operational processes, whilst engaging more effectively with its wide ranging stakeholder groups, should not be underestimated.

In looking to the future, the NMC is mindful of a number of risks to its ongoing success which include:

- keeping its focus on continuing to get operational matters right;
- maintaining strong scrutiny over its financial position given the ongoing increases in FtP referrals and the need for investment in ICT (particularly if the requested legislative changes are not forthcoming);
- recognising the reliance on the current Executive team, particularly the Chief Executive, without a fully-established culture of high quality and customer service percolating to every level of the organisation;
- continuing to listen to staff whilst managing expectations about the pace of change bearing in mind the constraints in which it continues to operate;
- addressing the lack of decisive action and large scale investment in ICT which may result in the maintenance of existing systems without informed consideration of the organisation's current and future technology requirements;
- developing further the appropriate corporate support to directorates in order to provide assurance to the Executive Board that systems and processes are operating effectively and consistently in areas such as customer service, management information and quality assurance;
- needing to ensure that for revalidation the roles and responsibilities of other stakeholders (particularly employers, the profession as a whole, individual professionals and government) as well as those of the NMC are clearly understood by all and that the timetable for implementation is achievable; and
- accepting that on some matters, such as how the perspectives of the nursing and midwifery professions are obtained, it will need to continue to navigate a divergence of opinion about the significance of this.

Confidence in the NMC as a regulator, which had evidently been severely damaged and which led to the PSA Review in 2012, will increase further if the NMC's Executive team and staff are able to continue to make operational improvements, whilst also embarking on regulatory changes, such as revalidation.

Furthermore, the NMC's Corporate Strategy, with strong oversight from its Council, will be an important step forward in ensuring the NMC stays grounded in its core functions whilst preparing for the future. This now provides the NMC with the opportunity to determine its own direction of travel, so that it can firmly establish itself as a well-regarded, high quality, professional regulator.

Appendix A: Recommendations from the PSA Strategic Review (July 2012)

No	Recommendations	KPMG view of the focus of each recommendation
1	The NMC will best win back the confidence of the public and the professions by being an effective and efficient regulator. We recommend it concentrates its strategy, business planning and resources on improving effectiveness, efficiency and customer service.	This PSA recommendation focuses on the extent to which the NMC is concentrating its activities on protecting the public and demonstrates this to its stakeholders and the public. Our work considers the NMC's strategic approach, business planning processes and the effectiveness and efficiency of adoption, as well as how the NMC manages its interactions with its customers.
2	We recommend that the NMC explains its plans for improvement clearly too all stakeholders and then concentrates on delivering the changes that are needed.	This PSA recommendation acknowledges the need for the NMC to consider the manner and means by which it communicates its programmes of change. Our work considers the NMC's approach to improvements; including those take forward under the change programme and how these initiatives have been communicated to stakeholders, as well as understanding stakeholders' overall perspectives on the effectiveness of the NMC's communications.
3	We recommend that the NMC develops a constructive dialogue with external stakeholders and concentrates its communications to those that relate directly to its core functions. It should also ensure that it follows best practice in all public consultations.	This PSA recommendation recognises that the NMC should develop its relationships with key external stakeholders and ensure that it focuses its communications on its core regulatory functions. Our work considers the views gathered to date of external stakeholders and those of NMC staff. It also considers whether the NMC has followed best practice in public consultations and the extent to which the NMC shares information and data with other regulators.
4	We recommend that external stakeholders, especially the nursing and midwifery organisations, take responsibility for their roles in improving quality and in the development of policy in their respective fields. They should allow the NMC to concentrate on its regulatory tasks and give it time and space to address its problems and to improve.	This PSA recommendation focuses on understanding how the NMC has worked with the professional bodies/unions to clarify roles and responsibilities in relation to policy development and quality improvement.
5	The leadership of the NMC must behave and act in the way they expect others to. We recommend that they define clear behavioural values and demonstrate them in practice and in their relationships with others.	This PSA recommendation focuses on NMC leadership and on the NMC's values and behaviours and how it has taken steps to cascade these to staff and put these into principles into practice. Our work considers whether the NMC has designed and implemented an organisational values and leadership behavioural framework which is reinforced through effective communication with all staff and stakeholders.
6	We recommend that the NMC challenges the internal culture of resigned resilience by reducing hierarchy, encouraging openness, listening to staff, enabling management to take responsibility and make decisions and by consistently valuing quality and customer service.	This PSA recommendation focuses on understanding the culture at the NMC and staff perspectives on where change has taken place. Our work considers how the NMC has developed the overall culture at the NMC, it also considers the extent to which QA, complaints management and customer service has shaped these changes.

