

Open Council - 27 March 2024

MEETING
27 March 2024 09:30 GMT

PUBLISHED
27 March 2024

Meeting of the Council

To be held from **09:30** on Wednesday 27 March 2024
Council Chamber, 23 Portland Place, London W1B 1PZ

Agenda

Sir David Warren
Chair of the Council

Matthew Hayday
Council Secretary

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|----------|--|-----------|--------------|
| 1 | Welcome and Chair's opening remarks | NMC/24/14 | 09:30 |
| 2 | Apologies for absence | NMC/24/15 | |
| 3 | Declarations of interest | NMC/24/16 | |
| 4 | Minutes of the previous meeting | NMC/24/17 | |
| | Chair of the Council | | |
| 5 | Summary of actions | NMC/24/18 | |
| | Secretary | | |

Matters for discussion

- | | | | |
|----------|---|-----------|--|
| 6 | Executive report | NMC/24/19 | 09:40-10:10
<i>(30 mins)</i> |
| | Chief Executive and Registrar/Executive | | |

Matters for decision

- | | | | |
|----------|---|-----------|--|
| 7 | Review of our Financial Strategy | NMC/24/20 | 10:10-10:30
<i>(20 mins)</i> |
| | Executive Director, Resources and Technology Services | | |
| 8 | Annual Corporate Plan and Budget 2024-2025 | NMC/24/21 | 10:30-11:30
<i>(60 mins)</i> |
| | Executive Director, Resources and Technology Services | | |

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Refreshment break (30 mins)

11:30-12:00

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| 9 | Outcome of phase one of the advanced practice review
Executive Director, Professional Practice | NMC/24/22 | 12:00-12:50
(50 mins) |
| 10 | Request to regulate Nursing Associates in Wales
Executive Director, Strategy and Insight | NMC/24/23 | 12:50-13:15
(25 mins) |
| 11 | Transfer of Panel Members from Fitness to Practise Committee to the Investigating Committee
Executive Director, People and Organisational Effectiveness | NMC/24/24 | 13:15-13:20
(5 mins) |

Lunch break (40 mins)

13:20-14:00

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| 12 | Council governance matters
12.1 Proposed new Council committee structure and cycle of Council meetings
12.2 Council committee membership/appointments 2024-2025
Secretary to the Council | NMC/24/25 | 14:00-14:10
(10 mins) |
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Matters for discussion

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| 13 | Learning and thematic review of inquiries into failings of care
Executive Director, Strategy and Insight | NMC/24/26 | 14:10-14:40
(30 mins) |
| 14 | Update on progressing our Fitness to Practise casework
Executive Director, Professional Regulation | NMC/24/27 | 14:40-15:00
(20 mins) |
| 15 | Questions from observers
Chair | NMC/24/28
(Oral) | 15:00-15:15
(15 mins) |

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Matters for information

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| 16 | Audit Committee report
Chair of the Audit Committee | NMC/24/29 |
| 17 | Appointments Board report
Chair of the Appointments Board | NMC/24/30 |
| 18 | Investment Committee report
Chair of the Investment Committee | NMC/24/31 |
| 19 | Accommodation Committee report
Chair of the Accommodation Committee | NMC/24/32 |
| 20 | Chair's actions taken since the last meeting
Chair | NMC/24/33 |

Close

15:15

Meeting of the Council
Held on Wednesday 31 January 2024 in the Council Chamber, 23 Portland Place.

Minutes

Council

David Warren	Chair
Claire Johnston	Member
Lindsay Foyster	Member
Eileen McEaney	Member
Flo Panel-Coates	Member
Derek Pretty	Member
Nadine Pemberton Jn Baptiste	Member
Anna Walker	Member
Sue Whelan Tracy	Member
Lynne Wigans	Member
Navjot Kaur Virk	Associate

NMC Officers

Andrea Sutcliffe	Chief Executive and Registrar
Helen Herniman	Executive Director, Resources and Technology Services
Matthew McClelland	Executive Director, Strategy and Insight
Lesley Maslen	Executive Director, Professional Regulation
Ruth Bailey	Executive Director, People and Organisational Effectiveness
Edward Welsh	Executive Director, Communications and Engagement
Sam Foster	Executive Director, Professional Practice
Matt Hayday	Secretary to the Council
Alice Horsley	Senior Governance Manager

For item 7:

Richard Wilkinson	Assistant Director, Finance and Audit
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A list of observers is at Annexe A.

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Minutes

NMC/24/01 Welcome and Chair's opening remarks

1. The Chair welcomed all attendees to the meeting, including external observers.
2. The Chair congratulated Claire Johnston on revalidating.
3. The Chair noted that 28 January 2024 marked five years since the first registered nursing associates in England specifically joined the NMC register. To celebrate this milestone, the NMC had shared reflections from nursing associates on their experiences and the impact they have had on people's health and wellbeing.

NMC/24/02 Apologies for absence

1. Apologies were received from Margaret McGuire, Council member.
2. It was noted that Nadine Pemberton Jn Baptiste had to leave the meeting at 12:00 and Navjot Kaur Virk had to leave the meeting at 11:00.

NMC/24/03 Declarations of interest

1. The following declarations of interest were recorded:
 - a) **NMC/24/09: Fitness to Practise caseload update**
All registrant Council members, Associates and Sam Foster declared an interest.
2. The interests were not considered material such as to require the individuals concerned to withdraw from the discussion.

NMC/24/04 Minutes of the previous meeting

1. The minutes of the meeting on 27 September 2023 as well as on 22 November 2023 were agreed as an accurate record.

NMC/24/05 Summary of actions

1. The Council noted progress on actions arising from previous meetings.
2. Arising from **NMC/23/17 – Maternity**: it had been agreed that a discussion on maternity would be scheduled for Council Seminar in March 2024. Consideration was being given as to who else could be invited to support the discussion, with a more comprehensive update to be provided at the next Open Council meeting.

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NMC/24/06 Executive report, including performance and risk report

Executive report

1. The Chief Executive and Registrar introduced the report.
2. On behalf of the NMC, the Chief Executive and Registrar congratulated all those professionals on the register who received awards in the New Year's Honour's List.
3. In discussion, the following points were noted:
 - a) The Council commended the recent level of engagement with professionals and the public.
 - b) Relating to engagement with the public, recent highlights included the Public Voice Forum in-person meeting in Manchester in November 2023, and the workshops relating to the appraisal of the options for regulating Advanced Practice, attended by people who use services, which had been held in each of the four UK countries.
 - c) A recommended option relating to the regulation of Advanced Practice would be presented to the Council in March 2024, with the perspective of the public featured strongly in the proposal. A report was awaited from the consultancy firm *Britain Thinks*, commissioned to independently analyse the themes from the engagement work.
 - d) The application process for a chair for the independent steering group to guide the review of nursing and midwifery pre-registration education and training was to close at the end of the day.
 - e) The Council appreciated the regular updates provided in respect of the Computer Based Testing (CBT) issue. Key lessons learned included the importance of being open, transparent and collaborative with partners from an early stage. A formal lessons learned report would be presented to the Council at a future meeting.
 - f) Relating to the five-year anniversary of the first registered nursing associates in England, data had been published on the NMC website showing that there were now more than 10,000 nursing associates on the register, with nearly 1,500 more having used it as a pathway to become a registered nurse.
 - g) The NMC published its mid-year data report on 30 November 2023, showing an increase of 19,857 (2.5 percent) registered professionals able to deliver care for people than six months ago.

- h) The NMC's Freedom of Expression guidance for decision-makers in Fitness to Practise was helpful and reassuring. It was important to keep the guidance under review as the context was constantly evolving.
- i) Relating to the implementation of Welsh language standards, the NMC met the December 2023 compliance deadline, which was a tribute to tremendous work across the organisation.
- j) The NMC had engaged closely with key stakeholders in recent months in respect of four nation workforce planning.
- k) The NMC was undertaking a prioritisation exercise to ensure the allocation of resources needed to achieve a sustainable Fitness to Practise caseload, as well as in light of pressures resulting from unplanned events and continuing inflation. Further details would be included in the draft corporate plan and budget submitted to the Council for approval in March 2024.

4. ***Progress against corporate commitments for 2023-2024 and budget up to 31 December 2023 and corporate risk exposure report***

The Executive Director, Resources and Technology Services introduced the report. The following points were highlighted:

- a) March 2024 marked the end of the fourth year of the NMC's five-year strategy for 2020-2025. The corporate commitments provided a summary of what the organisation was trying to achieve in the strategy period.
- b) The NMC's progress against the corporate commitments was good, except in respect of Fitness to Practise (FtP).
- c) Significant work continued to safely and swiftly reduce the FtP caseload and to improve the timeliness of the FtP process.
- d) The overall financial position remained secure, with free reserves at £43 million.
- e) The current forecast was for a year-end deficit of £4 million, which was half the £8 million budgeted deficit, driven by higher than budgeted income from registrant fees.
- f) There were further plans to invest significantly in the FtP process, putting pressure on resources in future years.
- g) There were five corporate risks rated as red, reflecting a number of issues which had impacted the NMC's risk landscape in recent months. The NMC continued to take action in all these areas to mitigate the risks.

5. In discussion, the following points were noted:

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- a) The Council applauded the customer complaints and enquiry response rates and service ratings, which were above target.
- b) A critical part of the tender for the education quality assurance (QA) service contract was the use of a more data-driven approach to identify any issues at an early stage. The potential for the use of more 'soft' data, from listening events, and intelligence from the wider education sector, as well by collaborating with Employer Link Service colleagues was encouraging.

NMC People Plan – Q3 dashboard

- 6. The Executive Director, People and Organisational Effectiveness introduced the NMC People Plan update for quarter three.
- 7. In discussion, the following points were noted:
 - a) The first year of the People Plan was focused on stabilising core people services and laying the foundations for the future. Whilst good progress had been made, there was still more work to be done and it was acknowledged that it would take time for changes to be embedded.
 - b) The data in the update related to the first iteration of the new approach to appraisals, which started in the previous quarter, with positive completion rates. It was expected that completion rates would improve throughout the year ahead.
 - c) Colleagues at the NMC would complete their second 'Ambitious Appraisal' by the end of February 2024, with 500 colleagues attending learning sessions about the process, reflecting strong engagement.
 - d) Sick absence remained higher than target, with the top reasons for absence being stress and mental health problems.
 - e) Assurance was provided that the use of the resources available to support colleagues with their mental health and wellbeing was monitored in an anonymised form. It was agreed that data on colleagues accessing mental health and wellbeing support provided by the NMC would be reported to the Remuneration Committee as part of the quarterly updates on the People Plan.
 - f) It was positive that the turnover rate had reduced and this reflected the improved engagement scores in the latest Your Voice colleague survey.
 - g) As turnover rates had improved, the rationale for its continued 'red' rating was queried.

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- h) Ensuring there was surplus recruitment to certain roles to anticipate turnover was key to safely and swiftly reducing the FtP caseload.
- i) Efforts were focused on reducing the time to recruit once roles became vacant, as well as ensuring the onboarding of new colleagues was an efficient and effective process.
- j) It was important that as the regulator the NMC led by example in terms of freedom to 'Speak Up', with a culture in which colleagues felt safe and confident to raise concerns, supported by an internal network. The Council would be updated regarding the NMC 'Speak Up' network at a future meeting.
- k) It was pleasing that the Remuneration Committee would receive an update on the Equality Diversity and Inclusion (EDI) Plan quarterly, alongside updates on the People Plan.
- l) The Terms of Reference for the People and Culture review were being finalised and would be published. The NMC was committed to discussing outcomes of the review and the action in response openly and transparently.
- m) The People Plan and Equality Diversity and Inclusion (EDI) Plan would be amended to reflect the outcomes of both Ijeoma Omambala KC's investigation into the Whistleblowing concerns and the People and Culture review.

Action:	Submit a lessons learned report relating to the CBT issue.
For:	Executive Director, Professional Practice
By:	27 March 2024
Action:	Present data on colleagues accessing mental health and wellbeing support provided by the NMC to the Remuneration Committee as part of the quarterly updates on the People Plan.
For:	Executive Director, People and Organisational Effectiveness
By:	27 March 2024
Action:	The Council would be updated regarding the NMC 'Speak Up' network at a future meeting.
For:	Executive Director, People and Organisational Effectiveness
By:	22 May 2024

NMC/24/07 Financial Regulations

1. The Executive Director, Resources and Technology Services introduced the proposed Financial Regulations, which were reviewed and updated for the Council's approval every three years.
2. The Executive Director, Resources and Technology Services

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highlighted paragraph 21 in the Financial Regulations relating to budgeting, noting it was subject to potential minor changes as the Financial Strategy was finalised. Any changes would be submitted to the Council in March 2024, as part of the annual budget setting process.

3. In discussion, the following points were noted:
- a) All amendments to the Financial Regulations were shown in tracked changes, with the separate colours indicating changes made by different colleagues who had reviewed the document.
 - b) Mindful that the NMC was funded by registrants' fees, it was important that business cases set out clearly how they offered value for money.
 - c) Assurance that the Audit Committee had reviewed the Financial Regulations and was content with the proposed amendments.
 - d) The proposed amendments were sensible and accounted for the increase in inflation in recent years, which was appropriate.
4. **Decision: The Council approved the proposed Financial regulations.**

NMC/24/08 Panel Member and Legal Assessor appointments and resignations

1. The Secretary to the Council introduced the item. It was highlighted that as part of the review of the selection campaign, there would be work to understand how the NMC could continue to diversify its Panel pool through future campaigns.
2. In discussion, the following points were noted:
- a) The Council would be kept informed about the steps the NMC was taking to continue to diversify its Panel pool.
 - b) The strategy for the appointment process for Panel Member and Legal Assessors accounted for capacity to support the FtP improvement programme and the projected number of hearings.
 - c) The Appointments Board reviewed the work of the Panel Support Team on behalf of the Council, with a report of each of its meeting submitted to the Council.
 - d) Whilst there was no formal appraisal process for Panel Members as they were not NMC employees, the Panel Support Team did manage a peer review process.
 - e) As part of the review of the panel member service agreement, there would be further consideration of performance assessment.
 - f) The Panel Support Team and Professional Regulation colleagues were working in collaboration to use IT systems to make efficiency improvements in the way Panel Members were booked for hearings.

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3. **Decision: The Council approved the:**
- **Appointment of ten individuals listed to serve as Panel Members of the stated Practice Committees for the period 31 January 2024 – 30 January 2028.**
 - **Appointment of the two individuals listed to the approved list of Legal Assessors.**
 - **Removal of the four Panel Members listed from the Fitness to Practise Committee.**

NMC/24/09 Fitness to Practise caseload update

1. The Executive Director, Professional Regulation introduced the update, noting that the caseload had continued to increase, with the caseload standing at 5,711 at the end of December 2023. There had been significant challenges for FtP towards the end of 2023, including the number of referrals received continuing to exceed the assumed levels in October, November and December.
2. In discussion, the following points were noted:
- a) A new FtP Optimisation Plan was being developed and would be presented at the February 2024 Council Seminar and March 2024 Open Council meeting.
 - b) Thanks were offered to Executive Directors for inviting the Council to join Executive Board for more detailed discussions about the development of the FtP Optimisation Plan.
 - c) Analysis into patterns in referrals would be presented to the Council at Seminar in May 2024.
 - d) There had been no discernible pattern identified as to the reasons for peaks in referrals, with the volume increasing but trends in referrals remaining consistent.
 - e) Referrals tended to centre around patient care, prescribing and medication management.
 - f) Many other regulators had also experienced an increase in the number of referrals received in recent months, which was noted at the Professional Standards Authority (PSA) roundtable on 11 January 2024. This increase potentially reflected a rise in levels of dissatisfaction across health and social care services.
 - g) There were also significantly more professionals on the NMC's register, with an associated increase in referrals to be expected.
 - h) Acknowledgement that the NMC had received 446 concerns relating to one social media post, which had created a significant amount of work for FtP colleagues but was counted as a single referral. The case was closed at the screening stage as despite the allegations, no registrant was involved.

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- i) In recognition of the pressure and scrutiny faced by FtP colleagues, there were additional case support discussions, decision-making resources, and a suite of well-being support available.
- j) It was important to be open with all parties to a referral about the predicted timescales for a case to reach the conclusion of the FtP process.
- k) The new case management system would support greater clarity in predicting timescales for the length of time for cases to be concluded.
- l) Safely and swiftly reducing the FtP caseload was a collaborative effort, with individual Executive Directors taking the lead for strands of work that make up the new Optimisation Plan.
- m) The learnings and opportunities identified by Employer Link Service colleagues' review of 200 FtP cases would be incorporated into the Optimisation Plan.
- n) It was anticipated that the impact of the Optimisation Plan would start to be visible from about September 2024.

3. Summing up, the Chair thanked colleagues, noting that the complexity involved in safely and sustainably reducing the FtP caseload should not be underestimated, especially at a time of increased referrals. It was highlighted that it was important to keep in focus the human experience of all those involved in FtP proceedings. The Council would continue to scrutinise progress at each Open meeting and looked forward to considering the new FtP Optimisation Plan at the February 2024 Council Seminar session.

Action: Analysis into patterns in referrals would be presented to the Council at Seminar in May 2024.
For: Executive Director, Strategy and Insight / Executive Director, Professional Regulation
By: 22 May 2024

NMC/24/10 Council Effectiveness Review – update

1. The Secretary to the Council introduced the update, which focused on learnings from the external Council Effectiveness Review undertaken in 2023, as well as the implementation of the resulting recommendations. It was noted that there was a review being carried out into the cycle of Council meetings and the Council committee structure, with a view to improving the accessibility of Open Council meetings and ensuring the NMC was making the best use of Council and Executive time.
2. The Chair highlighted that it was important to note that the context had changed since the review was undertaken in the first half of 2023. There had been a focus at the time on preparations for Regulatory Reform and

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the forthcoming transition of the Council to a unitary board. The legislative process for Regulatory Reform has since been delayed, which was beyond the NMC's control, and planning for the transition to a unitary board was less pressing. Since the review, the Council and the Executive had been focused on the Whistleblowing concerns raised and subsequent investigations and reviews into the NMC's People and Culture.

3.

In discussion, the following points were noted:

- a) It was good practice for all boards to regularly evaluate their effectiveness and the review had been a valuable exercise, with specific recommendations to be implemented to improve the Council's effectiveness.
- b) Improvements to Council effectiveness was a continuous process, with Council membership and the context in which the Council worked continually evolving.
- c) A key outcome of the effectiveness review was that the Council would become more strategic, with more time available for generative discussions.
- d) It would be important to ensure independent members of Council committees were kept apace of Council business. To enable independent members to provide effective and valuable contributions, they would be provided with a thorough induction, given access to Council papers on Board Intelligence, as well as required to attend a set number of Council meetings, including Confidential and Seminar sessions.
- e) Support for the proposed official expansion of the remit of the Remuneration Committee, to encompass wider people issues and EDI. This would be straightforward to implement as the Remuneration Committee had been considering wider people issues for the last two years.
- f) There was further consideration and discussion with the Council required regarding whether there should be one or two Vice Chairs.
- g) The plan was for the new cycle of meetings and Council committee structure to be implemented from 1 April 2024, if approved by the Council in March 2024 after discussion at February 2024 Council Seminar.

NMC/24/11 Questions from observers

1. The Chair invited questions and comments from observers (see **Annexe B**).

NMC/24/12 Remuneration Committee report

- 1. The Council noted the report of the Remuneration Committee meeting on 6 December 2023.

NMC/24/13 Chair’s actions taken since the last meeting

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

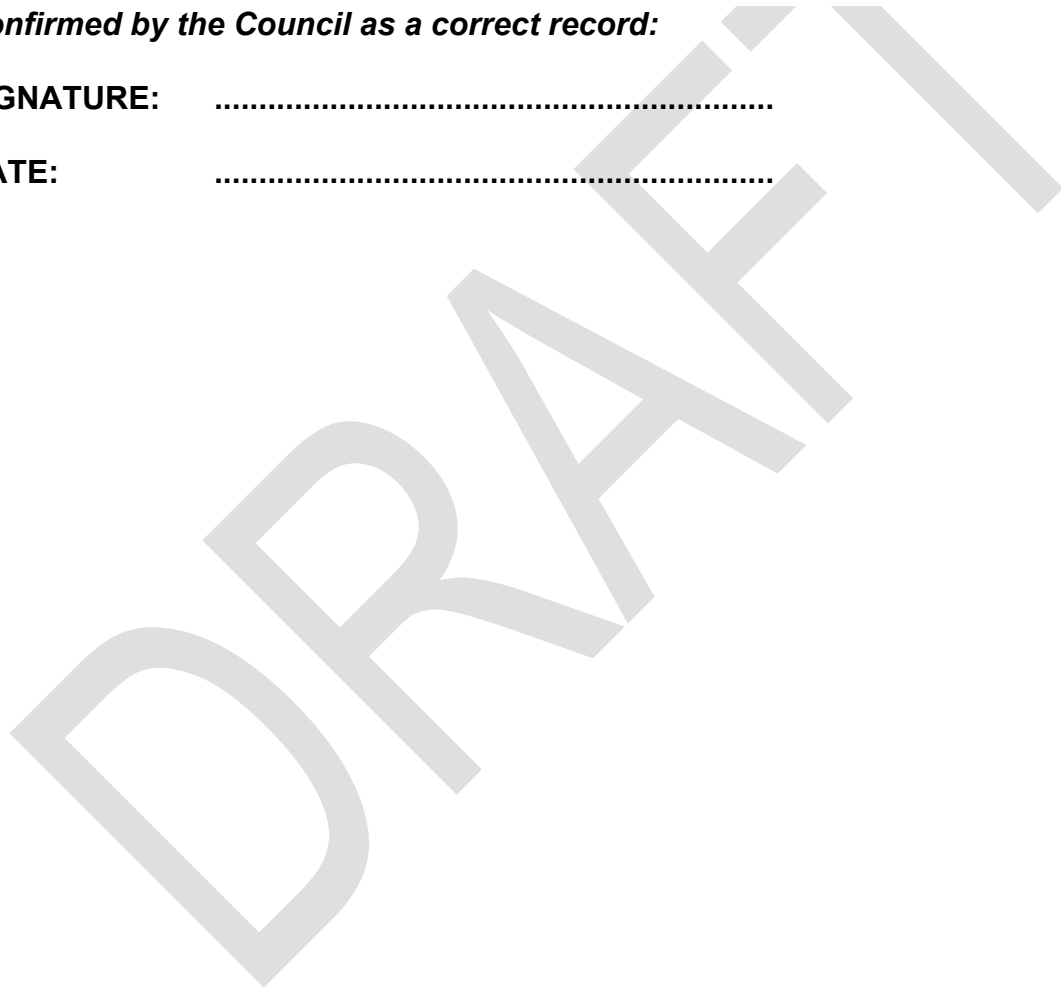
Closing remarks

- 1. The Chair thanked all attendees for joining the meeting.

Confirmed by the Council as a correct record:

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Annexe A: Observers

First name	Surname	Job title	Organisation
Katie	Askew	Executive Assistant	NMC
Paul	Salmon	Registered Nurse	NHS
Sarah	Coombe	Nurse	NHSGGC
Hridiya	Selvapandian	Student Nurse	University of Leicester
Anna	Reji	Student Nurse	University of Leicester
Nazia	Nazneen	Student Nurse	University of Leicester
Abby	Bird	Student midwife	University of Leicester
Wendy	Varela	Student midwife	University of Leicester
Asheka	Yasmin	Student midwife	University of Leicester
Selena	Palmer	Student midwife	University of Leicester
Juwayriyyah	Salim	Student midwife	University of Leicester
Holly	Peck	Student Nurse	University of Leicester
Leoj	Julienne Madlang-Awa	Student Nurse	University of Leicester
Sarah	Wood	Nurse Consultant/ Advanced Practice lead	South Tees NHSFT
Mike	Asamoah	Manager	The Truth Travel And Tour
James	Penry-Davey	Partner	Capsticks
Jenny	Wood	Partner	Capsticks
Megan	Barker	Practice development nurse	UHSussex
Annemarie	Lewis	Professional Lead Nursing (England)	The Open University
Michelle	Johnson	Lead respiratory practitioner	Kings College Hospital
Harbi	Kaur	Retired	NHS
Linda	Walker	Lecturer	The Open University
Albert	Erzoah	Student nurse	University of economics and Innovation
Farha	Hajat	Student Nurse	University of Leicester
Kay	White	Student Nurse	University of Leicester
Sophie	Morrison	Student Midwife	University of Leicester
Alicia	Spencer	Student Nurse	Leicester University
Mariah	Jalil	Student Nurse	University of Leicester
Ren	Cushion	District nursing apprentice	Leeds Community Healthcare NHS Trust
Edwin	Josephs	Member of the public	
Michelle	Russell	Nurse Adviser	NHSE
Kate	Fawcett	Senior Scrutiny Officer	Professional Standards Authority

Peter	Bates	Director of Finance	NMCwatch
Michelle	Lyne	Professional Advisor Education	RCM
Marie	Mostaeddi	Strategic OD Business Partner	NMC
Ella	Devereux	Senior Reporter	Nursing Times
Mimi	Asika	Case Examiner Manager	NMC
Emma	Willis	Head of Specialist Services	NMC
Rebecca	Garcia	Associate Head of School, Nursing	The Open University
Roberta	Beaton	Head of Corporate Planning	NMC

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Annexe B

Observer questions – Council meeting 31 January 2024

1. **The culture at the NMC and value for money for professionals’ registration fees**

Michelle Russell, Nurse Adviser in the NHS, expressed her gratitude to the whistleblower for their courage in speaking up. In light of the concerns raised about the handling of FtP cases relating to sexual harassment and racism, Ms Russell asked who at the NMC would be taking responsibility. She asked if the Council believed the NMC was a safe organisation to which both the public and professionals on the register could raise any concerns, given the failure within the NMC’s of its own speak up culture.

Ms Russell asked if registrants were receiving good value for money and whether registrants waiting for their FtP cases to be heard were required to pay their registration fees.

The Chief Executive and Registrar responded to say Ijeoma Omambala KC had been engaged to undertake an independent review of the specific cases referenced by the whistleblower. The outcomes of the review were expected in Spring 2024 and the NMC was committed to making public the outcomes and its response to the investigations. The Terms of Reference for the People and Culture review, as well as its outcomes and the resulting actions, would also be made public. The Professional Standards Authority (PSA) existed as the NMC’s oversight body to review specific decisions and the way these were reached.

The Chief Executive and Registrar was responsible for the NMC, along with her Executive colleagues, and was therefore accountable. The Chief Executive and Registrar noted the important opportunity to review the NMC’s culture, learn lessons and make improvements where needed.

There were many opportunities for raising concerns at the NMC which colleagues did use, including direct to an email inbox, various networks and forums, and UNISON, the Trade Union. As discussed at the meeting, work was ongoing to strengthen the ‘Speak Up’ arrangements at the NMC.

The Chief Executive and Registrar noted that Executive and Council colleagues were always conscious that the resources for the organisation came from annual registration fees.

Professionals referred to FtP did continue to pay their registration fee, except in the event their registration was suspended. The FtP Optimisation Plan being developed demonstrated the commitment to improving the timeliness of the FtP process.

The Chair added that the Council was accountable for ensuring the NMC provided effective, trustworthy regulation. The Council was approaching the concerns raised by the whistleblower with humility and determination. Ijeoma

Omambala KC, a specialist in regulation and employment law, was undertaking a robust and independent investigation into the concerns. The People and Culture review would consider the safety to 'Speak Up' at the NMC.

2. Use of the term 'nursing'

Harbi Kaur, retired Nurse, NHS queried whether the definition of a 'Nurse' was sufficiently clear, particularly with reference to 'nursing associates' and felt the difference between nurses and nursing associates was not being clearly defined and could be confusing, particularly internationally. She asked if the NMC had a conflict of interest in any discussions regarding nursing associates being added to the register, as the current number of 10,000 registered nursing associates provided a not insignificant level of income for the NMC.

In response, the Executive Director, Professional Practice responded to say the NMC was discussing the definition of the term 'nurse' with the Royal College of Nursing. The term used by the NMC formally was 'Registered Nurse'. The regulation of nursing associates was not regarded as a conflict for the NMC, as there was much discussion at government level before it was considered by the NMC. It was the Welsh government who had approached the NMC to request that it regulated nursing associates in Wales.

3. Panel Member and Equality, Diversity and Inclusion

Michell Johnson, Lead respiratory practitioner, Kings College Hospital, asked what Equality, Diversity and Inclusion (EDI) looked like regarding panel members and whether the NMC had been successful in what it had set out to achieve around EDI. In addition, Ms Johnson asked about any reviews or improvements to the revalidation process.

In response, the Secretary to the Council to say the NMC had worked with external partners and a national headhunting firm to increase the ethnic diversity of the Panel Member pool. It was recognised that there was more work to do to increase diversity, including a review of the role description to ensure it was inclusive and accessible, as well as reaching out to a broader range of networks to discuss the role informally and increase awareness. The Secretary aimed to report an improvement in the diversity of Panel Members in January 2025, on the completion of the next round of recruitment.

In relation to the question about revalidation, the Executive Director, Professional Practice noted that there was a review of the process in 2019. There were plans to undertake another review of the process and to consider opportunities to bring it more up-to-date and make it more meaningful, with amendments in place from 2025 or 2026.

4. Practice learning hours

Kay White, Student Nurse, University of Leicester asked about clinical hours for student nurses. Covid-19 and the cost of living meant that many student nurses were struggling with the clinical hours requirement. Other countries did not have the same standard and the UK's requirement felt like quantity over quality, with

students often being used to support staffing challenges as well as nurses not having enough time to spend with students, in part due to the large numbers on placements. Ms White asked if there was any ongoing discussion regarding reducing the number of practice hours and increasing the quality of education.

The Executive Director, Professional Practice responded by first thanking Ms Kay for her question, which made an important point eloquently. The NMC was embarking on work to review the current requirements for practice learning hours and would be engaging with students as well as a range of stakeholders to ascertain their perspective. The Executive Director, Professional Practice offered to come to the University of Leicester to speak to students further about the matter.

5. **Peter Bates, NMC Watch**

Mr Bates commented that professionals who were subject to the FtP process could access information on the NMC Watch website about the process. He was pleased to see a lot of work ongoing into changes in FtP and was looking forward to seeing these improvements reducing the caseload and speeding up the process. He commented that the FtP process was traumatic for professionals and could continue to be so even after resolution and even if no issue was identified or sanctions imposed. People had been known to resign as they felt the system had defeated them.

He queried why the FtP process was one that required representation as this gave professionals going through it the impression that it was adversarial. Anything that could be done to mitigate this would be helpful.

The Chief Executive and Registrar responded by thanking Mr Bates and NMC Watch for the work it undertook. The FtP improvement programme aimed to ensure the NMC was living its values in the FtP process; to be fair, kind, collaborative and ambitious – to protect the public and to treat everyone in the process with dignity and respect. The changes brought about by Regulatory Reform would help the NMC to move to a less adversarial approach to the FtP process.

The Executive Director, Professional Practice added that she looked forward to working with NMC Watch as part of the workstream to gather input about stakeholders' experience of the FtP process, with a view to making improvements.

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Council

Summary of actions

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

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Minute	Meeting date	Title / theme	Status	Action	Action owner	Update	Due date
NMC/23/17	27 March 2023	Maternity	Complete	<p>Arrange a Council Seminar to discuss midwifery regulation and the NMC's role in improving safety in maternity services.</p> <p>*NMC/23/32 Consider who to invite to discuss midwifery regulation and the NMC's role in improving safety in maternity services at a Council Seminar. (*Raised in discussing the action log).</p>	Chief Executive and Registrar / Secretary	This is scheduled for discussion at March Council Seminar. Council agreed to move ahead with the planned discussion due to the importance of the issue, despite some invitees being unavailable.	<p>17 May 2023 / 5 July 2023 / 26 July 2023 / 27 September 2023 / 22 November 2023</p> <p>31 January 2024 27 March 2024</p>

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NMC/23/89	22 November 2023	Fitness to Practice (FtP) Caseload	Complete	Include quality assurance KPIs in future FtP caseload updates.	Executive Director, Professional Regulation	Future progress on Quality Assurance for FTP will be incorporated into workstream updates until we return to the Council with our proposal (date to be confirmed). We will keep the Council members joining EB (FTP) updated on progress.	31 January 2024 27 March 2024
NMC/24/06	31 January 2024	Executive Report	Complete	Submit a lessons learned report relating to the Computer Based Test (CBT) issue.	Executive Director, Professional Practice	An update on how the NMC planned to identify and embed learning from the fraudulent activity at one of its third-party CBT test centres in Ibadan, Nigeria was presented to the Audit Committee in February. The Committee was content with how the NMC was undertaking this work. A full lessons learned report would be submitted to the Audit Committee and the Council in due course and has been noted on the Council Forward Planner.	27 March 2024
NMC/24/06	31 January 2024	Executive Report: NMC People Plan – Q3 dashboard	Complete	Present data on colleagues accessing mental health and wellbeing support provided by the NMC to the Remuneration	Executive Director, People and Organisational Effectiveness	Data on colleagues accessing mental health and wellbeing support provided by the NMC to be reported to the Remuneration Committee as part of the quarterly updates on the People Plan from April 2024.	27 March 2024

				Committee as part of the quarterly updates on the People Plan.			
NMC/24/06 (supersedes related action NMC/23/76)	31 January 2024	Executive Report: NMC People Plan – Q3 dashboard	In progress	The Council would be updated regarding the NMC ‘Speak Up’ network at a future meeting.	Executive Director, People and Organisational Effectiveness	Not yet due.	22 May 2024
NMC/24/09	31 January 2024	Fitness to Practise (FtP) caseload update	In progress	Analysis into patterns in referrals would be presented to the Council at Seminar in May 2024.	Executive Director, Strategy and Insight / Executive Director, Professional Regulation	This item has been scheduled for discussion at the Council Seminar on 21 May 2024.	22 May 2024

Key	
In progress	For items not yet due
Rescheduled	Where work has been deliberately replanned/rephased
Overdue	Unplanned delay to the work

Complete	Completed actions are reported once as Complete
Closed	Only use once an item is moved to the archive

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Council

Executive Report

Action: For discussion.

Issue: The Council is invited to consider the Executive's report on key developments during 2023-2024, up to March 2024.

Core regulatory function: All regulatory functions.

Strategic priority: All priorities for period 2023-2024.

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.

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- Context:**
- 1 Provides an update on key developments since the last report presented on 31 January 2024.
 - 2 Consists of highlights from the external environment, key issues and our strategic engagement work up to March 2024.

- Four country factors:**
- 3 The issues discussed apply across all four UK countries unless highlighted.

Discussion Culture review and investigations

- 4 The independent investigations and review into concerns raised about NMC culture and fitness to practise cases in *The Independent* are progressing. Our focus remains on keeping people safe and reporting on these issues transparently.
- 5 On 8 February 2024 Ijeoma Omambala KC attended a briefing to update all colleagues in our Professional Regulation directorate about the progress of her investigations. Since then, she has invited some colleagues to meet her where she has identified that they can help her in her investigations. The investigations are on-track to conclude this spring.
- 6 On 13 February 2024 we shared that we have appointed Nazir Afzal OBE and Rise Associates to conduct an independent review of our internal culture. We also published the review’s terms of reference.
- 7 Nazir and Rise Associates bring significant experience in helping underrepresented groups to be heard, providing independent analysis and challenge, and working with organisations to review and sustainably improve their cultures. Our People and Culture Advisory Group, which includes a diverse group of NMC colleagues, was instrumental in identifying Nazir and Rise Associates as the right experts to carry out this independent review.
- 8 Nazir and Rise Associates will seek to understand the scale and roots of the issues and advise us on how we can make and sustain the step change in experience that our colleagues deserve, and need, to thrive. To that end, on 6 March 2024, they issued a survey to all NMC employees. We expect the review to last at least four months.
- 9 On 7 March 2024 Nazir, Rise Associates and Ijeoma attended two briefings – one for all NMC colleagues and one for panel members – to share details of their work.

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- 10 We are keeping our partners including the Professional Standards Authority and Department for Health and Social Care informed about this work.
- 11 We are also updating the Charity Commission on this work.
- 12 *The Independent* continues to report on the concerns raised and other highlighted cases. We are responding to requests for information and comments and providing clarifications where appropriate.

Guidance on concerns arising outside professional practice

- 13 On 27 February 2024 we published updates to our fitness to practise guidance for decision makers. The updated guidance makes clear that we take concerns about behaviour that occurs outside professional practice, including sexual misconduct, domestic abuse, and neglect and abuse of children or vulnerable adults, extremely seriously. The work follows previous updates to guidance which strengthen how we handle fitness to practise concerns around discrimination.
- 14 We are delivering training for our decision makers, including panel members, about the updates and behaviours covered in the guidance. The training is intended to give our decision makers comprehensive knowledge of the behaviours and how they impact people, to support them in applying our guidance to decisions.
- 15 This work follows engagement with key partners, including members of the public, professionals, the four Chief Nursing Officers and their teams, and abuse support organisations.

Thirlwall inquiry

- 16 We continue to co-operate with the Thirlwall inquiry as its work progresses and have submitted our final response to the Rule 9 request for evidence. We will use any learnings from the Inquiry to identify opportunities to improve our regulatory processes to protect the public.

Closure of the temporary emergency register

- 17 We are preparing for the closure of the Covid-19 temporary emergency register on 31 March 2024. As of 12 March 2024, there are 1,045 professionals on the temporary register. We have written to professionals and employers to explain how to join the permanent register so they can continue to practice after this date. We are grateful to all temporary registrants for the vital contribution they made to the Covid-19 emergency response and recovery.