No	Recommendations	KPMG view of the focus of each recommendation
7	The appointments of the new Chair and Chief Executive are crucial to both public protection and public confidence in the NMC. We recommend that due diligence is exercised in the appointment of the Chair and the Chief Executive to ensure that the individuals appointed to these roles have the personal credibility, leadership behaviours, competencies and communication skills necessary to implement the changes set out in this strategic review.	This PSA recommendation anticipated the appointment of the current Chair and Chief Executive. Our work will consider how the NMC Chair and Chief Executive were appointed. Our work does not consider the mechanisms for the appointment of the new Chair in January 2015.
8	The NMC should consolidate all of the change activities taking place across the organisation to enable the Council to have a clear understanding of the totality of planned changes so that they can determine if the speed and extent of change is achievable and appropriate.	This PSA recommendation focuses on understanding how change activity is co-ordinated across the NMC, in particular, how change activity is initiated, prioritised, monitored, recorded and reported. Our work will consider the role, remit and effectiveness of the Change Management and Portfolio Board (CMPB) and the extent to which the Council is apprised and can effectively challenge the implementation of change activity.
9	Good governance will be central to the success of the NMC in addressing its problems. We recommend that the Chair and Council define the NMC's strategic aims, objectives and values, scrutinise the business plan and hold the executive to account for its implementation and take responsibility for the overall performance of the NMC.	This PSA recommendation focuses on understanding how the NMC Chair and Council set the strategic direction of the NMC and hold the NMC Executive team to account. Our work will address a number of the changes that the NMC has made as a result of the 2013 full scale Governance review and consider the subsequent operational effectiveness of Council decision making.
10	The Council needs to review the roles and reporting lines of all committees and groups to reduce duplication while ensuring that oversight and levels of scrutiny and challenge are appropriate.	This PSA recommendation focuses on understanding the extent to which the NMC has reviewed the roles and reporting lines of its committees and groups to ensure more effective oversight and scrutiny. Our work will address a number of the changes that the NMC has made as a result of the 2013 full scale Governance review and consider the operational effects of the revised framework.
11	The NMC must establish a stronger link between its activity levels and the impact of those activities on costs. Key activity levels need to be clearly stated as part of any performance reporting. When presenting financial information for review and decision the NMC needs to provide much greater clarity over the assumptions that are being used so that the Council has a clear view of the impact of its decisions.	This PSA recommendation focuses on understanding the understanding how the NMC Council gains assurance in relation to forecast activity costs and uses this to challenge financial data presented to it for review. Our work considers the way in which the NMC presents its financial data to the Council and the utility of this for Council members.
12	We recommend that financial management and reporting is given a greater profile within the NMC and the finance team should take greater responsibility for review and challenging of budgets and holding the respective directors to account.	This PSA recommendation focuses on understanding how the NMC has sought to develop the degree of oversight and challenge of the finance team. Our work considers the roles and responsibilities of budget holders and the means by which finance staff hold individual directors/managers to account.
13	It is clear that the ICT systems at the NMC require significant new investment and development to be able to support an efficient organisation and to be able to supply management with the information	This PSA recommendation recognises that the NMC needs to heavily invest in its ICT infrastructure in order to support the organisation, but that it should be mindful of the required system specification and aligned to an NMC ICT strategy informed by the Chair and Chief

No	Recommendations	KPMG view of the focus of each recommendation
	it needs to effectively manage the organisation. We recommend that before further investment is made the NMC ensures it understands the capabilities of the systems it has and how these can be accommodated in a sustainable ICT strategy. We also recommend that the decision on further investment in the ICT infrastructure should not be made until the new Chief Executive is appointed and a revised ICT strategy completed.	Executive. Our work considers the nature of ICT development at the NMC, as well as the strategy and the governance arrangements underpinning decision-making in respect of ICT systems.
14	We recommend that the NMC reviews its collection of management information to ensure it is focussed on meaningful and useful data, that it provides informative comparisons and trends and that it is proportionate to the purpose for which it is collected. We recommend that management data is reported accurately and consistently, is interrogated by Council and its committees and is used as the basis for sound decisions.	This PSA recommendation considers how the NMC reviews the management information presented to its management team and the extent to which it is meaningful, useful and provides trend and comparative analysis. Our work will focus on the NMC's KPIs reported to Council and key directorate management information indicators.
15	The NMC executive must provide and sustain clear direction and oversight of operations including a fitness to practise improvement strategy within an overall operations plan. We recommend that they address the skill and capacity issues identified here, strengthening business planning and oversight, quality assurance and operational management.	This PSA recommendation concentrates on the need for the NMC to provide senior oversight of its operations and address skill and capacity issues/gaps that it may have in certain operational areas. Our work considers the NMC's business planning and risk management processes, understanding how the NMC addresses skill and capacity issues, the Quality Assurance Strategy and function and consideration of how directorate business plans are produced, reviewed, monitored and reported.

Appendix B: Areas of work out of scope in this review

As the purpose of this review is not to duplicate or overlap with other accountability mechanisms or assessments of performance, the following areas are out of scope:

- Issues which are the responsibility of the Privy Council/Department of Health such as the constitution of the Council, appointment of the current Chair of the Council;
- Recruitment and selection of the current Council membership and future Chair, since these are subject to separate PSA assurance processes;
- Those recommendations made by the PSA which the NMC explained to us were directed at parties other than the NMC;[39]
- Assessment of NMC performance against the PSA standards of good regulation, PSA audits of initial stages of Fitness to Practise or NMC internal key or other performance indicators;
- Council decisions relating to income or expenditure and use of resources including the level of fees or expenditure of the DH grant of £20 million and any replication of work undertaken by external auditors or the National Audit Office;
- Recommendations made by the Health Committee, Francis report or other major external reports;
- General public perceptions of the NMC.

[39] This bullet was amended for factual accuracy by KPMG on 12.09.14.

Appendix C: Stakeholders Interviews and observations

Internal Stakeholders

- Chair, NMC Council
- Chief Executive and Registrar
- Lay Vice-Chair, NMC Council, and Chair Midwifery Committee
- Registrant Vice-Chair, NMC Council
- Chair, Audit Committee, NMC Council
- Chair, Remuneration Committee, NMC Council
- Director, Corporate Services,
- Director, Strategy
- Director, Registrations
- Director, Continued Practice
- Director, Fitness to Practise
- Change Programme Manager
- Assistant Director, Finance and Procurement
- Assistant Director, Governance and Planning
- Assistant Director, Human Resources and Organisational Development
- Assistant Director, ICT
- Assistant Director, Quality Assurance and Audit Risk
- Assistant Director, Strategy and Communications
- Assistant Director, Policy, Strategy, and Legislation
- Manager, Corporate Business Planning and Risk Management
- Partner; Audit Manager, Moore Stephens
- Complaints Manager
- Quality Assurance Manager

External Stakeholders

- Chair, Council of Deans
- Chief Nursing Officer, NHS England
- Senior Nurse, Spire Healthcare, Scotland
- Chief Executive, Professional Standards Authority
- Director, Standards and Policy, Professional Standards Authority
- Director; Audit Manager, National Audit Office
- Chief Nursing Officer, Scotland
- Head of Nursing, UNISON
- Director of Employment Services, NHS Employers
- Chief Nurse, Guys and St Thomas' Hospital, London
- Charities partner, Hays Macintyre
- Chief Executive and General Secretary, Royal College of Nursing
- Chief Executive and Registrar, General Optical Council