Computer-based testing (CBT)

Enhanced monitoring

- 18 Following evidence of widespread fraud at a CBT test centre in Nigeria, we have established an oversight process for assurance around computer-based testing so we and the public can have confidence that the testing process is robust and professionals passing the CBT have the right knowledge to deliver safe care for people. This involves meeting with Pearson VUE, our test provider, monthly to review their enhanced monitoring and security report and data, so we can work with them if there are any concerns identified.

Regulatory update

- 19 By the end of February 2024, 1,397 of the 1,955 individuals (applicants and registrants) who were impacted by the concerns at the Yunnik test centre have booked or taken tests. Of these, almost all registrants have now taken their resit.
- 20 This has enabled us to close 96 percent of registrant cases where the registrant's test was invalid but where we did not have concerns that their test result was obtained fraudulently. These registrants have successfully retaken the test so remain on the register.
- 21 Seven of the 48 hearings related to registrants suspected of obtaining their test result fraudulently have been scheduled. The first took place on 19 March 2024.
- 22 A further 12 applicants whose test was invalid, but where we did not have concerns that their test result was obtained fraudulently, have successfully joined the register. These applicants have retaken the test and completed all other registration requirements. This takes the total to 186 out of 771 applicants impacted.
- 23 The Assistant Registrar has refused almost all applications where we considered it was more likely than not that the applicant's test result was obtained fraudulently. The refusals are on the basis that the character requirements are not met. A significant number of these individuals are choosing to appeal or make a new application.

Communications and stakeholder engagement

- 24 We updated system partners, representative bodies, trade unions and the Nigerian Nurses Charitable Association UK on 29 February 2024.
- 25 Since we have started making decisions on applications, there has been an increase in stakeholder queries.

- 26 Media articles have been published, including in the Guardian ([14 February 2024](#)), focused on patient safety concerns and concerns from GMB union that nursing applicants face deportation due to their registration being declined.
- 27 We have responded to all correspondence setting out our regulatory approach.

Objective structured clinical examination (OSCE) capacity

- 28 The OSCE is the practical part of our Test of Competence that tests candidates' clinical knowledge and skills. On 8 February 2024 we announced that testing capacity has increased to 50,000 each year across our five test centre partners, with Ulster University the latest to expand capacity. Increased capacity will ensure internationally educated applicants with the right skills and experience, and those wishing to return to practice, will be able to join the register as quickly and safely as possible.

Proposed changes to post registration and prescribing standard 1.1

- 29 We have made a minor word change to standard 1.1 in the post-registration standards and prescribing standards. The change clarifies that only those who are registered can undertake post-registration qualifications following the required selection process. The change does not require us to undertake a public consultation as the wording does not change the intent or substance of the standard. This change follows feedback from some key stakeholders regarding the literal interpretation of this specific standard in the post-registration standards. We have made the same change in the prescribing standards to ensure consistency.

Industrial action

- 30 We are monitoring ongoing industrial action across health and social care and engaging with partners on the impact on professionals and people receiving care.
- 31 February saw strikes involving junior doctors in Wales and England, with a revised pay deal from DHSC not forthcoming. Junior doctors in Northern Ireland took part in action 6-7 March 2024.
- 32 DHSC has announced that trade unions in England including the BMA will recommend a new offer to NHS consultants, including provisions such as enhanced shared parental leave.
- 33 Following the return of the Northern Ireland Executive and the announcement of £668 million for public sector pay, unions are balloting Agenda for Change health and care staff on the proposed

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5% pay deal. The results are likely to be announced by the end of March 2024.

Maternity safety and midwifery regulation

- 34 Tracey MacCormack joins us as our new Assistant Director for Midwifery on 25 March 2024. Tracey is a previous NMC Council Associate and joins us from NHS England where she has been the national maternity improvement advisor. Tracey will provide strategic insight, direction and professional expertise in our regulation, support, and influence of midwifery.
- 35 On 9 February 2024 the Care Quality Commission (CQC) published its annual maternity survey results highlighting that although aspects of maternity care have improved, many people's experiences are less positive than five years ago. We shared a response that signposted to our 'The best midwifery care happens in partnership' resources which encourage midwives and students to reflect on how they work in partnership with the women and babies in their care.
- 36 Our Midwifery Panel met on 13 March 2024. The Panel heard from Karen Jewell, Chief Midwifery Officer for Wales, on the context maternity services are operating within in Wales, key maternity priorities, and how they are making a difference in outcomes for women, babies and families. Panel members also discussed our fitness to practise improvement plans, the impact and considerations of unregulated people supporting births, our practice learning review, and our maternity campaigns.
- 37 We are developing a booklet to support the implementation of the standards of proficiency for midwives. This is aimed at directors and heads of midwifery to highlight the importance of all midwives within their service adopting the standards of proficiency to ensure women, babies and families get the care they have a right to expect.
- 38 Senior professionals working across maternity services have raised concerns that there appears to be an increase in women turning to people who provide unregulated maternity support, such as doulas and formerly registered midwives, to replace NHS maternity care. We have facilitated meetings with chief midwifery officers and the Royal College of Midwives to share intelligence on the topic and understand the scale of concerns. We are arranging a further meeting to agree appropriate individual and joint measures to take.

Standards implementation

- 39 In February 2024, our Executive Director, Professional Practice, and Assistant Director, National and Regional Outreach were featured on the Nursing Standard podcast. They discussed the Code's role in supporting professionals to navigate workplace challenges. The aim

was to develop professionals' understanding of our role, and how we support them to uphold high standards of practice, particularly in difficult circumstances.

- 40 On 5 March 2024 we launched #OurCode, a video-led campaign aimed at nursing and midwifery students. It shows students talking about what it means to live by the Code and it encourages students to share reflections on how the Code and standards will underpin their future practice and guide their decision making. It also promotes our student resources hub where students can find information on who we are, what we do, and how we support them.

Using our data and insight to influence the sector

- 41 Building on our collaboration with the Office for National Statistics, [ADR UK \(Administrative Data Research UK\)](#), a UK-wide publicly funded initiative, are offering researchers up to £200,000 to use our data for public benefit. As part of this initiative, our data has been linked with the 2021 census in England and Wales. This means that for the first time researchers will be able to answer questions about workforce and retention issues, professionals' health and wellbeing and other aspects of nursing and midwifery practice that are not possible by looking at our data alone.
- 42 We have now signed a data sharing agreement with Secure Anonymised Information Linkage (SAIL), a repository like the Office for National Statistics (ONS) that will enable accredited researchers in Wales to access and use our data for the public good. We are having similar conversations in Scotland with plans to do the same in Northern Ireland.

Influencing and informing the sector; four nation workforce planning

- 43 We have engaged closely with key stakeholders on our core regulatory activity and to share insight to inform workforce issues and policies.
- 44 To support the delivery of the fitness to practise (FtP) plan, our Executive Director, Professional Practice will lead a series of engagements working with professionals within the four countries that will focus on improving the quality of referrals and supporting stakeholders through the FtP process. Preliminary discussions with stakeholders have taken place to develop opportunities for upcoming engagement.
- 45 The Welsh Government have asked us to regulate Nursing Associates in Wales. Further information on this area of work is presented in item 10.

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- 46 We are supporting two National Institute for Health Research (NIHR) funded research projects focused on workforce retention. The first is evaluating the Government’s 50k nurses programme in England. The second aims to improve understanding of how and why NHS staff from ethnic minority groups and/or internationally educated professionals stay or leave the NHS. Our 2023 Spotlight Report highlighted that having the right number and skill mix of nursing and midwifery staff impacts the quality and safety of people’s care and their experiences. Contributing to this research will help NIHR to understand what support professionals need to stay in the NHS and deliver high quality care to people.
- 47 Our Professional Strategic Advisory Group met on 7 March 2024. The group includes senior nursing and midwifery professionals whose insight and perspectives help us to consider how our regulatory activity will impact professionals and people receiving care. The meeting included discussion on the review of advanced practice, remote prescribing and research around disabled people’s experiences of revalidation.
- 48 The NMC’s public affairs team has contacted new Ministers as they have been appointed at Westminster and in devolved administrations, and supported a meeting with the Minister for Mental Health and Women’s Health Strategy, Maria Caufield.

Hearing the public voice

- 49 The Public Voice forum met on 14 February 2024. The group discussed our practice learning review, highlighting the need for students to have opportunities to understand the importance of good communication skills and person-centred care during their learning. Members also heard about the updates to guidance on concerns outside professional practice. They had shared views on this work in September 2023, so this session demonstrated how their contribution had influenced the updates.

Regulatory reform

- 50 The Anaesthesia Associates and Physicians Associates order, which is the blueprint for future reform, has now passed through both the Scottish and UK Parliaments. The General Medical Council will begin to consult on its rules, which sit beneath the Order, on 26 March 2024.
- 51 We are preparing our response to the Professional Standards Authority (PSA) consultation on their guidance on accepted outcomes and rule-making powers ahead of the deadline on 15 April 2024. We are engaging with the GMC and representative bodies to inform our response.

Sustainability plan

52 The Environmental Sustainability Plan was presented to Council in July 2023, and we launched the plan on 7 March 2024. Our overall goal is to improve people's health and wellbeing, and reducing our environmental impact as an organisation is part of that. This plan sets out how we will reduce our impact, promote sustainable practice among professionals on our register, and build our resilience to climate risks.

Midwifery implications:

Midwifery updates are covered in the body of the report.

Public protection implications:

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

Resource implications:

None in addition to those within our corporate budget.

Equality diversity and inclusion implications:

Discussed within this paper as part of the update on the culture review and investigations.

Stakeholder engagement:

Discussed within this paper.

Risk implications:

Our corporate risk register captures and monitors the risks associated with the activity outlined in this report.

Regulatory reform:

Discussed within this paper.

Legal implications:

No legal implications arising from this paper.

Council

Review of our Financial Strategy

Action: For decision.

Issue: Proposed amendments to our financial strategy.

Core regulatory function: Supporting functions.

Strategic priority: Strategic aims – all.

Decision required: Council is recommended to agree the financial strategy, including the proposed amendments shown on it, at **Annexe 1**.

Annexes: The following annexe is attached to this paper:

- **Annexe 1:** draft revised financial strategy.

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.

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- Context:**
- 1 In its own words: “The goals of the financial strategy are to enable the investment we need to deliver our organisational strategy, while also achieving financial sustainability and value for money, for the benefit of registrants and the public, keeping registration fees affordable and stable over time.”
 - 2 The financial strategy is designed to set direction and indicate the key parameters of how we manage our finances. Our financial regulations set out more rule-based controls such as the authority to spend level of the Chief Executive and Registrar.
 - 3 Our financial strategy was initially agreed by Council in March 2019. Council reviews it each year alongside our business plan and budget.

Four country factors: 4 Not applicable for this paper.

- Discussion**
- 5 Despite the considerable changes to the external environment over the past four years, the financial strategy is still broadly appropriate.
 - 6 We are not proposing significant changes to the strategy this year. Adjustments are each discussed in turn below. They are also shown as ‘track changes’ in the draft financial strategy at **Annexe 1**.

Strategy alignment (section 1 of strategy)

- 7 We have slightly softened the references that tie the financial strategy to our 2020-2025 corporate strategy period, given that we are now planning delivery that takes us beyond that period.

New procurement legislation (section 4)

- 8 We have updated references to reflect the new procurement legislation that has just come into effect.

Investment policy (section 8)

- 9 Although we are not proposing any change to this element of the financial strategy, it should be noted that we plan to revisit the objectives and implementation of our investment strategy later this year with the Executive Board and Council.

Pension schemes (section 9)

- 10 While not specifically referencing our recent decision to change our defined contribution (DC) pension provider (subject to consultation), we have now made a new specific commitment to reviewing the pension provider market from time to time to ensure we have the best provider for colleagues.

11 For our defined benefit (DB) scheme, we have not changed the wording, since it already covers two possibilities that, whilst they seemed distant in 2019, are either currently in place or potentially in prospect. In particular: we are now no longer paying contributions to the scheme to make up a deficit (although this could change at a future valuation); and one option mentioned to remove the risk of the scheme altogether – to “sell” the scheme - now appears a more realistic prospect.

Fees policy (sections 4 and 10)

12 The financial strategy references the registration fee in several places including that we review it every year, that there are risks and pressures. It says that we are cognisant our fee level has remained static as it has not increased from the current level of £120 since February 2015. It recognises too that we need to keep fee increases to a minimum and that, in line with our values, we intend that the fee should be affordable by nurses, midwives and nursing associates and that we should avoid large, sudden increases in the fee.

13 All that very much still stands and we are not proposing to increase our fee for 2024-2025. But it is probably sensible to reflect better some of the factors that we need to bear in mind when it comes to the fee level. These include the increasing period over which we have held the fee at the same level, the substantial pressures from recent and continuing high inflation, as well as the pressing need to invest in our capabilities and systems to improve the support we offer professionals on our register and the public we serve.

Next Steps

14 Subject to Council’s comments, we will publish the revised financial strategy on our website in spring 2024.

Midwifery implications: None specifically from this paper.

Public protection implications: Ensuring we have an appropriate financial strategy is important in enabling us to have sufficient and appropriate resources to exercise effectively our role as an independent regulator.

Resource implications: The financial strategy helps ensure that we are managing our resources appropriately as set out in the budget paper that is being presented separately.

Equality diversity and inclusion implications: None specifically from this paper although effective management of resources will support the implementation of our Equality, Diversity and Inclusion (EDI) plan.

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Stakeholder engagement: None in relation to this paper.

Risk implications: The main recommendations for changes to the strategy are designed to manage risk more effectively to ensure our status as a visibly independent regulator is protected and that the effectiveness of our budget and business planning and management are protected from short term swings in the value of our investments.

Regulatory Reform No direct implications.

Legal implications: None.

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As agreed by Council 29 March 2023 – with proposed amendments

Financial strategy

1. Summary

- 1.1. This financial strategy was first approved by Council in March 2019 ~~updated in March 2020 and March 2022 and is reviewed and updated each year.~~ It is consistent with our organisational strategy for 2020-2025 and is intended to guide our financial management for the ~~next year but also looking ahead to subsequent years. period to 2025.~~
- 1.2. Our organisational strategy ~~and subsequent replanning~~ includes an ambitious programme of work ~~across the five years~~, building on our core business, to ensure that we regulate well, support our professions, and influence the context for learning and care. Underpinning that work, we also need to ensure that our organisation is fit for the future, with the right infrastructure and capabilities to fulfil our ambitions.
- 1.3. We are financed by the fees paid by nurses, midwives and nursing associates. We are very conscious of the impact that increases in our fees can have on ~~the professionals on our registrants~~. We do face significant financial risks, which could mean that we have to increase our fees: particularly, the risk of ~~high increasing~~ inflation combined with ~~a static fee level income~~.
- 1.4. But overall, we are fortunate to be in a ~~strong and~~ privileged financial position. Nurses, midwives and nursing associates are required by law to pay their registration fees in order to practise their professions, and this makes for a highly secure source of income. We also have ~~good strong~~ reserves, built up through careful financial management since we last increased our fee in 2015.
- 1.5. We have both a responsibility and an opportunity to use these funds well. This financial strategy seeks to more actively use our strong financial position to invest in modernising our systems, improving services and efficiency, to make financial investments that will help mitigate the impacts of inflation in the long term, and to manage financial risks.
- 1.6. The strategy also emphasises the importance of medium and long term¹ planning, and an enabling and collaborative internal approach to the use of resources, alongside appropriate financial controls.

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

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- 1.7. The goals of the financial strategy are to enable the investment we need to deliver our organisational strategy, while also achieving financial sustainability² and value for money³, for the benefit of registrants and the public, keeping registration fees affordable and stable over time. We will promote trust and confidence in our finances and the value for money we provide through transparency and integrity in our financial conduct.

2. Framework of authorities

Financial governance

- 2.1. Our Council is the NMC's governing body. Council's responsibilities are set out in the Nursing and Midwifery Order 2001, and the Scheme of Delegation. Council's financial responsibilities include:
- 2.1.1. approving the financial strategy, reserves policy, and investment policy
 - 2.1.2. approving the budget
 - 2.1.3. reviewing financial performance during the year
 - 2.1.4. agreeing the top level system of internal control, including the Financial Regulations
 - 2.1.5. approving the annual report and accounts.
- 2.2. The Chief Executive and Registrar is appointed as Accounting Officer by the Privy Council. The responsibilities of an Accounting Officer are set out in HM Treasury's rules, Managing Public Money⁴, Chapter 3.

Our status as a public body

- 2.3. We are a public body, established by statute. Although our closest relationship within government is with the Department of Health and Social Care (DHSC) and our accounts are consolidated into the DHSC's group accounts **as a result of a statistical classification decision by the Office for National Statistics**, we are independent and not controlled by DHSC or any other government department. We are accountable to Parliament through the Privy Council. We take into account the principles in Managing Public Money.

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

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

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

- 2.4. We are subject to the Public Contracts Regulations and our policies and processes comply with those Regulations in full. We follow the Treasury's Financial Reporting Manual in the preparation of our statutory accounts, to the extent that it clarifies or builds on the financial reporting requirements in the Charities Statement of Recommended Practice (SORP)⁵.

Our charitable status

- 2.5. Our objectives are charitable and we are registered as a charity with the Charity Commission in England and Wales and the Office of the Scottish Charity Regulator⁶. Council members are the trustees of the NMC with responsibilities under charity law very similar to their responsibilities under the Scheme of Delegation⁷.
- 2.6. As a registered charity we benefit from business rates relief worth over £1 million a year and exemption from corporation tax on our charitable income, investment income and capital gains.

3. Sustainability

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

4. Effective financial management and value for money

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

Planning and budgeting

- 4.2. We will maintain a rolling three year business plan and budget, linking resources to outputs and outcomes. Planning and budgeting over a three year period enables more effective delivery and value for money. It also enables us to see the financial impact of medium term capital projects, and to model the possible impacts of financial risks such as changes in the number of nurses, midwives and nursing associates on the register, or changes in the rate of inflation.
- 4.3. For our finances to be sustainable, our budget for recurrent, core business expenditure⁸ must not exceed our recurrent operating income.

⁵ Statement of Recommended Practice: Accounting by Charities

[Download a full SORP - SORP - CCEW \(charity-sorp.org\)](https://www.charity-sorp.org.uk/)

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

⁷ See Charity Commission guidance "The essential trustee (CC3)"

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

⁸ Including depreciation

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- 4.4. Our overall budget, including non-recurrent or project costs, must be balanced over the medium and long term⁹. However, our overall budget does not need to balance every year.
- 4.5. To deliver our organisational strategy in **the short, medium and long term for 2020-2025**, we need a significant programme of investment in new services, our people and our systems. **That investment continues to be needed in the short term but also needs to be sustained to ensure we continue to be effective and efficient. As set out below, we want to maintain the registration fee at £120 for as long as possible. Therefore, we will propose to** fund our investments ~~partly~~ from reserves **as far as practical but ensure we are realistic in judging when we need to increase the registration fee. The risk otherwise is that we reduce the on-going investment needed to maintain and improve services, and instead revert to a long-term decline in our quality and efficiency.**
- 4.6. In order to fund non-recurrent or project costs, we can reasonably set deficit budgets and accept negative cash flows over the short term, provided that we have sufficient cash and free reserves to fund the deficits, provided that the budget deficit is the result of those non-recurrent or project costs, and that we have plans for the overall budget to return to balance in the medium and long term and comply with our reserves policy. For instance, this may be appropriate to deliver change over several years in way that is manageable and properly sequenced. We should avoid using deficits to support recurrent spend on core business since this will deplete our reserves.
- 4.7. In the current exceptional circumstances, we can set a deficit budget and accept **some** negative cash flows over three consecutive years, although this is still subject to the other constraints set out in this strategy. If any additional year of deficit beyond three years is considered necessary, this will require specific Council approval.
- 4.8. If our planning and budgeting shows that our operating income cannot cover our recurrent, operating, core business costs over the short term, or our total costs over the long term, then we will need to take steps to correct the position. In the first instance, we would look for further options to reduce costs, including the possibility of reducing the scope of our services. If those options were not viable or were not sufficient, we would need to consider a fee increase.

Efficiency programmes in business plans and budgets

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

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

Business cases for major projects and significant investments

- 4.10. When we invest significant amounts of registrants' money in a project, we need to ensure we are making the right choice from the available options, which we expect to provide the best value for money. We do this through business cases that are proportionate to the scale of the investment, based on the Treasury's Green Book¹⁰.
- 4.11. Projects relating to our regulatory functions will often not have a positive *financial* return, for example if their purpose is to improve services to registrants or the public, but we need to test and be able to demonstrate that our chosen option is better value for money than the alternatives, including doing nothing. We also need, as part of the impact assessment, to consider their financial and economic impacts on the wider healthcare system. Projects relating to our corporate support functions should normally have a positive financial return. For all significant projects, we will identify the expected benefits at the outset and track the realisation of those benefits.

Approach to procurement

- 4.12. We fall within ~~the definition of "bodies governed by public law". scope of UK public procurement legislation This means we must apply the legislation, which we must comply with and wider UK public procurement rules~~ when we require new contracts or in managing our existing suppliers.
- 4.13. Our NMC Procurement Policy details our approach to procurement, which includes making use of existing national procurement frameworks or running a competitive tender process for contracts that are over £120,000 in value. This ensures we meet our legal obligations, and that we are open, transparent and fair towards suppliers bidding for our work. In our tenders we actively seek to identify suppliers who share our values and can demonstrate high standards in areas such as equality and diversity, and sustainability.
- 4.14. Overall, this approach supports our value for money objectives. Our procurement ensures we identify suppliers who can deliver our requirements at a competitive price, but also will add value to wider NMC work and are contributing to wider societal improvements.

5. Approach to financial control

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

¹⁰

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/685903/The_Green_Book.pdf

Controls on income from registrants

- 5.2. One of our main points of contact with nurses, midwives and nursing associates is when they pay our fees. The process is normally quick and simple, but if registrants' payments fail for any reason, they are at risk of being removed from the register and prevented from practising. This has a potentially severe impact on the individual and runs contrary to our aim to support nurses, midwives and nursing associates to work.
- 5.3. Like every organisation, we need processes and controls to ensure that we receive the income we are due. But paying the registration fee is a precondition for legally practising as a nurse, midwife or nursing associate, which means that we are at much less risk than most organisations of our customers failing to pay us.
- 5.4. One of our values is that we are kind, and we will show compassion and understanding for registrants who may be in financial difficulty. Within the limitations of the Fees Rules¹¹ and our systems, we will provide flexibility to support registrants and avoid as far as possible them being removed from the register for non-payment. We will seek reform of our Fees Rules in due course to enable greater flexibility.

Controls on grant or contractual income

- 5.5. We may sometimes have the opportunity for income from other sources such as grants or reimbursement for costs incurred. These funds are typically provided by central government. They may be in the context of delivering a specific project where it is not appropriate for our registrants to bear the costs through their fees.
- 5.6. In considering whether to accept such income, we need to be satisfied that it is appropriate, taking into account a range of factors. These will include legality within our legislative framework, alignment with our strategy, avoidance of any inappropriate burden on our registrants, our capacity to deliver well in the context of our other priorities and whether the income may impact, or be seen to impact, on our independence as a regulator.
- 5.7. Given the range and types of factors to be considered, such income, whether as a grant or reimbursement of costs under a contractual or other agreement, must be approved in advance by the Executive Director of Resources and Technology Services and the Chief Executive and Registrar (CE&R). The CE&R will escalate any grant income decisions to the Council where appropriate on the basis of risk.

Expenditure controls

- 5.8. Controls over expenditure are essential to ensure that our spending is effective for our regulatory and charitable purposes. Effective financial

¹¹ Our Fees Rules are set via secondary legislation

controls prevent improper use of funds and ensure financial information is accurate, relevant and reliable. They support management in making good planning and financial decisions, and ensure value for money, accountability and transparency.

- 5.9. The risk of improper use of funds and errors cannot be absolutely eliminated, and excessive controls are inefficient and tend to drive the wrong behaviours in terms of customer service, innovation and risk management. Therefore financial controls must be appropriate and proportionate.
- 5.10. Controls must reach the appropriate threshold level, to reduce the risk of loss to an acceptable level, but beyond that threshold level, further increases in controls reduce value for money and employee satisfaction. Determining the appropriate level of control is a matter of judgement reflecting the organisation's risk appetite.
- 5.11. We want to trust and empower employees to be responsive and innovative in delivering excellent services to nurses, midwives and nursing associates and the public. We will keep processes and controls under review to ensure they are appropriate and proportionate, and we will promote a culture of customer focus, collaboration and business partnering in Finance and Procurement's support for the rest of the organisation.

Collaboration

- 5.12. We will maintain a collaborative approach to financial management where budget holders are trained in financial management and encouraged to work in partnership with each other and Finance to ensure the best allocation of resources across the organisation. While providing constructive challenge, Finance will work with a premise of trust in the good faith and competence of budget holders, and with the objective of enabling budget holders to spend funds well.
- 5.13. Similarly, in our work with suppliers, we aim to build partnerships with a fair allocation of risk and benefit, which deliver value for money in the long term.
- 5.14. We will also look for opportunities to work with other organisations, and other health and social care regulators in particular. We will share expertise and good practice and improve value for money through joint activities such as joint procurement where practical.

Approach to outsourcing

- 5.15. In deciding whether to provide services in house or to outsource them, our overall objective is to achieve the optimum value for money. This includes consideration of:
 - 5.15.1. The technical complexity and level of specialism of the service. Generally, the more technically complex and specialist a service is, the more difficult it is to maintain a cost effective in house capability to deliver it.

- 5.15.2. The external market for the provision of the service. Services with more developed external markets, for example catering services, will normally provide better value for money from outsourcing. Conversely, some services may be so technically complex or specialist that the external market for them is limited.
 - 5.15.3. Economies of scale. Organisations often contract out services because their own demand for them is not enough to support an efficient in house service, or the service can be provided more efficiently by a large specialist contractor.
 - 5.15.4. The period over which the services will be needed, and the variability of demand/workload over that period. A short term, one off service, or a service with uneven demand will be more difficult and less cost effective to provide in house.
 - 5.15.5. The degree of independence required. Services where a high level of independence from management and objectivity are required are usually better outsourced, since an external firm is more able to provide independent advice, and more likely to be seen as independent.
 - 5.15.6. The sensitivity of the service will be relevant, including data security considerations, although whether those factors make it more or less appropriate to contract out may vary from one service to another.
 - 5.15.7. Risks and benefits relating to a change from in house to contracted out or vice versa. Risks of moving to outsourced provision may include loss of corporate memory, loss of accountability, or a drop in service levels arising from the change and consequential loss of trust in the organisation.
- 5.16. We will evaluate services using these criteria and others that are relevant to the particular service. If we conclude that contracting out is likely to provide better value for money overall, we will procure the service in compliance with the **Public Contracts Regulations relevant UK public procurement legislation** and the guidance on outsourcing in Managing Public Money¹². As each significant contracted out service comes up for renewal, we will re-evaluate it to assess whether contracting out remains appropriate, or whether it should be brought back in house.

6. Transparency and integrity

- 6.1. All our financial conduct and decision making must be informed by the fact that we are funded by the registrants’ fees. We need to ask ourselves if the financial decisions we take can be positively and confidently presented to nurses, midwives and nursing associates as a good use of their money¹³.

¹² Managing Public Money chapter 7.12
¹³ This relates to the concept of regularity and propriety. See Managing Public Money <https://www.gov.uk/government/publications/managing-public-money>

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- 6.2. Our Council’s Code of Conduct commits members to the seven principles of public life (the Nolan principles): selflessness, integrity, objectivity, accountability, openness, honesty and leadership¹⁴. We apply these principles in our financial management. In particular:
- 6.2.1. We will publish our expenditure transactions and our key financial policies under our Freedom of Information publication scheme. Council and Executive members’ remuneration and expenses will be published annually in the Annual report and accounts.
 - 6.2.2. Council receives a quarterly report from the Executive, which is published on our website, and includes financial and operational management information, key performance indicators, and the corporate risk register.
 - 6.2.3. The Code of Conduct for Council members includes conflict of interest and gifts and hospitality policies, and similar policies apply to our employees.

7. Reserves policy

Charity Commission guidance on reserves

- 7.1. The Charity Commission¹⁵ expects charities to develop and publish their reserves policies. The purpose of a reserves policy is to demonstrate sustainability, good stewardship and active financial management by the trustees, including showing that the charity will be able to meet its commitments in the event of a shortfall in income. Charities’ reserves policies are often expressed in terms of a target range of free reserves. The term “free reserves” means reserves that are not tied up in fixed assets or restricted for specific purposes.
- 7.2. A target minimum level of free reserves is a source of assurance that the charity’s services are sustainable. Conversely, a target maximum level of free reserves acts to ensure that the charity’s resources are applied and not simply accumulated to no purpose. By maintaining free reserves within the target range, the charity trustees are more likely to be balancing the interests of their current and future beneficiaries and supporters and exercising good stewardship.
- 7.3. Free reserves are particularly important in the charity sector because they are often the main or the only available source of long term financing and financial security. Charities do not have share capital and often do not have access to borrowing. Charities’ income streams are often inherently insecure, for example if they are dependent on a small number of large grants.

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

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

Our need for free reserves

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

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

- 7.5. We will maintain free reserves within a target range that will be reviewed and agreed annually by Council as part of our budget setting process. The target minimum level of free reserves will be set so as to ensure our sustainability, taking account of the security of our income stream, our cash and investment balances, and an assessment of the potential financial impact of risks faced by the NMC. The target maximum level of free reserves will be set so as to ensure our resources are applied effectively, balancing the interests of registrants who finance us through the fees that they pay, and the public who benefit from our work.
- 7.6. The extent to which our cash and investment balances exceed our free reserve balances is dependent on the proportion of registrants paying by quarterly direct debit and the level of the pension deficit. There is a risk that over time, these factors could change.
- 7.7. Therefore, in addition to the target range of free reserves, we will set a minimum level for the aggregate forecast cash and investments balance in the course of the coming financial year. The purpose of this additional limit is to ensure liquidity¹⁶ without the need for borrowing facilities.
- 7.8. Our reserves policy fully complies with the Charity Commission's guidance on reserves as set out in paragraph 7.1. We will continue to publish the policy within our Annual Report and Accounts.
- 7.9. There are no specific requirements that would determine our reserves policy in the Order, or the Scheme of Delegation, or Managing Public Money.

8. Investment policy

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

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

- 8.2. Our investment policy has been developed consistent with this financial strategy, reviewed by the Investment Committee and approved by Council, and sets out the classes of asset we may invest in and the level of risk we are prepared to take, and ethical investment parameters. Appropriate classes of investment include equities, funds and bonds. While the value of these non-cash investments may be volatile and may fall or rise sharply in the short term, over the long term, equities and funds have proven to be the best performing form of investment assets.
- 8.3. As a result of their expected short term volatility, we will not budget or forecast for either capital gains or capital losses in our non-cash investments, although we will report actual performance as part of our normal financial reporting. As a result, as part of our budgeting processes, when we estimate levels of free reserves for future years, we will not normally factor in actual or possible capital gains or capital losses in the current or future years. Nor will we regard any actual short term capital losses or gains as meaning that we need to adjust our spend or budgets in the short term. The only reason for moving from this approach is if we have strong reasons to consider that a permanent change in the capital value of our investments has taken place.
- 8.4. We expect that by investing in equities, funds and bonds, we will obtain an above-inflation return over the long term, and thereby avoid or mitigate the need to increase our fees. Therefore we expect that applying part of our cash and reserves in investments will benefit nurses, midwives and nursing associates in the long term.

9. Pension schemes

- 9.1. Our pension scheme, which has been offered to new starters since November 2013, is a defined contribution or “money purchase” scheme. Employer contributions to the scheme are within a fixed range so there is very little financial risk to the NMC. Pensions are one of the most effective ways for individuals to save for their retirement so we will continue to promote the scheme and encourage maximum uptake by employees. **We will also review the market for scheme providers from time to time in order to assess whether we have the best provider to support and meet the needs of our employees.**
- 9.2. We also still have a defined benefit scheme, where the pension is based on employees’ final salary and number of years of service. This scheme closed to new starters in November 2013 and to future accrual in summer 2021. The defined benefit scheme continues to carry significant financial risks: changes in life expectancy, interest rates or investment performance of the scheme assets could all have significant impacts on our net pension deficit.
- 9.3. The high level of financial risk inherent in a defined benefit pension scheme was a primary reason why we closed the scheme to new entrants in 2013 and a contributory reason to closing it to future accrual in 2021. There are other options to reduce the financial risk further. We could make further payments into the scheme above those sought by the scheme, or we could sell the scheme to an insurer.

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- 9.4. However, by making further payments into the scheme we would be limiting our own opportunity to make positive returns on those funds through our own investments. The second option, selling the scheme, would completely eliminate our risk but may be extremely expensive. We will, nevertheless, keep this option under review.
- 9.5. Therefore, we plan to continue with the present approach of making additional employer contributions, if needed, in line with agreed proposals by the pension scheme at its triennial reviews after considering advice from our own pension specialists. The potential impact of the financial risk within the scheme is manageable within our reserves, and the risk will diminish gradually over time. We will keep this approach under review.

10. Fees policy

- 10.1. Our fees are set by secondary legislation. Any change in fees requires the Council's approval to start the process, a public consultation on our proposed changes, approval by the Privy Council, and a statutory instrument approved by the Westminster Parliament via the negative procedure. The process takes a minimum of six months from the point of Council approval to the new fees taking effect. Nurses, midwives and nursing associates would pay the new fee from the point of their next annual renewal of registration following the change, so there is a lag before the full effect of any change is felt in our income.
- 10.2. Our renewal fee has been £120 per year since February 2015¹⁷. It had been £76 until February 2013, and £100 from February 2013 to February 2015. The last two increases, which represented nearly 60 percent in the space of two years, were very unpopular with nurses and midwives. The government has stated that fee rises should be kept to a minimum¹⁸.
- 10.3. We intend that the fee should be affordable by nurses, midwives and nursing associates. We should avoid large, sudden increases in the fee: registrants are more likely to be able to manage small, more regular increases, than infrequent but large increases. Council will continue to review the need for fee changes each year, using our rolling three year budget to identify when fee increases are necessary and plan for them so as to minimise the impact on registrants.
- 10.4. In the medium and longer term, we expect that investment in new systems and continuous improvement of our processes will produce cost savings, offsetting the impact of inflation. Also, through our new investment policy (see section 7 8 above), we expect to earn an above-inflation rate of return **in the long term** on a portfolio of surplus funds, initially around £30 **million**.

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

¹⁸ *Promoting professionalism, reforming regulation* consultation paper, paragraph 4.25
<https://www.gov.uk/government/consultations/promoting-professionalism-reforming-regulation>

- 10.5. The Order enables us to generate other sources of income “in connection with the exercise of its functions”. We will take advantage of opportunities to generate other income that are consistent with our values and our role as a professional health regulator, so as to supplement registrants’ fees and help keep them at the current level.
- 10.6. Provided registrant numbers and inflation pressures continue to allow it, we aspire to use the cost savings and investment income referred to above to keep our budget balanced over the medium to long term, and maintain the registration fee at the current £120 level for as long as possible.
- 10.7. However, because the risks to our budget related to inflation **and** registrant numbers **and the need to invest in order to maintain and improve our services**, are significant, we will continue to review the registration fee annually, as part of the budget setting process.

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Council

Annual corporate plan and budget 2024–2025

Action: For decision.

Issue for the Council: Approval of the corporate plan for 2024–2026 and the budget for 2024–2025.

Core regulatory function: All regulatory functions.

Strategic priority: All strategic priorities.

Decision required from Council: We recommend that Council **approves:**

1. the corporate plan summary (**paragraph 31**)
2. the corporate plan and key deliverables for 2024–2026 (**paragraph 31**)
3. the 18 month plan for Fitness to Practise (**paragraph 31**)
4. that the values for the lower and upper limits of the target range of free reserves remain at £0 and £25 million respectively, and the value for the minimum combined cash and investments balance remains at £20 million (**paragraph 47**)
5. that the annual registration fee for all professionals on our register should remain at the current level of £120 for 2024–2025 (**paragraph 57**)
6. the maximum 5.1 percent envelope for pay assumptions included in the budget under discussion (**paragraph 62**)
7. the budget for 2024–2025 as set out in table 1 (**paragraph 81**).

We also recommend that Council **notes** the planned contracts and commitments with a lifetime value of over £0.6 million (**paragraph 85**).