- Deputy Director Professional Standards, Department of Health
- Senior Midwife, Northern Ireland
- General Secretary, Royal College of Midwives
- Chief Executive, Care Quality Commission
- Chief Executive and Registrar, General Medical Council
- Chief Executive, NHS Trust Development Authority
- Chief Nursing Officer, Wales
- Professional Officer, Unite
- Director of Nursing, Health Education England
- Deputy Director of Nursing, Department of Health
- Chief Executive and Registrar, General Dental Council
- Chief Nursing Officer, Northern Ireland
- Head of Midwifery, Wales
- Director of Nursing, NHS Trust Development Authority
- Board trustee, National Voices
- National Professional Advisor – Midwifery, Care Quality Commission

Focus Groups

- Edinburgh office staff (conference call)
- Kemble Street office staff
- 23 Portland Place office staff

Meeting observations

- Audit Committee
- Formal Staff Consultation Group
- Executive Board
- Patient and Public Engagement Forum
- FTP Steering Group
- Change Management Portfolio Board
- Revalidation Strategic Advisory Group
- Education Advisory Group
- Council
- FTP Programme Board

Appendix D: PSA recommendation thematic matrix

We provide a table below demonstrating the cross cutting thematic nature of the coverage for each recommendation.

Recommendation number	Regulatory purpose	Stakeholder engagement and consultation	Staff, behavioural values and development	Change	Finance and efficiency	Corporate strategy and business planning	Governance and risk management	Quality assurance	Management information and KPIs	ICT	Customer service
1	✓	✓			✓	✓					✓
2		✓		✓		✓					
3	✓	✓								✓	
4	✓	✓									
5			✓			✓					
6	✓		✓				✓			✓	✓
7	✓	✓					✓				
8			✓	✓		✓	✓				
9			✓		✓	✓	✓	✓	✓		
10							✓	✓			
11				✓	✓	✓	✓		✓		
12			✓		✓	✓	✓	✓	✓		
13		✓		✓	✓	✓	✓		✓	✓	✓
14	✓				✓		✓	✓	✓		
15	✓		✓	✓	✓	✓	✓	✓			

KPMG

Item 15
NMC/14/97
1 October 2014

Council

Appointment of the Chair of the Council

Action: For information.

Issue: Following an open recruitment and selection process undertaken by the NMC, the Privy Council has appointed a Chair of the Council to succeed Mark Addison with effect from 1 January 2015. The Privy Council's decision and an analysis of the recruitment and selection process are set out below.

Core regulatory function: Supporting functions.

Corporate objectives: Corporate objective 8: "We will develop effective policies, efficient services and governance processes that support our staff to fulfil all our functions."

Decision required: None.

Annexes:

- Annexe 1: Advertising campaign analytics.
- Annexe 2: Equality monitoring data.

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.

Secretary: Matthew McClelland
Phone: 020 7681 5987
matthew.mcclelland@nmc-uk.org

Context:

1 The Privy Council is responsible for appointing the Chair of the Council under the Nursing and Midwifery Order 2001 and the Nursing and Midwifery Council (Constitution) Order 2008 (in each case, as amended).

2 The NMC is responsible for conducting the recruitment and selection process and for recommending a candidate to the Privy Council.

3 The Professional Standards Authority for Health and Social Care (PSA) is responsible for advising the Privy Council on the recruitment and selection process employed by the NMC in reaching its recommendation to the Privy Council. The PSA has issued guidance on appointments processes that is organized around four principles: merit; fairness; transparency and openness; inspiring confidence.

4 An open recruitment and selection process to identify a successor to Mark Addison CB, who demits office on 31 December 2014, concluded on 31 July 2014. The PSA advised the Privy Council on 12 August 2014 that it could have confidence in the NMC's process. A recommendation was made to the Privy Council the same day, and was approved on 3 September 2014.

Discussion and options appraisal:

Appointment of the Chair of the Council

5 On the recommendation of the NMC, the Privy Council has appointed Professor Dame Janet Finch DBE as a lay member and the Chair of the Council to hold office from 1 January 2015 to 30 April 2018. A sociologist by academic training, Dame Janet was Vice-Chancellor of Keele University from 1995 to 2010 and has extensive chairing and non-executive experience.

Responsibilities for the recruitment and selection process

6 The Council constituted an Appointment Committee whose remit was to oversee the recruitment and selection process in accordance with PSA guidance and the requirements of the Privy Council. The Committee comprised Quinton Quayle (Chair); Carol Shillabeer; Elinor Smith; Amerdeep Somal.

7 The Appointment Committee constituted an independent Selection Panel to undertake the selection process and reach a recommendation to the Privy Council. The members of the Selection Panel were:

7.1 Dame Helen Ghosh (Chair), Director-General, National Trust;

7.2 Sue Gray, Director-General, Propriety and Ethics, Cabinet Office (nominated by the Permanent Secretary of the Department of Health);

7.3 Mike Franklin, Non-Executive Director, Guy's and St Thomas' NHS Foundation Trust;

7.4 Jim Martin, Scottish Public Services Ombudsman;

7.5 Professor Trish Morris-Thompson, Director of Quality and Clinical Governance, Barchester Healthcare Ltd.

8 The Appointment Committee appointed GatenbySanderson to provide search and recruitment services and to advise on the selection process.

9 The Council, advised by the Appointment Committee, determined the role description for the Chair of the Council, including the competencies upon which all selection decisions were made.

10 The Secretary to the Council administered the recruitment and selection process and advised the Council, the Appointment Committee, and the Selection Panel at each stage.

Recruitment

11 The vacancy was advertised on 9 May 2014. A dedicated mini-site for the appointment was set up, and the vacancy was announced on the NMC website and in our various e-newsletters.