Annexes: The following annexes are attached to this paper:

- **Annexe 1:** Corporate plan summary 2024–2026
- **Annexe 2:** Draft corporate plan for publication for 2024–2026
- **Annexe 3:** 18 month plan for Fitness to Practise
- **Annexe 4:** Draft budget for 2024–2025, indicative budgets for 2025–2027
- **Annexe 5:** Proposals for target lower and upper limits of free reserves, and minimum cash and investments balance
- **Annexe 6:** Contracts over £0.6 million expected to be signed in 2024–2025

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Context:

- 1 We prepare our corporate plan each year in the context of our longer-term strategy and the developing external environment. The corporate plan sets out the outcomes we intend to achieve by 2026 and which will be monitored through milestones, outcome indicators and key performance indicators (KPIs).
- 2 We also prepare a budget that allocates the resources required to deliver the corporate plan. The budgets for the two succeeding years are indicative, and subject to re-approval by Council before the start of each financial year.
- 3 This paper provides a detailed view of our plan and budget for approval by Council. We will publish our plan on our website in April 2024. The corporate plan for 2024–2026 covers a two year period to reflect our current key strategic priority outcomes and associated timescale for delivery of actions.
- 4 We have a financial strategy that sets additional financial parameters within which we operate. The current financial strategy was approved by Council in March 2023 and is a separate item on today’s agenda, with an updated version presented for Council’s approval. It sets key principles that help structure our budgets and our management of them. Particularly relevant to this paper is that:
 - 4.1 each year we should review the lower and upper limits of our target range of free reserves and the value for the minimum cash and investments balance. These are re-examined as part of this paper
 - 4.2 it allows us to set deficit budgets and accept negative cash flows over three consecutive years.
- 5 The first two years of our strategy were disrupted by the pandemic, which has impacted subsequent years in terms of activity and resources. In response, each year we have reviewed and reprioritised accordingly. More recent challenges include pressure from the significant additional resource needed to reduce the delays in closing Fitness to Practise (FtP) cases and reduce the caseload (about £30 million additional funding in total to 2026–2027); implementing improvements to education quality assurance as we take learning from Canterbury Christ Church University (CCCU) and address previous under-investment in this area; implementing learning and improvement following the computer-based testing (CBT) fraud, the whistleblowing allegations, and the anticipated learning from the Thirlwall Inquiry.
- 6 As we approach the end of the fourth year of our strategy, we have seen issues in international registrations and education quality assurance which have highlighted potential areas for improvement in some of our regulatory processes. We have also seen whistleblowing concerns that have called our attention to challenges within our organisational culture. We seek to learn from these events and reset our foundations to enable

more sustainable growth, improve our business efficiency and how we protect the public by supporting safe, effective, and kind nursing and midwifery care. We also want to achieve an inclusive organisation culture where people are at the heart of what we do, where inequality is tackled consistently, where colleagues feel psychologically safe and empowered to speak up. We must be agile and adapt our approach to do our best for the professionals on our register, the public we serve and NMC colleagues.

- 7 These factors have guided a formal prioritisation exercise, where we assessed how best to apply our resources (finances and people) to address priority areas and areas of highest risk. This was not only to mitigate any further issues but, by making critical changes and improvements to key areas of our work, our culture and our interactions, people and communities, will ultimately mean better care provided by the professions that we regulate.
- 8 The prioritisation exercise identified five priority outcomes to shape our work:
 - 8.1 Progress Fitness to Practise (FtP) referrals in a safe and timely way
 - 8.2 Build an inclusive, high performance learning culture
 - 8.3 Modernise our internal systems, tools, policies and processes
 - 8.4 Contribute to the workforce strategies in the four nations to support safe, kind and effective care
 - 8.5 Strengthen the integrity of the register
- 9 Activities were selected based on the anticipated level of impact they would have in achieving our priority outcomes and mitigating our most significant risks with primary focus on progressing FtP referrals in a safe and timely manner. The outline of the plan has been shared with Council during its development (**annexe 1**).
- 10 Progressing our FtP referrals in a safe and timely way remains our key priority and is where we will direct the most significant investment to deliver change in capabilities and systems, improving how we work so that we make quality decisions that keep people safe. Decisions will be made in the most timely and considerate way. Our people are key to the successful delivery of this plan, and vital in prioritising this work across the organisation.
- 11 We anticipate an intensive two year period of investment with a key focus on FtP referrals and have developed an 18 month plan to align to the implementation of key initiatives in FtP. As well as deferring work anticipated within the remaining year of the current strategy, we have also paused the development of the 2025–2030 strategy. This is so that we can remain agile in this period of significant change and concentrate

our efforts on laying secure foundations to achieve the priority outcomes in the long-term.

- 12 The restructuring of our plan under these priority outcomes moves us away from the strategic themes and corporate commitments format developed for the current strategy. The strategic aims that we defined in 2020 to regulate well, to support our professionals and the public, and use our influence for the benefit of the sector continue to shape our thinking and are reflected across our priorities. The strategic decisions made through prioritisation place a greater emphasis on our role to regulate well, as this is the cornerstone upon which we can build towards our other ambitions as well as addressing other work which is critical to the sector and the professional that we regulate. Once we stabilise our core regulatory functions, we can look to expand further initiatives particularly those focused on our roles to support and influence.

Four country factors: 13 Not applicable for this paper.

Stakeholder engagement: 14 The corporate plan and budget will be shared with stakeholders in April 2024. Our initial engagement on the 2025-2030 strategy development has been considered during the prioritisation exercise, particularly in assessing the impact on people. This is reflected in the five priority outcomes.

Discussion Corporate plan

- 15 Our corporate plan sets out the activity we plan to deliver up to 2026. This provides transparency about our focus for the next two years to ensure that we remain accountable to our professionals, the sector, people who use services, and other stakeholders.

- 16 The draft corporate plan for 2024–2026 is at **annexe 1** (a ‘plan on a page’) and **annexe 2** (in full), which sets out:

16.1 descriptions of our five priority outcomes

16.2 the significant activity we will deliver to achieve those priority outcomes

16.3 the benefits of the desired change and the impact we hope to achieve for people

- 17 As already described, this is a purposeful shift away from the strategic themes and corporate commitments format in the current strategy. We reviewed the existing commitments in our prioritisation exercise to ensure only the most impactful activity is continued.

17.1 We closed or paused some corporate commitments to ensure we focus our resources (finances and people) on the prioritised

activities within the refreshed corporate plan. These corporate commitments are not, therefore, reflected in the 2024-26 corporate plan. Where appropriate, we will keep them under review as to when to restart.

- 17.2 Our end of year performance report to Council in May 2024 will provide an update on progress made against the commitments to date.
- 18 The draft corporate plan, once agreed by Council, will be published in April 2024.
- 19 Progressing FtP referrals in a safe and timely way remains our key organisational priority. Although previous interventions implemented delivered positive results, they did not generate a sustained improvement which could be delivered over time, and it became evident that a more holistic approach to sustainable change was needed. In October 2023 we committed to creating a plan of targeted interventions grouped under the umbrella of the *Fitness to Practise 18 month plan*. The plan comprises a combination of tactical interventions and structural changes. The detailed plan and proposals for implementation are at **annexe 3**.

Measuring our corporate plan and budget

- 20 The refocusing and restructuring of our corporate plan has an impact on how we want to measure and report on our progress in future.
- 21 With all activity aimed at mitigating our key risks to achieve the priority outcomes, we want to be able to monitor, measure and report on our success. We need to be able to regularly review and discuss emerging risks or issues, to adapt when we meet challenges in achieving milestones and adjust resourcing (money and people) to support activity in most need.
- 22 Milestones will be reflective of decisions we have taken through prioritisation and we will review them regularly through our internal governance structures. This will maintain clear oversight of progress and any emerging risks and mean we will be able to adapt our activity to the demands of the business and external environment.
- 23 We will use our new Council and Executive Board level governance structure, which has revised the terms of reference for each board and committee, to give greater visibility to risk. We will also enhance our internal governance to review our corporate plan more in the round, rather than mostly on projects and programmes, so that adjustments can be made operationally in response to any changes or issues.
- 24 We want to monitor progress at an activity level, with oversight from activity sponsors, but also want to monitor and report progress against

each priority outcome. This is so that we can effectively manage the corporate plan at both an operational and strategic level.

- 25 We will provide a highlight report on the progress of our corporate plan and budget to Council on a quarterly basis using milestones for each activity, outcome indicators and key performance indicators (KPIs), along with financial monitoring. This highlight report will summarise progress towards a priority outcome as whole, rather than for every activity as previously received on the commitments. Significant updates on major projects, programmes and risks will be by exception.
- 26 Our Executive Board will receive KPIs, a financial summary and risk monitoring monthly, alongside updates on significant activities by exception.
- 27 Developing a more outcome focused and robust measurement framework to support the corporate plan is a work in progress, particularly now that the significant activities have been identified and are being scoped in greater detail. We will be working with activity leads and their Executive Director sponsors to confirm the indicators which will tell us how well an activity is progressing, and therefore, to what extent it is contributing to the overall priority outcome; as well as the indicators for any emerging risks that may limit the delivery or impact of the activity.
- 28 This enhancement is so that we can be more agile in our management of the corporate plan and our resources (finances and people), and to provide greater assurance within our risk management framework.
- 29 We will develop our KPIs and measures so that they are reported to the appropriate level for oversight and mitigations. These indicators will be identified from project activity and core business to strengthen the information we assess.
- 30 We aim to bring a detailed measurement framework and examples of the refreshed reporting templates to Council seminar in May 2024, including:
 - 30.1 the intended benefits and outcomes that we expect to see for the people who use our services, professionals on our register and NMC colleagues
 - 30.2 an outline of some of the indicators we would use to measure our progress towards the priority outcome (these include both activity progress indicators and KPIs)
 - 30.3 an outline of some of the indicators we would use to identify emerging risks or need to adjust our plan and resources.
- 31 **Recommendation: The Council is recommended to approve:**
 - 31.1 **the corporate plan summary for 2024–2026 at annexe 1**

- 31.2 the corporate plan to be published in April 2024 at annexe 2
- 31.3 the Fitness to Practise 18 month plan to be officially launched in April 2024 at annexe 3

Budgets for 2024–2027

- 32 This section of the paper provides an overview of the proposed budget as well as key assumptions and specific elements for approval.

Budget overview

- 33 The budget we propose for 2024-2025 and the two following years is set out at **table 1** below and in more detail, including budgeted colleague numbers, at **annexe 4**. The budget is designed to support the delivery of our corporate plan and the FtP 18 month plan and reflects our plans for significant investment in improving our service and efficiency.
- 34 The proposed and indicative budget shows a deficit in 2024-2025 and 2025-2026 with a small surplus in 2026-2027. To support our corporate plan and for the reasons set out below, it shows a significant reduction in our free reserves from the expected £36.3 million at 1 April 2024 to £4.0 million at 31 March 2027. This will bring us towards the lower end of the proposed target range for free reserves of £0-25 million. It also brings our total cash and investments balance down from a forecast £93 million to £65 million over the same three years.
- 35 There are several significant drivers for the level of deficit and for the significant drop in free reserves and cash balances over the next three years. The key ones are:
 - 35.1 non-recurrent drivers including: the investment in additional posts and other costs needed to improve our FtP processes and return our caseload and the time taken to deal with cases to acceptable levels; the significant amount put aside for investment in technology to improve efficiency and service to the public and the professionals on our register; the work needed to develop policy on and implement regulatory reform
 - 35.2 recurrent cost drivers including: the relatively high level of inflation with its consequential impact on both payroll and non-payroll costs; the expected impact of our FtP panelists being regarded as ‘workers’ entitled to holiday pay and pensions in addition to their existing daily fee; the implementation of changes to our pay structure, such as narrower pay bands, that are expected to have long term benefits, such as improved staff retention.
- 36 These pressures have been, to a degree, offset by expectations of increased income, reflecting the increasing numbers of professionals on our register driven in large part by the number of internationally educated joiners. Higher income from cash deposits and investments similarly

helps. As part of the prioritisation exercise we have sought to reduce or defer some planned spend and recruitment where we have worked to contain costs. Key amongst these is our decision to delay the refurbishment of our building at 23 Portland Place which has released some £20 million over the next three years.

- 37 The Executive Board has considered our position carefully and is of the view that, at this stage, indicative planned deficit budgets over the medium term are appropriate and acceptable on the basis that:
- 37.1 at about £4 million, our free reserves will still be above the lower end of our target range at the end of March 2027. This is even after the significant strategic investment in our technology which we always planned as part of our 2020-2025 strategy. We also still expect to have around £65 million in cash and investments at the same date, providing strong liquidity.
 - 37.2 our recurrent costs are in line with our recurrent income, indicating that we are not over-committing spend on our core operations.
 - 37.3 we plan to retain £1.5 million as a general contingency in each year which provides room to absorb unexpected demands.
 - 37.4 we continue to have strong budgetary controls in the form of detailed monthly monitoring, quarterly financial and delivery reporting to Council, and Council and Executive controlled gateways for major programme decisions, which enable us to adjust spend in good time if needed.
 - 37.5 we expect to be able to make savings in 2026-2027 and subsequent years beyond those that are reflected in the budget through changes in our FtP processes. We have reflected an assumed £2.6 million saving (about 6 percent of current FtP costs) being available from 2026-2027 as a result of the new case management system but believe it should be possible to achieve more, although the timing may be uncertain at this point.
- 38 There is also the option to review our fee level. This is discussed further below in the section on fees.

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

- 39 Our reserves policy, as set out in our financial strategy, is to maintain free reserves within a target range, and to set a minimum level for the total for forecast cash and investments balances in the coming year. The target range of free reserves and the minimum cash and investments balance are reviewed at least annually by the Council.
- 40 The target minimum level of free reserves is set to ensure our financial sustainability, taking account of the security of our income stream, our cash and investment balances, and an assessment of the potential

financial impact of risks faced by the NMC. The target maximum level of free reserves is set to ensure our resources are applied effectively, balancing the interests of registrants who finance us through the fees that they pay, and the public who benefit from our work.

- 41 The purpose of the minimum level for the aggregate forecast cash and investments balance is to ensure liquidity without the need for borrowing facilities.
- 42 **Annexe 5** sets out the opinion of the Executive following the annual review of the target range of free reserves, the minimum cash and investments balance. The Executive conclusion is that the target range for free reserves should remain unchanged at between £0 and £25 million and that the minimum combined cash and investments balance also remain at £20 million.
- 43 Although our current free reserves, forecast to be about £36 million at the end of March 2024, are outside the proposed range, this needs to be taken in the context of our plans to invest significant sums in improving our service and efficiency. We calculate ‘free reserves’ as being ‘total reserves less tangible and intangible fixed assets’.
- 44 If we were to set against our free reserves our planned investment in capital and wider improvement over the next three years, the current level of free reserves would be less than £5 million. Although we are budgeting for this investment now and planning to reduce our free reserves significantly, we have not approved or contractually committed to this investment.
- 45 It is important to understand why we can aim for free reserves of less than £5 million at March 2027 but simultaneously expect cash and investments of £65 million at the same date. As explained in our financial strategy, this is because the professionals on our register pay their fees in advance – about two thirds pay a year in advance with the balance paying three months in advance through quarterly direct debits. As a result, at any point in the year, we have received significant levels of cash that are not yet accounted for as income (and hence not reflected in reserves and free reserves) in our accounts. Instead, such cash is shown as a liability (‘deferred income’). Hence we can be carrying significantly more cash than we have reserves.
- 46 Whilst the Executive is of the view that the limits it is proposing remain reasonable and robust, it intends to review the approach more fundamentally as part of its review of its financial strategy next year. This might include, for instance, considering whether we should link the limits to income and inflation.
- 47 **Recommendation: we recommend Council approves that the values for the lower and upper limits of the target range of free reserves remain at £0 and £25 million respectively, and the value for the**

minimum combined cash and investments balance remains at £20 million.

Annual registration fee

- 48 In line with our financial strategy, the Council reviews the registration fee each year as part of the budget setting process. The review uses the future year indicative budgets to identify when fee increases are necessary, and plan for them to minimise the impact on the professionals on our register.
- 49 Our financial strategy commits us to retaining the fee at its current level for as long as possible. It also recognises that we should avoid large, sudden increases in the fee: in line with our values, we appreciate that the professionals on our register are more likely to be able to manage small, more regular increases than infrequent but large increases. Any proposal to increase fees would also be subject to a full public consultation over a minimum of 12 weeks.
- 50 The fee is effectively our only regular source of income – we do not receive government funding for our core work. The fee also keeps us independent so we can protect the public by supporting the professionals on our register.
- 51 Our financial strategy aims to ensure that the fee is affordable for nurses, midwives, and nursing associates while at the same time providing sufficient funding to enable us to operate effectively as their regulator.
- 52 Our fees were last increased in February 2015 meaning that by the end of the coming financial year, they will have been frozen for a full decade. Over that period prices have increased by more than 30 percent. This means that if our annual registration fee had increased by inflation, it would now be £158 and our total fee income over £30 million higher in 2023-2024.
- 53 We have been able to absorb this significant cost pressure in several ways. We have generated savings, for instance by reducing our accommodation footprint, through investment in new systems and continuous improvement of our processes, and through our investment policy, which aims to maximise returns on our investable cash balances. There has also been a nearly 20 percent rise in the numbers of professionals on our register since 2015 - but this is significantly below the rate of inflation and has also meant cost pressures, for instance in processing applications and renewals.
- 54 Looking ahead, and at the assumptions that underpin our three year forward look, there are considerable risks and uncertainties. Key amongst these are the level of inflation, numbers on our register, the speed with which we are able to realise the benefits from investment in improving our technology and processes and return FtP timescales and caseload to acceptable numbers. We also face as yet unquantified

pressures from addressing the learning from recent issues such as in international registrations, education quality assurance, whistleblowing concerns.

- 55 As the indicative budget projection shows for future years, we are moving to a situation where our free reserves are likely to be near our lower limit even after having released £20 million by deferring a long overdue refurbishment of our main accommodation. While our levels of reserves are sufficient at the moment, the combination of known and potential future pressures makes that projected position look potentially high risk.
- 56 As a result, while our reserves along with our cash holdings and investments are sufficient to maintain the registration fee at its current level in 2024-2025 line with the commitment in our financial strategy, we will be reviewing and stress testing our financial strategy and plans over the coming year to assess our position in the longer term.
- 57 **Recommendation: Council is recommended to approve that the annual registration fee for all registrants should remain at the current level of £120 for 2024-2025.**

Pay costs

- 58 Detailed consideration of the annual pay review has been carried out by the Executive Board. Its proposals have been supported by the Remuneration Committee in February 2024 and an engagement exercise with our Employee Forum and our recognised trade union, UNISON.
- 59 Budgetary assumptions reflect these discussions. In particular, we have set an envelope for 2024-2025 of 5.1 percent (£3.2 million) to reflect both a standard pay award increase of between 1.5 and 2.5 percent, and between 2.0 and 4.0 percent for progression payments introduced as part of The People Plan in the April 2023 pay award. The standard pay award primarily reflects benchmarks in other organisations and ensures the lowest paid colleagues receive the greatest percentage increase. The progression increase is within the envelope and aimed at providing transparency and equity amongst all colleagues, including a systematic approach to pay progression.
- 60 Key benefits of the 2024 annual pay review are that we continue to ensure our lowest paid colleagues receive the greatest increases which helps to address the rising cost of living, we ensure our salary ranges remain competitive to the UK salary market so we can both attract and retain colleagues, that it is in line with data from our benchmarking partners and it marks the second year colleagues have defined pay progression which is a significant part of our People Plan. We have engaged positively with UNISON as our recognised trade union and they will not be balloting members on the pay deal as set out.

61 For indicative future years' budgets, we have assumed, for planning purposes, annual pay review increases to be in line with Bank of England forecasts for CPI (Consumer Price Index) plus our known increase budget for progression payments assuming a ten percentage yearly staff turnover. As at November 2023, these assumptions are as follows:

Year	Standard Increase (Bank of England)	Progression Increase	Overall Budget
April 2025 (forecast)	3.1%	1.6%	4.7%
April 2026 (forecast)	1.9%	1.4%	3.3%

62 **Recommendation: We recommend Council agrees the amount provided in the budget for increased pay costs. This covers both a standard pay award and progression pay for colleagues. The total amount budgeted allows for up to a maximum 5.1 percent increase in pay cost in 2024–2025.**

Income

63 Total income in 2024–2025 is budgeted at nearly £110 million, about two percent higher than our expected 2023-2024 outturn. For financial planning purposes, this assumes an increase in the number of nurses, midwives, and nursing associates on the register of about three percent next year and each of the following two years.

64 This reflects recent actual trends. We continue to take a more cautious view of the level of the number of overseas applications because we know this can be volatile, despite a significant increase in successful overseas applications this year. This allows us to manage uncertainty within our budget.

65 The overall increase in professionals on our register reflects recent continued increases as well as the trend over several years that has seen the numbers of people on our permanent register increase from 689,738 in September 2017 to 744,929 at the same point in 2021 and 808,488 in September 2023. Nevertheless, there remain considerable uncertainties around the numbers of professionals who may be considering leaving the register or joining it, so our income budget for the coming years remains uncertain.

66 The budget for 2024–2025 and the indicative budgets for the following two years assume the annual registration fee remains at £120.

67 Planning assumptions for investment income are based on interest paid on cash deposits earning up to about five percent a year in 2024-2025 but reducing in later years, and dividend income on stock market

investments of some £36 million of about 2.7 percent. In the current economic environment these amounts are unpredictable.

- 68 As usual, we have not assumed any capital growth or loss from our stock market investments since this is likely to be more volatile, and we expect to reinvest gains and income within the portfolio rather than use them to directly fund expenditure. The investment in stock markets is to protect and enhance the real terms value of that element of our cash over the medium to long term, but it does introduce an element of risk since the capital value of the investments will fluctuate from year to year. This has been particularly evident over the last year, but we remain confident that our well-diversified and cautious investment portfolio will be of benefit.

Non-pay inflation

- 69 Pay and pay-related costs account for over half of our overall spend. For non-pay costs, contractual price increases have been built in where known. Elsewhere broad inflation assumptions at or below Bank of England forecasts have been used.

Contingency fund

- 70 Having had a small central contingency for several years that was not used, we had no contingency in 2022-23. In 2023-24, we introduced a small, £1.0 million contingency since we have managed to spend closer to budget than previously and face a range of uncertainties. We expect to use this in full this year reflecting the need to spend on a range of areas such as CBT resolution.
- 71 We continue to face a range of uncertainties including risks such as income levels, the impacts of inflation, the costs of implementing change as a result of our people and culture investigation. In this context, a small contingency of £1.5 million (about 1 percent of total spend), managed by the Executive Board, seems sensible to manage the risk of overspends.

Efficiency and Value for Money

- 72 We have a responsibility to the professionals on our register to make the best possible use of their money. We also have the aim set out in our financial strategy and discussed above, to maintain the registration fee at £120 for as long as possible.
- 73 We continue to incorporate significant levels of cash releasing efficiency savings into budgets, building on those already achieved in earlier years. In particular, the indicative budget for 2026-2027 assumes £2.6 million of savings from technology-enabled changes to the FtP case management system and from other process improvements. This reflects initial estimates made that we will develop further in the Modernisation of Technology Services (MoTS) business case due to be discussed by Council in March 2024.

74 In the longer term we anticipate further savings from technology investment, by consolidating our accommodation footprint and from implementing changes enabled by regulatory reform.

Pension costs and liabilities

75 In 2021 we moved to having one Defined Contribution (DC) pension scheme, closing our Defined Benefit (DB) pension scheme to further accrual of benefits. We had previously closed our DB scheme to new entrants in 2013.

76 For our DC scheme, the NMC's employer contribution is eight percent if employees contribute the minimum one percent, and we now match additional employee contributions up to a maximum employer contribution of 14 percent of salary. The introduction of the option of salary sacrifice from 2021-2022 also offers the opportunity to our employees to make their pension contributions even more cost effective.

77 Following a competitive procurement exercise, we plan to appoint Aviva to be our new DC pension provider from June, subject to a consultation exercise due to complete on 31 March 2024.

78 Our DB pension scheme remains an area of uncertainty, even though it no longer has active members. While the triennial actuarial revaluation of the pension scheme as at 31 March 2022 showed it to be in surplus, it could go into deficit in the future. The valuation of pensions schemes does generally fluctuate, reflecting changing actuarial assumptions on a range of factors. If a surplus is identified at any point it is retained by the pension scheme.

Budget summary and conclusion

79 Our overall budget summary, reflecting these key assumptions, is in table 1 below. More detail is at **annexe 4**, including a high-level cash flow forecast and balance sheet.

80 As well as incorporating the areas discussed above, the budget reflects:

80.1 at 'core business cost', some non-recurring time limited spend. This is primarily the additional costs needed to modernise our FtP processes and reduce the FtP caseload but includes some corporate change costs specifically related to supporting non-recurrent projects.

80.2 the shift in some costs, both core and project, due to slippage in activity from earlier years

80.3 the proposed significant capital investment in technology over the next three years.

- 81 **Recommendation: We recommend Council approves the budget for 2023–2024 as set out in table 1 below.**

Table 1: 2024 – 2027 budget summary

Year (£m)	Forecast 2023-24	Budget 2024-25	Indicative Budget 2025-26	Indicative Budget 2026-27
Income	107.6	109.7	111.7	118.9
Core business cost	108.8	125.3	119.8	117.5
Programmes	10.4	9.8	6.0	6.7
Less capital	(9.0)	(7.8)	(4.6)	(5.6)
Surplus/(deficit)	(2.6)	(17.7)	(9.5)	0.3
Free reserves	36.3	14.9	4.9	4.0

Notes: Totals are subject to rounding differences. Free reserves are total reserves less tangible and intangible fixed assets. The forecast deficit in 2023-24 is slightly lower than the draft previously seen by Council due to slippage of some costs into 2024-25 making the planned deficit in that year slightly higher.

Planned contracts and financial commitments over £0.6 million

- 82 **Annexe 6** provides details of new or revised contracts with an estimated lifetime value greater than £0.6 million, including VAT, that we expect to enter during the coming year.
- 83 As set out in the Financial Regulations, contracts included on this list with an expected lifetime value of less than £2.5 million including VAT may be approved by the Chief Executive and Registrar. Contracts with an expected lifetime value greater than £2.5 million, and any contract with an expected value greater than £0.6 million that was not included on the list, will require the approval of the Council.
- 84 These contracts and commitments are across all areas of the business and will support a mixture of ‘core business’ activities and priority programmes, such as the modernisation of our technology. All items support improved and more efficient delivery of our services to the public and to the professionals on our register.
- 85 **Recommendation: Council is recommended to note the planned contracts and commitments with a lifetime value of over £0.6 million set out at annexe 6.**

Next steps

- 86 Subject to Council’s discussion and decisions we will:

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86.1 finalise the standard pay award and update colleagues internally on progress on agreeing the wider proposals on pay structures during April

86.2 publish our corporate plan in April 2024.

Midwifery implications:

- 87 Midwifery updates are covered in the body of the report. Midwifery is considered within our corporate plan and through core business discussions when setting standards, reviewing education programmes, adding, or removing midwives from the register, when considering Fitness to Practise concerns related to midwifery, and monitoring the wider sector.
- 88 We have identified maternity safety as a risk factor within the corporate risk register and continue to monitor this and act as appropriate. We monitor the quality of midwifery pre-registration education through our regulatory processes to help support and influence maternity safety.
- 89 Other than these issues, there are no differences to the application of this topic for midwifery.

Public protection implications:

- 90 The corporate plan and budget underpin all our work to protect the public.

Resource implications:

- 91 Covered in the body of the paper.

Equality and diversity and inclusion implications:

- 92 We have a legal obligation to comply with the public sector equality duty across everything that we do.
- 93 We continue to integrate Equality, diversity and inclusion (EDI) across our activities to make sure that our processes are fair for everyone. This includes improving our guidance, decision making tools, training and induction, and our engagement and communications to make a significant difference to drive out discrimination and promote fairness. We will also make the NMC an inclusive place to work and improve the experience for our colleagues.
- 94 We have included a specific commitment within our corporate plan and our People Plan will continue to support the embedding of EDI across recruitment, selection, leadership culture, and through training and development, to equip our people with the tools to tackle discrimination and promote diversity and inclusion.

Risk implications:

- 95 Risk has been considered as part of business planning, budgeting, and our strategy review process both at individual directorate and corporate level. Key risks are reflected on our corporate risk register and monitored

monthly through our risk exposure reporting. The Council had a focused workshop discussion looking at risks to delivery of our corporate strategy in December 2023.

96 The Executive considers that the plan represents key steps to reduce risk as set out in the corporate risk register. Examples include:

96.1 implementation of the revised FtP improvement programme, to help address the risk that we fail to take appropriate action to address a regulatory concern

96.2 investment in our MoTS programme including full implementation of our new registration platform and the replacement of our FtP case management system (CMS) will help address the risk that we fail to maintain an accurate register of people who meet our standards and the risk that we fail to prevent a significant data loss, or we experience a major information security breach.

97 Risks that potentially specifically impact on our finances in the short term are set out below:

97.1 general inflation, which will erode our spending power. A one percent increase above the pay and inflation assumptions for later years could create a cost pressure in the region of £1 million more in each year that we might need to mitigate, depending on other factors, perhaps through reductions or re-phasing of planned costs or steps to increase income

97.2 lack of clarity as yet on some costs, particularly those associated with addressing the FtP caseload and, for example, those potentially associated with addressing issues identified from our culture review, with Education Quality Assurance and those associated with implementation of regulatory reform. For FtP, plans are well advanced and already being implemented in some aspects. For others, we will mitigate these risks by progressing our work to understand and quantify the costs as well by setting aside the contingency

97.3 income variation. We monitor our registrant numbers because a one percent reduction in numbers of professionals on our register numbers compared to our forecast would result in nearly £1 million less income each year which would need to be absorbed if this materialised

97.4 if our stock market portfolio falls in the medium or longer term or our pension liability increases, this will impact our free reserves. A three percent fall in the value of our portfolio would reduce our free reserves by about £1 million in the short term. Any such fall should be recovered later although the speed and extent of the recovery

in the short and medium term will be subject to international economic and political events.

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

Regulatory reform:

- 98 Regulatory Reform will continue to be a key area of delivery over the period of this plan.
- 99 We have included Regulatory Reform as an activity within our corporate plan and will continue to deliver our Regulatory Reform programme over the next three years although uncertainty remains regarding the specific timetable for reform, which is set by the Department of Health and Social Care. We have flexibility within our corporate plan and budget to adjust as necessary and will continue to report progress to Council.

Legal implications:

- 100 None directly arising from this paper although there are legal constraints and drivers for some of the actions planned or options available to us.

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Five all-NMC Priority Outcomes for 2024-2026



To encourage safe, kind and effective nursing and midwifery care, we will:

#1. Progress FtP referrals in a safe and timely way

- Fitness to practise 18 month new plan:
1. Referral quality, safety and supporting stakeholders
 2. Safe and swift progression of cases at screening and investigations
 3. Releasing capacity in Case Preparation and Presentation and Investigations
 4. Delivering sustainable change in Case Preparation and Presentation
 - 5a. Improving the quality and timeliness of decisions (Adjudications & Major investigations)
 - 5b. Improving the quality and timeliness of decisions (agreed removals, quality frameworks, guidance)
 6. People and organisational design
 7. Improving our systems

#2. Build an inclusive, high performance learning culture

- Thirlwall inquiry and lessons learned
- Whistleblowing investigations
 - People and Culture
 - Ijeoma Omambala KC
- Corporate Learning Approach
 - SER Policy & Process Refresh
- People Plan
- EDI Plan
- Ambitious for Change fitness to practise case review
- PSA periodic review
- Learning from statutory inquiries
- Engage our employees on culture change
 - All NMC Staff Conference
- Improve handling of Corporate Complaints

#3. Modernise our internal systems, tools, policies and processes

- Modernisation of Technology Services programme
 - Education quality assurance solution
 - Customer Relationship Management
 - Case Management System
- Delivery of Safeguarding Work Plan
 - Implementation of DBS Check
- Cybersecurity
- Changes in procurement legislation
- Launch new intranet
- Refreshed financial strategy
- Inflight Technology Services Pipeline
- Sustainability Plan

#4. Contribute to the workforce strategies in the four nations

- A review of nursing and midwifery practice learning
- Regulation of nursing associates in devolved nations
 - Advanced Practice Project
- Spotlight report, data reports and use of insight
- Lay the groundwork for a refresh of the NMC Code and revalidation

#5. Strengthen the integrity of the register

- Strengthening international registrations processes
- Review and strengthening of Education QA

Our core roles

-  Regulate
-  Support
-  Influence

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Item 8: **Annexe 2**

NMC/24/21

27 March 2024

Our corporate plan

2024-2026

Foreword

Our context

The last 12 months at the NMC has been a mixed picture of important regulatory action and significant organisational challenges. We comprehensively engaged with stakeholders to explore whether to further regulate advanced practice, updated our pre-registration education programme standards and published our first ever Spotlight report to share insight to help improve safety in health and social care. We also responded swiftly and robustly to concerns about fraud at a computer-based test centre; and took the unprecedented decision to withdraw approval of a midwifery training programme to keep women, babies and families safe.

We did not meet our target for improving the time it takes to manage concerns about nursing and midwifery professionals which are referred to us and go through our fitness to practise processes. This was hugely disappointing: fitness to practise is a main regulatory function for us, and we are very conscious of the impact this has for all those involved in these processes; referrers, professionals or NMC colleagues. As a result, we are making the biggest investment in more than a decade to improve our safe, swift handling of the referrals we receive.

Concerns have also been raised about our culture and our effectiveness as a regulator. We take these concerns very seriously and have instituted independent investigations to examine them thoroughly. We will report the findings transparently and act on the recommendations made during 2024 and beyond.

The contemporary health and social care landscape across the four UK nations in which we operate presents an increasingly complex and challenging environment. Workforce pressures, sustained industrial action, an ageing population and rising demand for health and social care are all factors which are impacting the professionals on our register, the public receiving care and the work of the NMC.

All of this means we need a realistic corporate plan that supports those providing and receiving care, and enables our colleagues to do the best job possible.

Reflecting and rebalancing our work

When the context changes, so must the plan. We've carefully considered how best to respond to these challenges by refocusing our efforts to build the right capacity to deliver the best for people across the next two years. We're making significant investments in fitness to practise to improve the timeliness and quality of our decision-making. We're focusing on shifting our culture to become a learning organisation that is person-centred and fit for the future. This will make us a better regulator; improving how we protect the public by supporting safe, effective, and kind nursing and midwifery care that improves everyone's health and wellbeing in a changing world.

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We have reset our corporate plans to focus on five priority outcomes over the next two years that will support us to realise this vision.

We will:

1. progress fitness to practise decisions in a timely and sustainable way that keeps people safe
2. build an open, inclusive and high-performance learning culture with fairness and equality at its heart
3. continue to modernise our systems and processes to be fit for the future
4. inform and support the implementation of workforce strategies across the four UK nations helping nursing and midwifery professionals deliver safe, kind and effective care
5. strengthen processes and procedures to protect the integrity of our register so the public can continue to have confidence in the quality of care they receive.

To achieve these outcomes, we've deferred or reduced the scope of some planned projects to release capacity and resources. These include pausing plans to refresh our website and refurbish our offices in Portland Place, and delaying the development of a new strategy for 2025.

Working in partnership and improving our interactions with people

Central to the success of this plan is our ongoing relationship with our partners and the professionals on our register across the four UK nations. It's vital that they continue to shape our work, tell us where we're not getting things right, and work with us on shared challenges and opportunities.

Equally important is the voice of the public. We've embedded public engagement and involvement opportunities including consultations and focus groups, so we can continue to hear the voices of people from different backgrounds and communities. We're especially grateful to our Public Voice Forum, which helps shape our strategic projects. Members of the forum are from all four UK countries and some live with long-term conditions, meaning they interact with professionals on our register regularly. They all have an interest in health and care and make an invaluable contribution to helping us embed our standards and improve people's experience of services.

We also know that we have more to do to improve our interactions with people, whether that's professionals or the public involved in fitness to practise, those raising complaints with us or calling for advice or support on other aspects of our regulatory work. In doing so, we will continue to build on the good work of our public support service, to make every interaction count.

Thank you

Against a challenging backdrop, we remain grateful for the dedication of our colleagues and the professionals on our register; the invaluable engagement, collaboration and insights of our partners and the public, and the work of our Council and Associate members.

We've made a steadfast commitment to continue to listen, learn and challenge ourselves to improve. We will be laser-focused on the priorities in this plan for the benefit of people and communities across the four countries now, and in the future.

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[Andrea Sutcliffe signature, David Warren signature]

Who we are

Our vision is safe, effective and kind nursing and midwifery practice that improves everyone's health and wellbeing. As the independent regulator of more than 808,000 nurses and midwives in the UK and nursing associates in England, we have an important role to play in making this vision a reality.

We're here to protect the public by upholding high professional nursing and midwifery standards, which the public has a right to expect. That's why we're improving the way we regulate, enhancing our support for colleagues, professionals and the public, and working with our partners to influence the future of health and social care.

Our role

Our core role is to **regulate**. We set and promote high education and professional standards for nurses and midwives across the UK, and nursing associates in England and quality assure their education programmes. We maintain the integrity of the register of those eligible to practise. And we investigate concerns about professionals – something that affects very few people on our register every year.

To regulate well, we **support** nursing and midwifery professionals and the public. We create resources and guidance that are useful throughout professionals' careers, helping them to deliver our standards in practice and address challenges they face. We work collaboratively so everyone feels engaged and empowered to shape our work.

We work with our partners to address common concerns, share our data, insight and learning, to **influence** and inform decision-making and help drive improvement in health and social care for people and communities.

Our priority outcomes

We've identified five priority outcomes between now and 2026 to shape our work that will help us realise our vision for nursing and midwifery and become a better NMC. Ultimately, people who use health and social care services will have safer, better experiences if we make critical changes and improvements to key areas of our work, our culture and how we interact with people.

1. Progress fitness to practise referrals in a safe and timely way

We want our fitness to practise process to be timely, considerate, and straightforward for everyone involved. Referrers and professionals need to have their cases dealt with effectively and in a timely way, employers should understand when to refer their employees, and our people should feel proud to work for the NMC and be able to make a positive difference.

We will significantly change capabilities and systems by instituting a new 18-month plan with the biggest investment in fitness to practise for over a decade. This will improve how we work so that we can make timely, considerate and quality decisions to keep people safe in a way that's sustainable for the future.