12 In order to ensure coverage across the four constituent nations, print and online advertisements were placed with *The Sunday Times; The Scotsman; The Western Mail* (in English and in Welsh); *The Belfast Telegraph.* In order to enhance coverage amongst nurses and midwives, advertisements were placed with *The Nursing Standard;* www.rcnbulletinjobs.co.uk; www.jobs.midwives.co.uk. After consultation with equality and diversity good practice organizations, advertisements were placed with www.guardian.co.uk; www.non-exec.com; www.diversityjobs.co.uk; www.proudemployers.co.uk; www.womenonboards.co.uk. Search was undertaken by GatenbySanderson.

13 The campaign analytics [Annexe 1] indicate that the majority of candidates reported having heard about the vacancy via *The Sunday Times* or a direct approach. No candidate reported having heard about the vacancy via the diversity-focussed media. The analytics will be used to inform future campaigns.

Selection

14 At the close of applications on 9 June 2014, 32 applications had been submitted. The Selection Panel long-listed candidates on 16 June 2014. Following preliminary interviews undertaken by GatenbySanderson, the Selection Panel short-listed candidates on 30 June 2014. Final interviews took place on 18 and 29 July 2014. All selection decisions were based on the competencies agreed by

the Council. A breakdown of applicants at each stage of the process is shown below.

Stage	Total	Lay	Registrant	Ineligible
Application	32	24	5	3
Long list	10	8	2	-
Short list	4	3	1	-

15 Of the three candidates categorized in the table as ineligible, two had not completed the application form. The third was a former registrant and therefore ineligible for appointment as a lay Chair by virtue of the Nursing and Midwifery Order 2001, Schedule 1, Article 1A(1). The candidate would have been eligible for appointment as a registrant Chair only if s/he completed a 'return to practice' programme and was readmitted to the register. These particular provisions of the Order will be stated clearly in the candidate information packs for future recruitment campaigns.

16 The Selection Panel was content with the quality of candidates and unanimous in its recommendation to the Privy Council.

Public protection implications:

17 No direct public protection implications.

Resource implications:

18 Overall expenditure on the recruitment and selection process was £55,263.61, including (a) advertising costs; (b) search costs; (c) selection panel costs, and was lower than budgeted.

Equality and diversity implications:

19 An equality analysis was undertaken to inform the design of the process and the advertising strategy. In summary:

19.1 Advertisements were placed with diversity-focussed media.

19.2 The interviews were held in accessible locations.

19.3 The candidate information pack was available in alternative formats. No requests were received.

19.4 We operated a 'guaranteed interview scheme'. One candidate who declared a disability at application progressed to the

preliminary interview stage because s/he met the criteria.

19.5 Standard questions were used with all candidates and all decisions were made on the basis of the agreed criteria.

20 Equality monitoring data were regularly reviewed by GatenbySanderson to inform the search and was provided to the Selection Panel. The data at each stage of the selection process are attached [Annexe 2].

Stakeholder engagement:

21 In drawing up the role description and competencies, views were sought from a wide range of interested parties including: nurses and midwives; patients and the public; the Patients Association; Action against Medical Accidents; the Chief Nursing Officers for England, Scotland, Wales, and Northern Ireland; the Director of Nursing for the Department of Health; the Royal College of Nursing; the Royal College of Midwives; Unison; and the then Chair of the Health Select Committee.

Risk implications:

22 Risks were considered throughout the planning and conduct of the process, and reported on the Strategy directorate risk register.

Legal implications:

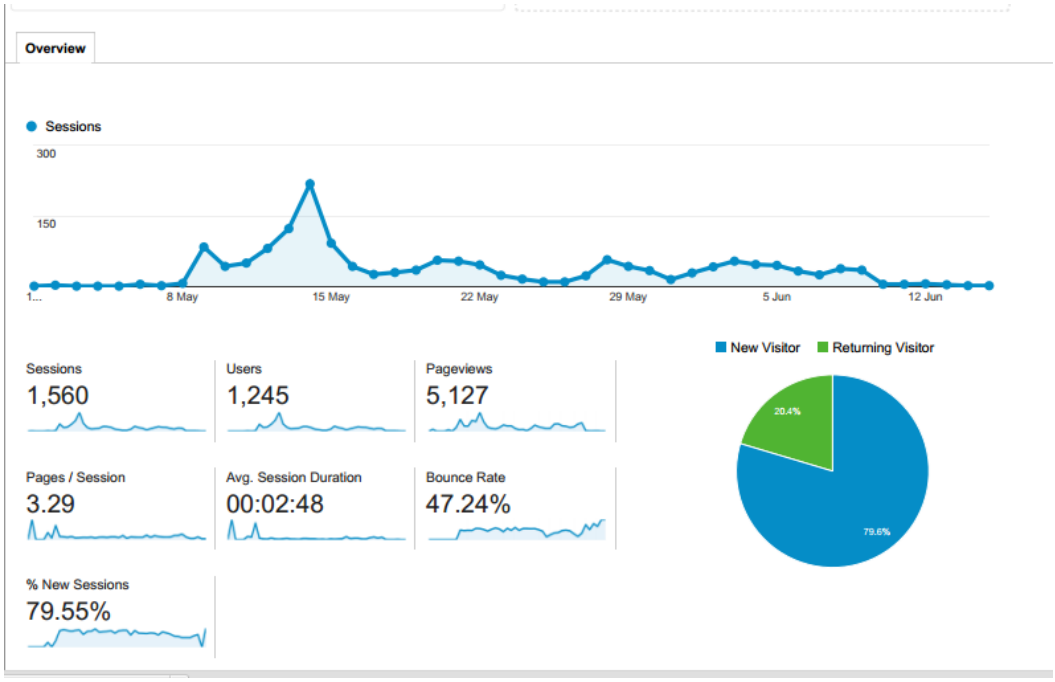
23 The process and outcome comply with the relevant provisions of the NMC's governing legislation.

NMC Chair Campaign Site Analytics

The following analysis relates to the period from the 8 May – 15 June 2014.

Visitors

Over the campaign period, there were a total of 1,560 visits to the site, from 1,245 unique visitors. New visits represent 79% of the total traffic. Volume of daily traffic to date peaked on 15 May with visitors reaching 217 and continued visitors until the 12 March.



In terms of pages and time spent on the site, there are some further positive statistics. The average page number viewed per person stands at 3.29. Average length of visit is at just under 3 minutes. This was maintained throughout the campaign. The bounce rate (this is the number of people who left the site after viewing only a single page) is 47%, which is slightly above average.

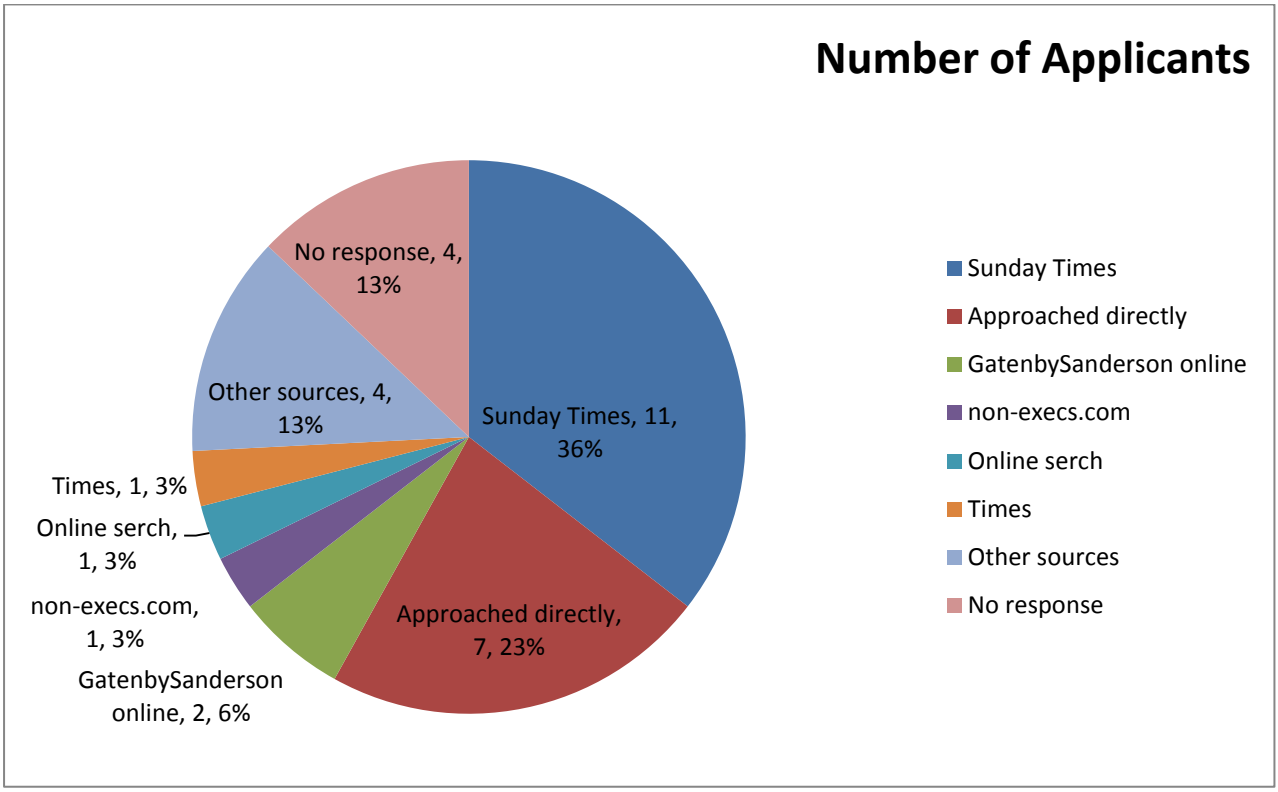
Geographical Spread

The locations in which the site was viewed are listed below in order of visits;

City	Visits
London	82(38.00%)
Leeds	58(4.12%)
Manchester	32(2.27%)
Belfast	30(2.13%)
Edinburgh	29(2.06%)
Brighton	26(1.85%)
Other	24(1.70%)
Leicester	23(1.63%)
Birmingham	21(1.49%)
Nottingham	19(1.35%)

Advertising Responses

The chart below illustrates the sources applicants identify as the original source of the advert. Please note there is a degree of error.



It is clear from the graph that the bulk of the applicants came via the Sunday Times and via executive search (candidates approached directly by GatenbySanderson). The response from various online sources such as the GatenbySanderson website, the Times online, non-execs.com as well as candidates completing a general online search was also high. This highlights the importance of having a visible online presence. The 4 applications via the Other sources include candidates who found the advert in the Nursing Standard as well through referrals and recommendations from professional colleagues and friends.

GatenbySanderson

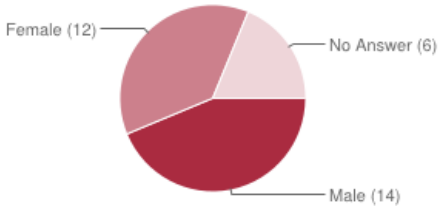
Equal Opportunities Monitoring Report (Stage: All Applicants)

As part of the application for the role of **Chair (GS16009)**, candidates were invited to complete an equal opportunities survey. The questions were not mandatory and the candidate was not obligated to give any answers.

Total number of applicants: 32

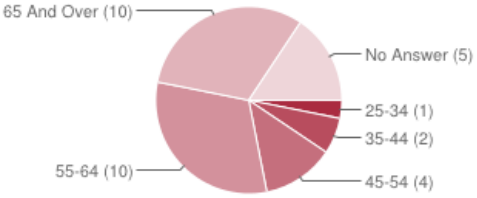
Gender

Male	14	43.75%
Female	12	37.5%
No Answer	6	18.75%



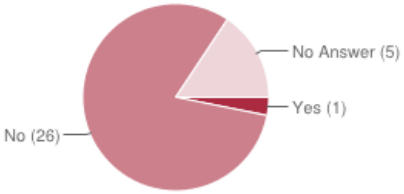
Age range

25-34	1	3.13%
35-44	2	6.25%
45-44	4	12.5%
55-64	10	31.25%
65 And Over	10	31.25%
No Answer	5	15.63%



Do you require a work permit to work in the UK?