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We will:

- work with employers and the public to ensure the referrals we receive are appropriate, while strengthening clinical and safeguarding advice for our decision-makers to ensure the right decisions are made to keep the public safe
- improve the timeliness and quality of our decisions to ensure those on our register are fit to practise safely and professionally. We will do this by:
 - increasing the number of decisions we make at the screening stage of our process
 - bringing more of our hearings to hearing centres to increase efficiencies and improve our wellbeing and safeguarding support for all involved
 - maximising the impact of our new Legal Services contracts, outsourcing appropriate work and enabling our teams to deliver more investigations and prepare for and present cases
 - developing a quality assurance approach that empowers colleagues to ensure decisions on case progression are safe, timely and of the right quality, taking account of learning to improve decision-making in the future.
- develop a new case management system to be in place by 2026. This will enable us to progress cases more quickly and safely; interact more effectively with the public, professionals and employers and, in the long term, reduce costs
- ensure we have the right amount of skilled people working in an organised way to support our work across fitness to practise. This will improve performance, accountability and retention leading to a more consistent customer experience for those involved in our fitness to practise process.

2. Build an inclusive, high-performance learning culture

We want an open, inclusive culture that is free from discrimination, advances equality, celebrates diversity, promotes inclusion, and aligns with our values of kindness, fairness, ambition and collaboration. This is key to enabling everyone to perform at their best and learn and grow in their roles, so that we uphold professional standards for nursing and midwifery care and improve outcomes for people who use health and social care services.

We will:

- act on learning from internal investigations into concerns raised about our regulatory decision-making and people and culture, including colleagues' safety to speak up. These changes will support the development of an open, learning culture within the NMC and build the trust and confidence of our colleagues, the public and professionals in our ability to regulate well
- identify areas for learning and improvement in how we regulate through our involvement in external inquiries and act on any recommendations arising. This will ensure we are fulfilling our regulatory responsibilities effectively and are protecting the public
- improve how we collectively and systematically capture learning as an organisation, including our approach to incident reporting, to drive sustainable improvements in

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how we work. This will enhance our regulatory processes; improve how we protect the public, support our professionals, and interact with everyone who comes into contact with us

- deliver our Equality, Diversity and Inclusion (EDI) Plan to ensure more equitable experiences and outcomes for the people who work for us, the professionals we regulate and people using health and social care services. We'll do this by improving consistency and fairness in our regulatory decision-making; using our diversity data for professionals to work with partners to influence ways of working across the sector and improving our internal processes so that our colleagues and all those we interact with can thrive without barriers
- assess a sample of fitness to practise cases through our next Ambitious for Change review to understand to what extent, if at all, bias or discrimination in our decision-making explains differences in progress and outcomes of cases for particular groups. The review will identify opportunities to improve our policies, guidance, and processes to maximise fairness and consistency as a result.

3. Modernise our systems, tools, policies and processes

We will ensure better, safer regulation for the benefit of the public with an improved register that's easier to use and understand. Our regulatory digital systems will be updated, making it easier for people to connect with us and for NMC colleagues to do their jobs, supporting nursing and midwifery professionals to deliver safe, person-centred care. Everyone will have confidence and trust that we're keeping their information safe and secure.

We will:

- improve the efficiency and security of our internal systems, tools and processes by moving to an integrated digital technology platform to deliver and maintain the register. This will make it easier for NMC colleagues to deliver their roles leading to improved support for nursing and midwifery professionals to deliver safe, person-centred care
- Deliver our new Safeguarding Work Plan to ensure colleagues are able to perform their roles safely when engaging with others or when handling sensitive data, in line with our Charity Commission obligations
- work with the Department of Health and Social Care to deliver flexible, modern legislation that enables better, safer regulation for the public. It will mean we have a register that's clearer and easier to understand; will enable us to act more quickly to protect the public if someone can't meet our Code and standards; will strengthen our ability to intervene when we have concerns about the quality of nursing or midwifery education, and ensure we can stop people from calling themselves nurses when they are not registered with us
- review our Financial Strategy to ensure it supports improvements in our regulatory processes, the wider delivery of our corporate plan and is sustainable for the future.

4. Contribute to the workforce strategies in the four nations to support nursing and midwifery care

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Partners and the wider sector will benefit from our insight and be able to use it to inform and implement plans to address workforce challenges and improve care for people. The way we regulate will help nursing and midwifery professionals adapt to future challenges, including the changing needs of people who use services.

We will:

- implement the option(s) agreed by Council in March 2024 to further regulate advance practice, to protect the public and improve consistency and standards for people receiving care
- successfully complete our review of practice learning, using the outcome to ensure students are supported to achieve our standards in an inclusive learning environment, gaining the knowledge and skills needed to deliver the best possible care for people and communities
- work with the Welsh Government and the Department of Health and Social Care to extend the regulation of nursing associates in Wales. This will support the widening of access into nursing and improve the quality, safety and consistency of care provided to people using health and social care services in Wales
- publish our annual Spotlight report, registration, revalidation, fitness to practise, and EDI data reports. Our insights will inform and influence future workforce planning across the UK, our fitness to practise improvement plan and other key priorities
- lay the groundwork for refreshing the NMC's Code and revalidation process which are central to supporting professionals to develop and improve their practice and deliver safe, kind and effective care in a changing health and care landscape.

5. Strengthen the integrity of the register

The public and the professionals on our register will have trust and confidence in the quality of education, skills and competency of registered nurses, midwives and nursing associates to protect the public and deliver safe, effective and kind care to people and their communities.

We will:

- improve our international registration processes and controls and build on lessons learned from past incidents of fraud and bribery to ensure all internationally educated professionals on our register have the rights skills and experience
- work with an independent advisor to review and strengthen our education quality assurance, ensuring all education programmes meet our standards and students develop the right skills and knowledge to deliver care throughout their careers. The review will cover lessons learned from our response to concerns raised leading to the withdrawal of the Canterbury Christ Church University midwifery programme.

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Fitness to Practise – 18 Month Plan

Purpose

Provides an overview of the Fitness to Practise (FtP) 18 month plan and recommends its implementation.

Background

1. Addressing the caseload in FtP and improving the timeliness of our decision making has been a priority for our organisation for a number of years. Making swift and safe decisions on FtP cases is a key part of our public protection duties, it eases the stress of proceedings on those involved and enables our teams to see and feel the positive difference their work makes.
2. We had seen some progress in reducing the size of our caseload and it is currently 690 lower than the peak of 6,472 in March 2022. However, a changing context has meant we have seen the caseload grow by 193 cases between April 2023 and January 2024. This includes an increase in the number of referrals to the NMC, 14 percent more on average compared to the previous year. A particular challenge is keeping pace with referrals to stabilise the caseload and needing to hold cases in allocation queues when moving to different stages of our process.
3. In February 2023 we set our operating assumptions for the year ahead to reduce the FtP caseload and improve timeliness. We based these assumptions on trends observed in previous months when the caseload had begun to reduce. In parallel, we were progressing operational reviews to understand the challenges and barriers within parts of the process, notably within case preparation and presentation (CPP) and adjudications. We were also building our workforce model to understand our resourcing needs.
4. Our workforce modelling showed that there were some significant resourcing gaps in parts of our operation. Despite concerted efforts, we were going to fall short of achieving our goal to enhance the efficiency of our FtP procedures. While many of the interventions implemented delivered positive results, they did not generate a sustained improvement which could be maintained over time. This was very disappointing as we are conscious of the additional stress caused by slow case progression to all parties involved. Reflecting on our experience, it became apparent that a more holistic approach to sustainable change was needed. This included building the case for additional resource and new approaches based on the evidence base and diagnostics we had developed.
5. In October 2023 we committed to creating a broad plan of interventions grouped under the umbrella of the FtP 18 month plan. The plan comprises a combination of tactical interventions and structural changes. The tactical interventions are primarily aimed at better managing risk, relieving the pressure on a stretched

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workforce and supporting manageable caseloads, to generate the necessary capacity to be able to absorb the more fundamental changes introduced by the Plan.

6. The plan is undergoing a detailed mobilisation phase, aimed at refining scope, timelines, governance and reporting mechanisms, before delivery begins in April 2024, subject to Council approval. It is important to note that some activities are already well under way and are being tracked and managed through a light touch interim governance process.

Discussion

7. Key initiatives and anticipated outcomes

- 7.1. Referral quality, safety and supporting stakeholders through our processes. In practice, this means:

- 7.1.1. Reviewing the referrals we receive, our approach to what constitutes a referral and developing a strategy for informing employers and the public on when a referral to the NMC is appropriate because it meets our threshold for progression. This will reduce referrals not for us so we can focus on safe and swift progression of cases for the NMC.

- 7.1.2. Reviewing and strengthening our Interim Order guidance and carrying out a risk-based review of a criteria-based selection of cases. This will provide assurance that Interim Orders are in place to restrict the practice of professionals where they should be, protecting the public.

- 7.1.3. Expanding our clinical and safeguarding expertise and reviewing our processes to ensure our decision makers have access to the right advice at the right time. This will improve the quality of decision making, swift and safe progression of cases and customer experience.

- 7.1.4. Improving our processes to enable early identification of vulnerable professionals who are the subject of concerns and provide them with appropriate support throughout the FtP process. This will improve customer experience and support swift and safe progression of cases, meaning better public protection.

- 7.2. Safe and swift progression of cases at screening and investigations. In practice, this means:

- 7.2.1. Investing in expanding our screening team to reduce the volume of cases that are not actively being progressed and swiftly progress cases that may require an Interim Order to restrict the practice of the professional. This will support timely case progression, protect the public and improve customer experience.

- 7.2.2. Exploring whether to introduce a dedicated screening team responsible for triaging member of the public referrals to make sure that concerns are appropriate for NMC, following evaluation of our pilot. This will support timely case progression, protect the public and improve customer experience.
- 7.2.3. Introducing a new approach to assessing the complexity of cases that progress for a full investigation to support allocation to appropriately experienced investigators at the earliest opportunity. This will support manageable caseloads, safe and swift case progression and better customer experience.
- 7.3. Releasing capacity in CPP and Investigations. In practice, this means:
- 7.3.1. Expanding the impact of the legal firms we work with by increasing our outsourcing of work where appropriate. This will include selecting cases at the Investigations stage and cases at the CPP stage which are not actively being progressed or require an application for a High Court Interim Order extension. This will support manageable caseloads and release internal legal capacity to prepare and present more cases.
- 7.4. Delivering sustainable change in CPP. This means releasing capacity for colleagues by focusing on areas where we think our processes could be improved. In practice, this means:
- 7.4.1. Introducing new approaches to allocating cases and reviewing the risk of cases not actively being progressed, with a focus on cases with Interim Orders, to ensure they are progressed effectively, or Interim Orders are proactively reviewed where there is evidence that the risk has reduced.
- 7.4.2. Streamlining the legal review process and reviewing our quality standards for case presentation to ensure consistency across our processes and proportionality. This will ensure case preparation is proportionate and focused on outcomes, releasing legal capacity, and supporting safe and swift case progression.
- 7.4.3. Introducing additional management capacity, new reporting tools and audit processes that will help managers drive high quality case progression.
- 7.4.4. In combination, this will release capacity to focus on progressing and presenting cases, support swift and safe case progression, ensure the public is protected and support better customer experience.
- 7.5. Improving the quality and timeliness of decisions at adjudications and on Major Investigations cases. In practice, this means:

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- 7.5.1. Carrying out a review to understand the skills, experience, training programmes and support our hearing coordinators require to effectively manage hearings and encouraging career progression within the NMC.
 - 7.5.2. Improving our panel allocation process, increasing panel capacity and our ability to run more hearings.
 - 7.5.3. Making process changes necessary to ensure our Investigating Committee hearings run smoothly and efficiently. Increasing the capacity of our Investigating Committee and making better use of our hearing coordinators to manage more FtP Committee events, so we can safely and swiftly progress and conclude more cases – improving the experience of those involved in a case.
 - 7.5.4. Holding more hearings at our physical hearing centres. This will be more efficient but importantly enable us to more easily identify colleagues and hearing attendees who need support either from a wellbeing or safeguarding perspective.
 - 7.5.5. Making the changes necessary to support smooth progression and effective oversight of our most complex investigations cases. This will support swift and safe case progression, protect the public and better support those involved in the case.
- 7.6. Improving the quality and timeliness of decisions across the FtP process. In practice, this means:
- 7.6.1. Improving our processes so that professionals applying to be removed from the register can be progressed quicker and our teams have more capacity to focus on sharing best practice to support high quality decision making.
 - 7.6.2. Developing a quality assurance approach that reaches across FtP teams and helps us identify opportunities to strengthen compliance with our policies and processes and ensure we can be confident in our decision making.
 - 7.6.3. Where required, updating our policies and guidance to support the safe and consistent resolution of our cases in a timely way.
- 7.7. Investing in our people, culture, and organisational design. In practice, this means:
- 7.7.1. Investing in recruiting and retaining skilled and engaged colleagues, whilst making sure that resource levels and oversight are appropriate to the level and complexity of caseload that we are progressing. This will help to make sure that we are organised in the right way to support our work across FtP.

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7.7.2. Developing and implementing new contracts with panel members and legal assessors and enhanced training packages to support effective, person-centred management of hearings and high-quality decision making. This will help to support swift and safe case progression and a better customer experience for everyone involved in a case.

7.7.3. Developing our approach to how we use data and talk about performance to support our teams, underpin decision making, and improve accountability at all levels. This will support safe and swift case progression, improve quality, and ensure the public is protected.

7.8. Improving our systems. In practice, this means:

7.8.1. Introducing a new case management system in 2025. This will better equip our teams to progress cases safely and swiftly in a person-centred way, and ensure the public is protected.

7.8.2. In the interim, we will introduce a smart tool which will support better allocation of panel members.

8. Focusing on outcomes and measuring success

8.1. We have designed our plan guided by our mission and with our people (member of the public, employers, professionals and our colleagues) firmly in mind. Focussing on the kind of experience people should expect from us, we have set four key outcomes for the plan:

8.1.1. Improved timeliness and reduction of our oldest cases

8.1.2. Improved quality and safety

8.1.3. Person centred, proportionate service

8.1.4. Sustainable cost base

8.2. While some specific metrics are being defined as part of the plan mobilisation, we broadly anticipate:

8.2.1. Within the first financial year:

8.2.1.1. Completion of focussed recruitment in priority areas and successful onboarding of new joiners

8.2.1.2. Consistency across casework teams supported by streamlined processes, smart tools, KPIs and governance

8.2.1.3. Consistent application of quality frameworks

8.2.1.4. Elimination of screening unallocated caseload

- 8.2.1.5. Improvements in the management of our oldest and most complex cases
- 8.2.2. Within the first 18 months:
 - 8.2.2.1. Elimination of pools of unallocated casework by creating more capacity
 - 8.2.2.2. Reduction in median case age
 - 8.2.2.3. Reduction in the number of cases requiring a High Court Interim Order extension
 - 8.2.2.4. Hearings that are shorter and conclude first time – improving outcomes at adjudication (processing of Interim Orders and completion of cases)
- 8.2.3. Between the end of financial year 2025-2026 and the beginning of 2026-2027:
 - 8.2.3.1. Significant cost efficiencies (process improvements and automation delivered by roll out of our new case management system) – either reduction of cost base (“do the same with lower cost”) or released capacity (“do more at the same cost”)
 - 8.2.3.2. Reduced cost per hearing
 - 8.2.3.3. Better experiences of those interacting with FtP processes – professionals, referrers, employers and our colleagues
- 8.3. Each of our key outcomes will be underpinned by a set of key results (success factors to achieve our outcomes) and measures that will track our progress.
- 8.4. We are creating a holistic measurement framework that will track and forecast our progress, using several data points including milestones, outputs, key performance indicators (KPIs), people data, and benefits monitoring. This will be underpinned operationally by our FtP plan implementation tracker, workforce modelling to forecast our progress, resource planning, budget tracking and forecasting, and benefits framework.
- 8.5. The framework will provide clear direction on what we are aiming for by focusing on what matters, tracking progress towards outcomes, clear accountabilities, and using our performance as a tool for colleague engagement.
- 8.6. This will move us from a focus on reporting to a focus on performance management and data driven decisions. Clarified accountabilities will focus stakeholders appropriately on either strategic or operational issues. The Council and Executive Board will discuss outcomes, benefits, risks and mitigations, and adjustments to the plan as required (strategy). Professional Regulation management teams and individuals will focus on KPIs, resource

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plans, and budgets (operations) to make tactical decisions to drive case throughput.

8.7. The Council will continue to review a case progression report at every Council meeting. Executive Board will review progress of the improvement plan monthly, focusing on progress against outcomes, resourcing, and risks and issues. Weekly data and monthly review boards will continue across Professional Regulation management teams.

8.8. We have started populating the framework with principles, outcomes, key results, and measures. We intend to formally launch the framework from June following agreement by Executive Board in early June. In the meantime, we will continue to report against KPIs regarding case progression and age and early outputs from workstreams.

9. Agility and rigour

9.1. The approach to change has been adapted following the experience of past initiatives. The defining trait of the Plan is the ability to flex and adapt rapidly to factor in changes in circumstances which will enable us to integrate learning from concurrent initiatives such as the Thirlwall Inquiry, and the Culture review and investigations.

9.2. We have developed a workforce planning tool which gives the ability to test our hypotheses before implementation of change and estimate the impact the change will have on timeliness.

9.3. We have also created a prioritisation and sequencing framework which will be used to assess any new change initiatives that arise and enable rapid decisions on whether a course correction for the plan is required.

9.4. In parallel, regular impact assessments of our initiatives will keep us apprised of the success of the plan, allowing us to adopt a test and learn approach, rapidly redeploying effort if any initiative falls short of the anticipated effect and therefore maximising the use of our resources.

9.5. Any course correction, scope changes or redeployment of resources will be managed through a rigorous change control process, where appropriate with the approval of the Executive Board and with close scrutiny from the Council.

10. Leadership and support

10.1. The FtP plan is supported by a high level of collaborative sponsorship across the NMC. Members of the executive board for Professional Practice, Strategy and Insight and People & Organisational Effectiveness have each taken ownership of one strand of the Plan. Other colleagues in the Executive team (Resources and Technology services, and Communication and Engagement) support the delivery of the plan for all cross-cutting dimensions (finance, technology, communication and engagement).

10.2. We have assembled a dedicated team of professionals, including all disciplines of change such as programme management, change

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management, performance and benefits management, and communications to support the operations teams in implementing the plan.

- 10.3. We will manage the plan with a lean, effective governance structure which will focus on outcomes and operate under the direct scrutiny of the Council, with Council members invited as members of the FtP Plan Programme Board to test and challenge.

11. Investment

- 11.1. Our plans depend on significant investment to support us back to a steadier state. Specifically, we will seek to invest £30 million over 3.5 years, as set out in the Corporate Plan.
- 11.2. We are investing in increasing the number of outcomes at hearings and in the creation of capacity through increases in staffing levels (through better retention and recruitment) or the temporary allocation of work to trusted partners.