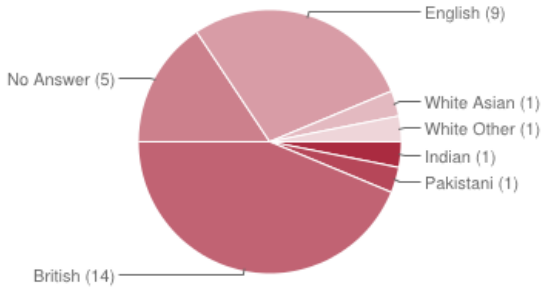
Yes	1	3.13%
No	26	81.25%
No Answer	5	15.63%



GatenbySanderson

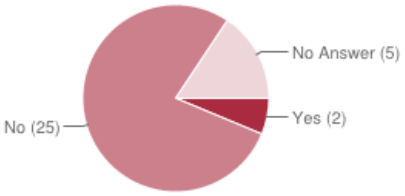
Ethnic origin

Indian	1	3.13%
Pakistani	1	3.13%
British	14	43.75%
No Answer	5	15.63%
English	9	28.13%
White Asian	1	3.13%
White Other	1	3.13%



Do you consider yourself to have a disability as defined by the Disability Discrimination Act 1995?

Yes	2	6.25%
No	25	78.13%
No Answer	5	15.63%



Electric Wheelchair And Personal Assistance User

Hearing Loss And Tinnitus

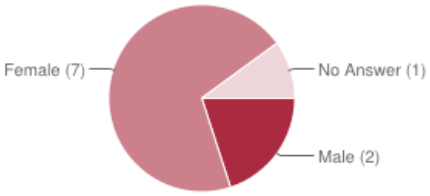
Equal Opportunities Monitoring Report (Stage: Preliminary Interview)

As part of the application for the role of **Chair (GS16009)**, candidates were invited to complete an equal opportunities survey. The questions were not mandatory and the candidate was not obligated to give any answers.

Total number of applicants: 10

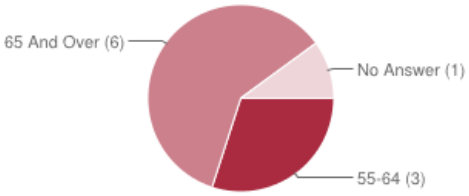
Gender

Male	2	20%
Female	7	70%
No Answer	1	10%



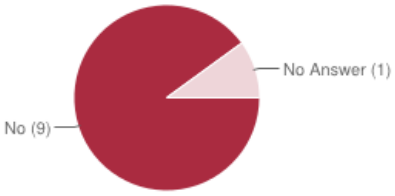
Age range

55-64	3	30%
65 And Over	6	60%
No Answer	1	10%



Do you require a work permit to work in the UK?

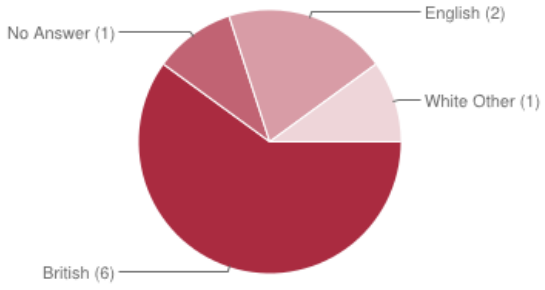
No	9	90%
No Answer	1	10%



GatenbySanderson

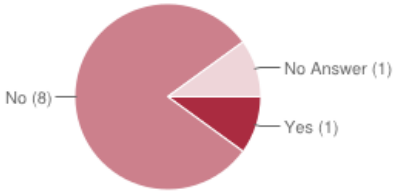
Ethnic origin

British	6	60%
No Answer	1	10%
English	2	20%
White Other	1	10%



Do you consider yourself to have a disability as defined by the Disability Discrimination Act 1995?

Yes	1	10%
No	8	80%
No Answer	1	10%



Electric Wheelchair And Personal Assistance User

GatenbySanderson

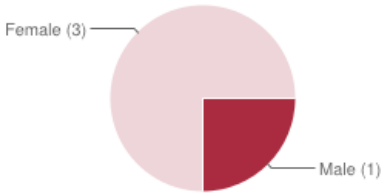
Equal Opportunities Monitoring Report (Stage: Shortlisting)

As part of the application for the role of **Chair (GS16009)**, candidates were invited to complete an equal opportunities survey. The questions were not mandatory and the candidate was not obligated to give any answers.

Total number of applicants: 4

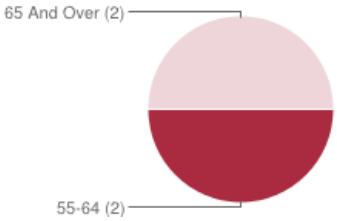
Gender

Male	1	25%
Female	3	75%



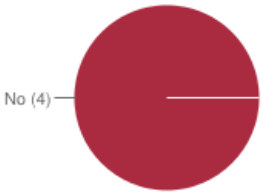
Age range

55-64	2	50%
65 And Over	2	50%



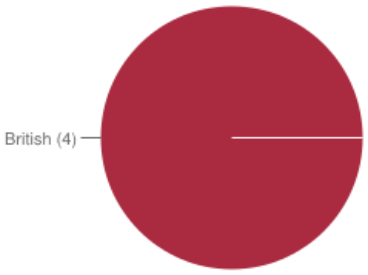
Do you require a work permit to work in the UK?

No	4	100%



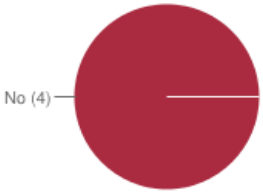
Ethnic origin

British	4	100%



Do you consider yourself to have a disability as defined by the Disability Discrimination Act 1995?

No	4	100%



Item 16
NMC/14/98
1 October 2014

Council

Chair's report

Action: For information.

Issue: This paper reports on the Chair's activities.

Core regulatory function: This paper covers all of our core regulatory functions.

Corporate objectives: The Chair's activities encompass all of the NMC's corporate objectives.

Decision required: No decision is required. The Council is invited to note this report.

Annexes: There are no annexes to this paper.

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: Peter Pinto de Sa
Phone: 020 7681 5426
peter.pinto@nmc-uk.org

Chief Executive: Jackie Smith
Phone: 020 7681 5871
jackie.smith@nmc-uk.org

Context:	1	Given the activity undertaken by the Chair in conjunction with the Chief Executive and Registrar, this report needs to be considered alongside the Chief Executive's report, also on this meeting agenda.
Discussion	2	On 8 August 2014, the Chair spent the day at the Royal Devon and Exeter Foundation NHS Trust. During the visit, the Chair visited three areas (the acute medical, accident and emergency and rehabilitation wards). The Chair met the Chief Nurse and Chief Operating Officer, the Chair of the Trust, the Chief Executive, the medical director of Health Education South West and the Dean of Plymouth University. Later, the Chair took part in a meeting with trust staff where the approach to revalidation and the code consultation were among a range of subjects raised.
	3	On 10 September 2014, the Chair and the Chief Executive met Dame Jessica Corner, the recently-elected Chair of the Council of Deans.
	4	The Chair and the NMC's Director of Strategy, Jon Billings, attended the NMC's International Association of Medical Regulatory Authorities (IAMRA) event in London on 11 September 2014. The theme of this year's IAMRA was the evaluation of risk and the reduction of harm to patients.
	5	The Chair met Charlie Massey, the Department of Health's Director General, strategy and external relations, on 12 September 2014 for the latest of their regular catch-up meetings.
	6	On 17 September 2014, the Chair and Chief Executive met Peter Blythin, the Director of Nursing of the Trust Development Authority and his team.
	7	The Chair and the Chief Executive met Roger Kline and Elsie Gayle from Patients First on 17 September 2014.
	8	Following the appointment of Dame Janet Finch as the NMC Chair designate, the Chair met Dame Janet on 22 September 2014. Dame Janet also met the Chief Executive and NMC director colleagues.
	9	The revised overseas registration process, including the test of competence, will apply to all applications received from 1 October 2014.
Public protection implications:	10	None directly from the paper. Public protection implications arising from the activities in this paper are addressed as part of individual workstreams and projects.

Resource implications:	11	None directly from this paper. Resource implications of the NMC's activities in the various workstreams and projects referenced in the paper are dealt with in financial monitoring reports.
Equality and diversity implications:	12	None directly from the paper. Equality and diversity issues are dealt with as part of the conduct of individual workstreams and projects.
Stakeholder engagement:	13	Stakeholder engagement is detailed, as appropriate, in the body of this report.
Risk implications:	14	None directly from the paper.
Legal implications:	15	None directly from the paper.

Item 17
NMC/14/99
1 October 2014

Council

Chair's action taken since the last meeting of the Council

Action:	For information.
Issue:	The report details a decision taken by the Chair under delegated powers (as per NMC Standing Orders).
Core regulatory function:	Supporting functions.
Corporate objectives:	Corporate objective 8: "We will develop effective policies, efficient services and governance processes that support our staff to fulfil all our functions."
Decision required:	No decision is required by this report.
Annexes:	The following annexes are attached to this report: • Annexe 1: Signed Chair's action: Transfer of Investigating Committee (IC) panel members to the Conduct and Competency Committee (CCC) • Annexe 2: Signed Chair's action: Continuation of IC panel member terms • Annexe 3: Signed Chair's action: Appointment of panel members to the Health Committee
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 Secretary: Matthew McClelland Phone: 020 7681 5987 matthew.mcclelland@nmc-uk.org

Chair's action

Transfer of Investigating Committee (IC) panel members to the Conduct and Competency Committee (CCC)

1 The Chair of the Council was asked to approve a recommendation to transfer a number of panel members from the IC to the CCC effective from 11 March 2015. The recommendation was made in order to ensure that Fitness to Practise business needs continue to be met following the introduction of Case Examiners.

2 The recommendation was considered and endorsed by the Appointments Board on 8 September 2014.

3 The Chair of the Council approved the recommendation on 16 September 2014 (as per Annexe 1).

Continuation of panel member terms

4 Between September 2013 to April 2014, 26 panel members were appointed to second terms of appointment, to be reviewed after 12 months. This was due to pending legislative changes.

5 The Appointments Board considered and approved on 8 September 2014 a recommendation that a number of panel members have their second term of office extended, whereby the panel members would have served a total of four years for their second term of appointment.

6 The Chair of the Council approved the recommendation on 16 September 2014 (as per Annexe 2).

Appointment of panel members to the Health Committee

7 To meet the current FtP business need for panel members on the HC, the Chair was asked to appoint CCC panel members (as per Annexe 3) to sit on the HC panel with effect from 18 September 2014. This recommendation was considered and endorsed by the Appointments Board on 8 September 2014.

8 The Chair of the Council approved the recommendation on 16 September 2014 (as per Annexe 3).

Public protection implications:

9 There are no public protection implications arising directly from this report.

	10	Public protection implications for each recommendation were considered by the Appointments Board on 8 September 2014. Those implications focussed on the risk of not meeting the business need for Fitness to Practise hearings.
Resource implications:	11	None arising directly from this report.
Equality and diversity implications:	12	Equality and diversity implications were considered for each recommendation by the Appointments Board on 8 September.
Stakeholder engagement:	13	The Appointments Board was engaged on each of the recommendations.
Risk implications:	14	There are no risk implications arising directly from this report.
Legal implications:	15	None at this time.

Nursing & Midwifery Council

Chair's Action

As per NMC Standing Orders, the Chair of the Council shall have the power to authorise action on minor, non-contentious or urgent matters falling under the authority of the Council. Such actions shall be recorded in writing and passed to the Chief Executive and Registrar who shall maintain a record of all authorisations made under this paragraph and shall report in writing, for information, to each Council meeting the authorisations which have been made since the preceding Council meeting.

Each Chair's action must be affixed to an accompanying report setting out full details of the action that the Chair is requested to authorise on behalf of the Council.

Date: 12 September 2014	Requested by: Loraine Ladlow Assistant Director, Adjudication

Detail: To meet the FtP business need following the introduction of Case Examiners, it is necessary to transfer a number of panel members from the Investigating Committee to the Conduct and Competence Committee. The Chair is asked to approve the transfer the following IC panel members to the CCC, effective from 11 March 2015. This transfer has been recommended by the Appointments Board following consideration on 8 September 2014.

Lay Panellists	**Registrant Panellists**
Judith Alderton	David Clarke
Thomas Bingham	Simon Cox
David Bleiman	Pauline Daniels
Gi Cheesman	Jennifer Frost
Sally Griffiths	Isabell Leeman
Sean Hamilton	Linda McGrath
Colin Kennedy	Nicola Neale
Linda Kerr	Jennifer Pennington
John Liddington	Andrea Stebbings
Satya Schofield	Wendy Warren
Nicole Smith	
Sue Wadham	

Signed: Mark Addison (Chair)

Date: 16 September 2014

Nursing & Midwifery Council

Chair's Action

As per NMC Standing Orders, the Chair of the Council shall have the power to authorise action on minor, non-contentious or urgent matters falling under the authority of the Council. Such actions shall be recorded in writing and passed to the Chief Executive and Registrar who shall maintain a record of all authorisations made under this paragraph and shall report in writing, for information, to each Council meeting the authorisations which have been made since the preceding Council meeting. Each Chair's action must be affixed to an accompanying report setting out full details of the action that the Chair is requested to authorise on behalf of the Council.

Date: 12 September 2014

Requested by: Loraine Ladlow
Assistant Director, Adjudication

Detail: Between September 2013 and April 2014 26 panel members were appointed to second terms of appointment, to be reviewed after 12 months. This was due to pending legislative changes.

A number of these panel members have now been recommended to either transfer to the CCC in March 2015, or remain on the IC following the introduction of Case Examiners. These decisions do not have any effect on the duration of the panel member's terms of appointment under The Nursing and Midwifery Council (Midwifery and Practice Committees) (Constitution) Rules Order of Council 2008.

The Appointments Board, having considered this recommendation at its meeting on 8 September 2014, have therefore recommended the continuation to the second terms of appointment of these panel members up to the date where the panel members will have served a total of four years for their second term of appointment.

The Chair is asked to approve the continuation of the below panel member's second terms to the dates specified below:

Name	New end of term date
Judith Alderton	30 September 2017
Adrian Barr-Smith	30 April 2018
Thomas Bingham	30 September 2017
David Bleiman	31 December 2017
Gi Cheesman	30 September 2017
David Clarke	30 September 2017
Simon Cox	30 September 2017
Pauline Daniels	30 September 2017
Jennifer Frost	30 September 2017
Sally Griffiths	30 September 2017
Sean Hamilton	30 September 2017
Colin Kennedy	30 September 2017
Linda Kerr	30 September 2017
Isabella Leeman	30 September 2017

Nursing & Midwifery Council

Continued:

Name	New end of term date
Marian McDonald	30 September 2017
Linda McGrath	30 September 2017
Tamburai Muoni	31 January 2018
Nicola Neale	30 September 2017
Jennifer Pennington	30 September 2017
Jean Salter	30 September 2017
Satya Scofield	30 September 2017
Nicole Smith	30 September 2017
Andrea Stebbings	30 September2017
Sue Wadham	30 September 2017
Wendy Warren	30 September 2017

Signed: _____ **(Chair)**

Date: 16 [illegible] 2014

Nursing & Midwifery Council

Chair's Action

As per NMC Standing Orders, the Chair of the Council shall have the power to authorise action on minor, non-contentious or urgent matters falling under the authority of the Council. Such actions shall be recorded in writing and passed to the Chief Executive and Registrar who shall maintain a record of all authorisations made under this paragraph and shall report in writing, for information, to each Council meeting the authorisations which have been made since the preceding Council meeting.

Each Chair's action must be affixed to an accompanying report setting out full details of the action that the Chair is requested to authorise on behalf of the Council.

Date: 12 September 2014	Requested by: Loraine Ladlow Assistant Director, Adjudication

Detail: To meet the current FtP business need for panel members on the Health Committee, the Chair is asked to appoint the following existing Conduct and Competence Committee panel members to sit on the Health Committee with effect from 18 September 2014. This recommendation has been considered, and endorsed, by the Appointments Board on 8 September 2014.

To be appointed as Chairs of the Health Committee:
Irene Kitson
Barbara Stuart

To be appointed as lay panellists of the Health Committee:
Sylvia Dean
Marie Heffernan
Corinna Kershaw
Jane Lacey-Hatton
Margaret Lishman
Thomas Woods

To be appointed as registrant panellists of the Health Committee:
Stella Armstrong
Fiona Barrie
Alice Clarke
Kathryn Eastwood
Catherine Gale
Allison Hume
Noreen Kent
Joanne Lay
Mary McCartney
David O' Brien
Nicola Rabjohns

Signed: Mark Addison **(Chair)**

Date: 16 September 2014

NMC Council schedule of business 2014

COUNCIL: OPEN SESSION 03/12/14
Matters for decision: • UK Registrations policy • Revalidation: Approval of revised Code and draft guidance • Draft NMC Education strategy • Annual Report on QA of education • Annual LSA report • S.60 Order amendments (TBC) **Matters for discussion:** • Update on review of QA function • Welsh language scheme annual report