12. Testing assumptions and managing risks

- 12.1. There are several themes that have emerged from our initial planning and assessment. The plan aims to appropriately mitigate these risks.
- 12.1.1. **Assumptions:** the Plan anticipates we will be able to realise all our planned benefits. Like any plan, it partially relies on assumptions which have been evaluated based on insight and experience. There is a risk that some assumptions (centred around aspects further from our direct control) might not materialise. We will conduct regular assumption validation exercises to test validity and correct course when appropriate.
- 12.1.2. **Recruitment and retention:** delays or higher turnover in recruiting essential colleagues for the FtP plan may jeopardize meeting milestones. We are piloting new approaches to recruitment, looking at contract extensions, and phasing our campaigns to mitigate this risk.
- 12.1.3. **Disbenefits:** improvements may lead to disbenefits in other areas, conflicting with other objectives (for example, new processes for quality assurance or person-centred support might lead to longer processing times for some cases). We will manage this risk by continuously monitoring, gathering feedback and adjusting strategies to maintain a balance across all programme objectives. We are finalising governance structures that enable swift decisions to adjust, reflecting a “test and learn” approach across the programme.
- 12.1.4. **Cultural constraints:** Resistance to change or change fatigue may hinder successful implementation of the plan and achievement of benefits. We will deploy proactive communication plans and engagement strategies tailored for FtP teams. We will develop our leaders, building a performance culture and upskilling on developing and using metrics.

- 12.1.5. **Disruption for FtP processing teams:** Implementation of new processes and increased capacity may disrupt core work, especially in specific teams, leading to scrutiny and workload changes. We will address this by setting ambitious yet realistic goals, adopting a phased approach, while monitoring impact and making adjustments as needed.

13. Next Steps

- 13.1. Engagement sessions (internal and external stakeholders)
- 13.2. Leadership briefings between Professional Regulation and other directorates.
- 13.3. Finalising workstream scopes and milestones.
- 13.4. Publish the plan on the NMC website
- 13.5. Begin delivery from April 2024.

Lesley Maslen
Executive Director, Professional Regulation
12 March 2024

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Item 8: **Annexe 4**

NMC/24/21

27 March 2024

Table 1				
Income & expenditure	Forecast	Budget	Indicative	Indicative
£ million	2023 - 24	2024 - 25	Budget	Budget
			2025 - 26	2026 - 27
Income	Forecast	Budget	Budget	Budget
Registration fees	97.0	100.5	103.8	111.7
Other	10.6	9.2	7.9	7.2
Total Income	107.6	109.7	111.7	118.9
Expenditure				
<u>Core business</u>				
Professional Regulation	56.8	65.0	57.6	52.1
Resources & Technology Services	18.9	21.5	21.7	21.9
People & Organisational Effectiveness	11.8	12.5	12.5	12.5
Professional Practice	5.8	7.4	6.6	6.0
Strategy & Insight	4.0	4.4	4.5	3.9
Communications & Engagement	3.4	3.5	3.5	3.4
Directorate - Core Business Expenditure	100.7	114.3	106.3	99.8
<u>Corporate</u>				
Depreciation	3.5	4.1	4.2	4.4
PSA Fee	2.1	2.1	2.1	2.1
Reward Reserve	-	1.9	4.2	8.3
Apprenticeship Levy	0.3	0.3	0.3	0.3
General Contingency	1.0	1.5	1.5	1.5
Other *	1.2	1.1	1.1	1.1
Total Corporate Expenditure	8.1	11.0	13.5	17.7
Total Core Business	108.8	125.3	119.8	117.5
Programmes & Projects including capital investment (see table 2)	10.4	9.8	6.0	6.7
Subtotal including capital investment	119.2	135.1	125.8	124.2
Capital Investment	9.0	7.8	4.6	5.6
Subtotal excluding capital investment	110.2	127.3	121.2	118.6
Unrealised Gains/(Losses)**	-	-	-	-
Net Surplus/(Deficit) excluding capital investment	(2.6)	(17.7)	(9.5)	0.3
Total Reserves	74.2	56.4	46.9	47.2
Free Reserves	36.3	14.9	4.9	4.0
Note: Figures are subject to rounding				
*Including pension review 2023-24 only and panel future holiday pay throughout. Some costs relating to vacancy rate assumptions in an earlier draft seen by Council have now been allocated to Professional Regulation Directorate.				
** Unrealised gains/(losses) reflect the change in the value of our investment portfolio since the beginning of the year after taking account of income from it. We do not budget or forecast for either gains or losses.				

Table 2 Programmes & projects £ million	Forecast 2023 - 24	Budget 2024 - 25	Indicative Budget 2025 - 26	Indicative Budget 2026 - 27
Accommodation Programme - 23 PP	0.7	0.5	-	-
Modernisation of Technology Services	7.7	6.9	4.0	5.0
Technology Improvements	0.3	0.5	0.9	0.9
Modern Workplace for Me	0.3	0.1	-	-
Insight Programme	0.1	0.1	-	-
Regulatory Reform	1.0	1.1	1.0	0.9
Functional master & data project	-	0.3	0.1	-
Data & Analytics FtP caseload improvement	-	0.2	-	-
People & Culture Investigation	0.3	0.2	-	-
Thirlwall Inquiry	0.0	0.1	-	-
Programmes & projects including capital investment	10.4	9.8	6.0	6.7
Note: Figures are subject to rounding				

Table 3 Core Business Activities Full time equivalent (FTE) employees	Forecast 2023 - 24	Budget 2024 - 25	Indicative Budget 2025 - 26	Indicative Budget 2026 - 27
Professional Regulation	756.9	805.3	666.5	609.5
Resources & Technology Services	127.3	141.6	141.4	141.4
People & Organisational Effectiveness	145.0	144.6	144.4	144.4
Professional Practice	60.5	66.6	60.6	60.6
Strategy & Insight	57.6	57.0	57.0	57.0
Communications & Engagement	42.4	41.4	41.4	41.4
Total budgeted FTE employees	1,189.7	1,256.5	1,111.5	1,054.5
Note: FTE attributed to individual Directorates exclude staff employed on projects and programmes FTE represent end-year (i.e. March) position				

Table 4 Movement in Free Reserves £ million	Forecast 2023 - 24	Budget 2024 - 25	Indicative Budget 2025 - 26	Indicative Budget 2026 - 27
Free reserves as at 1 April	44.5	36.3	14.9	4.9
Net surplus/(deficit) for the year	(2.6)	(17.7)	(9.5)	0.3
Depreciation	3.5	4.1	4.2	4.4
Less Capital Investment	(9.0)	(7.8)	(4.6)	(5.6)
Free reserves at 31 March	36.3	14.9	4.9	4.0

Note: figures are subject to rounding

Table 5					
Forecast/Budget Cashflow	Forecast	Budget	Indicative	Indicative	
£ million	2023 - 24	2024 - 25	Budget	Budget	
			2025 - 26	2026 - 27	
Cashflow from operating activities					
Surplus/(deficit)	(2.6)	(17.7)	(9.5)	0.3	
Adjustment for non-cash transactions	3.5	4.1	4.2	4.4	
Interest/Dividend income from Stock Market Investments	(1.0)	(1.0)	(1.0)	(0.9)	
(Increase)/decrease in current assets	0.3	(0.1)	-	-	
Increase/(decrease) in liabilities	(0.6)	1.2	1.2	1.9	
Net cash inflow/(outflow) from operating activities	(0.5)	(13.4)	(5.1)	5.7	
Cashflow from investing activities					
Capital investment	(9.0)	(7.8)	(4.6)	(5.6)	
Cashflow from financing activities*					
Stock Market Investments	-	-	-	-	
Net cash inflow/(outflow) from financing activities	-	-	-	-	
Net increase/(decrease) in cash & cash equivalent for the year	(9.5)	(21.2)	(9.7)	0.1	
Cash & fixed term deposits at beginning of year	67.2	57.7	36.5	26.8	
Cash & cash equivalent at end of year	57.7	36.5	26.8	26.9	

Note: Figures are subject to rounding

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

Table 6 Forecast/Budget Balance Sheet £ million	Forecast 2023 - 24	Budget 2024 - 25	Indicative Budget 2025 - 26	Indicative Budget 2026 - 27
Non-current assets				
Tangible and Intangible Fixed Assets	37.9	41.5	42.0	43.2
Stock Market Investments*	35.7	36.6	37.6	38.5
Total non-current assets	73.6	78.1	79.6	81.7
Current Assets				
Cash	57.7	36.5	26.8	26.9
Debtors	3.5	3.6	3.6	3.6
Total current assets	61.2	40.1	30.4	30.5
Total Assets	134.8	118.2	110.0	112.2
Liabilities				
Deferred Income	(59.0)	(60.1)	(61.4)	(63.3)
Other creditors, accruals, provisions	(1.6)	(1.7)	(1.7)	(1.7)
Total Liabilities	(60.6)	(61.8)	(63.1)	(65.0)
Net Assets excluding pension liability	74.2	56.4	46.9	47.2
Pension Liability**	-	-	-	-
Net Assets, Total Reserves	74.2	56.4	46.9	47.2
Free Reserves (Net Assets less Tangible and Intangible Fixed Assets)	36.2	14.9	4.9	4.0

Notes: Figures are subject to rounding

* The increase in stock market investments reflects expected investment income being reinvested rather than any assumptions about capital growth or deficit which is assumed to be nil.

** Our pension liability is subject to an independent actuarial review of our Defined Benefit pension scheme at the year-end for accounting purposes. Following the valuation at the time, the pension scheme was shown in our annual accounts at 31 March 2023 as being as neither an asset nor a liability at that date and that position is reflected in our forecast and budget. It is possible that the position may change in future.

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

1. This paper proposes the target range of free reserves and the minimum cash and investments balances for the financial year 2024–2025.
2. Our reserves policy, contained within the financial strategy most recently approved by Council in March 2023, is to maintain free reserves within a target range, and to set a minimum level for the aggregate forecast cash and investments balance in the course of the coming financial year. The target range of free reserves and the minimum cash and investments balance is reviewed at least annually by the Council.
3. In the revised financial strategy also being considered by Council in March 2024, we are not proposing any change to this approach.
4. The target minimum level of free reserves is set to ensure our sustainability, taking account of the security of our income stream, our cash and investment balances, and an assessment of the potential financial impact of risks faced by the NMC. The target maximum level of free reserves is set to ensure our resources are applied effectively, balancing the interests of the professionals on our register who finance us through the fees that they pay, and the public who benefit from our work.
5. The purpose of the minimum level for the aggregate forecast cash and investments balance is to ensure liquidity without the need for borrowing facilities. Our investments are equities, funds and bonds capable of being liquidated within 14 days, so can be treated as a liquid asset and combined with cash for this purpose.
6. Since our registrants are required by law to pay our registration fees in order to practise, and they are required to pay their fees in advance, we have a highly secure income stream and we hold large cash balances, over and above our free reserves. Our need for free reserves is, therefore, much lower than many other charities.
7. For the reasons set out below, we are not proposing any change to our free reserves or cash limits this year. However, as indicated by our corporate plan, we are looking to do a more fundamental review of our financial strategy, and this will include considering further our approach to these target limits. Whilst we are confident that the approach we are taking remains reasonable and robust, we do want to examine other approaches, for instance relating the limits to our income and perhaps to reflect the impact of inflation.

Current and future reserves position

8. We define free reserves as being total reserves less the net book value of our tangible fixed assets.

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9. At 31 March 2023, our free reserves were £44 million, and our aggregate balance of cash and investments was £102 million. This means that if our free reserves had been nil at that date, we would still have had £58 million of cash and investments. This positive cash position is caused by the ‘financing effect’ of some 70% of registrants paying fees a year in advance, so that we had £41 million of deferred income at the same date. The financing effect also came from some £17 million of other creditors and accruals.
10. At 31 January 2024, the position was similar with free reserves of £43 million and cash and investments of £102 million. Subject to the actuarial valuation of our defined benefit pension scheme, the performance of our investments and possible adjustments to our provisions, we expect that that our free reserves and cash and investments position at 31 March 2024 will be near, albeit slightly lower than, these levels.
11. Looking ahead, based on the budgets presented and after the proposed deficits and capital investment, we expect free reserves to be about £4 million in March 2027 and cash and investments to be about £65 million. So, if free reserves were zero, we would still have more than £60 million of investments and cash.

Implications of current and future reserves position

12. The level of cash and investments that we hold and expect to hold in the future means that it is still appropriate to have a lower limit of zero for our free reserves. Even if our free reserves go down to zero we will have a significant buffer of liquidity as well as a reliable income source.
13. In terms of a target range for free reserves defined by an upper limit, £25 million still seems an appropriate target, although its real terms value has diminished over time. It was £25 million in 2014, which would be about £33 million in today’s terms. This relatively modest upper target is intended to ensure we do not accumulate unnecessary levels of fees provided by our registrants and it still seems an appropriate upper target given in current economic circumstances and our strong levels of cash and investments.
14. That our current level of reserves is higher is acceptable given the level of investment planned in technology and improving our performance in fitness to practise. As our plans and budgets indicate, we expect to reduce this level of reserves in the next two to three years at which point the upper range of £25 million will be an appropriate indicator.

Proposed target range of free reserves for 2024–2025

15. **The target range of free reserves was set at zero to £25 million in March 2020. Given our review above, we propose to maintain this target level for 2024–2025.**

Proposed minimum level for cash plus investments for 2024–2025

16. Because our zero lower limit of the target range of free reserves is significantly premised upon the financing effect of registrants paying in advance, we also set a minimum level of forecast cash plus investments, to provide further assurance

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of liquidity over the longer term. The minimum level of forecast cash plus investments was set at £20 million in March 2020.

17. The extent to which our cash and investment balances exceed our free reserves balance is significantly dependent on the proportion of registrants paying by quarterly direct debit and the level of the pension deficit.
18. About one third of our registrants now pay quarterly. Following the introduction of direct debits nearly eight years ago, the numbers paying quarterly initially rose quickly, but that trend has flattened. Upfront payments of registrant fees will continue to be a reliable source of cash flow in the short and medium term.
19. We see no significant risk, therefore, that the zero lower limit of free reserves would not ensure sufficient liquidity, and no reason to increase the minimum level of aggregate forecast cash and investments. **We recommend it should stay at £20 million for 2024–2025.**

Annexe 6: Contracts over £0.6 million expected to be signed in 2024–2025

No.	Directorate / team	Title and description	Retender / new requirement / Extension	Incumbent supplier?	Contract duration	Forecast contract award (FY quarter)	In-sourcing comments
1	RTS - IT	<p><u>Partner agreements for MOTS phase 3c core</u></p> <p>The requirements for the next phase of MOTS are being refined, and this will be presented to Council as a business case. If approved, we will need to procure new partner agreements.</p>	New requirement	Yes – Cloudsource, Fortesium Searchlight	2 years	Q2	NMC does not have the capability to manage a development capability of this scale, it does not need this scale of capability post programme and we do pay competitive salaries for these types of skills. Insourcing would cost more over the lifetime of the programme and would introduce significant risk.
2	RTS – finance	<p><u>Investment Management Services</u></p> <p>The existing contract is being reviewed and will either be extended (as already provided for in the contract), or we may commence a new tender exercise this year.</p>	Extensions/r etender	Yes – Sarasin & Partners	5 years maximum extension available. If retendered, new contract could be up to 10 years.	Q4	Highly specialist services we do not have in-house, and very unlikely to change in the future.

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Annexe 6: Contracts over £0.6 million expected to be signed in 2024–2025

No.	Directorate / team	Title and description	Retender / new requirement / Extension	Incumbent supplier?	Contract duration	Forecast contract award (FY quarter)	In-sourcing comments
3	RTS - property	<p><u>Lease extension for 2SP</u></p> <p>The lease agreement for NMC hearings centre at Stratford (2SP) is due for renewal (expiring in July 2024). This is subject to Council approval.</p> <p>The contract itself is out of scope of procurement regulations but included on this list for completeness – as it is a commercial agreement that must be signed.</p>	Extension/renewal of existing agreement	Yes – Westfield Stratford City (shopping centre)	4 years	Q2	Not possible as mainly involves building lease, no in-sourcing opportunity exists.
4	PR	<p><u>Computer Based Testing (CBT) for Test of Competence</u></p> <p>We are about to commence retendering our contract for the overseas computer based testing for the test of competence.</p> <p>*Note – this is a concessions contract which is procured under the Concessions Contracts Regulations 2016. Meaning the contract value is calculated based on the total value of test fees directly collected by the supplier.</p>	Retender	Yes – Pearson Vue	5 years	Q1	At present as a requirement of the contract, Pearson Vue operates test centres across the world, and IT systems are also required – NMC does not have the means or infrastructure to in-source this.

Key:

Grey fill = contract value expected to be less than £2.5m and approval to award will be sought from CE&R

Blue fill = contract value expected to be over £2.5m and approval to award to be sought from Council

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Annexe 6: Contracts over £0.6 million expected to be signed in 2024–2025

No.	Directorate / team	Title and description	Retender / new requirement / Extension	Incumbent supplier?	Contract duration	Forecast contract award (FY quarter)	In-sourcing comments
		The NMC contracts with the supplier but does not pay for the services.					
5	PR	<p><u>Hearing Transcription contract/s</u></p> <p>Current contracts are due to expire in 2024. A trial has been taking place using Microsoft Teams transcription functionality and we are reviewing our need for external transcription firms going forward.</p> <p>It is anticipated that we would retain 1-2 suppliers for external cases outside of London and Edinburgh.</p>	Retender	Yes – Marten Walsh Cherer, Epiq, Acolad	4 years	Q2	We consider it is more cost effective and lower risk to purchase these services.
6	P&OE	<p><u>Recruitment agency contracts</u></p> <p>We currently use various recruitment agencies to support our approach to recruiting new colleagues. This is an essential part of how we recruit as often specialist agencies have access to a larger pool of high calibre candidates, particularly for our more specialist roles.</p>	Retender	Yes – (Hays for temporary staff, numerous approved permanent staffing agencies used on ad hoc basis)	4-7 years (depending on contractual design we procure)	Q3	Our recruitment is already mostly in-house, but external agencies will always be necessary as outlined in description field aside.

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Annexe 6: Contracts over £0.6 million expected to be signed in 2024–2025

No.	Directorate / team	Title and description	Retender / new requirement / Extension	Incumbent supplier?	Contract duration	Forecast contract award (FY quarter)	In-sourcing comments
		We await the full launch of the new procurement legislation (the “Procurement Act 2023”) as we perceive opportunities to procure differently than was provided for under PCR 2015.					
7	PR	<p><u>Bulk allocation FTP investigations in Professional Regulation</u></p> <p>In November 2023 Council approved a bulk allocation of cases to one of our legal firms, we were unable to action that allocation in the last financial year. We are exploring options for allocation of those cases this year either via our current suppliers or through a stand-alone contract with a new supplier.</p>	Variation to existing contracts or a new contract	Capsticks LLP & Weightmans	2 years	Q2	Partially already in-house – external legal expertise always expected to be required.
8	RTS - IT	<p><u>Microsoft Enterprise Agreement</u></p> <p>Retender of existing our Microsoft software volume licencing arrangement (to include cloud storage (Azure).</p>	Retender	Yes - Microsoft	3 years	Q2	Not possible – purchase of IT software licensing and systems

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Annexe 6: Contracts over £0.6 million expected to be signed in 2024–2025

No.	Directorate / team	Title and description	Retender / new requirement / Extension	Incumbent supplier?	Contract duration	Forecast contract award (FY quarter)	In-sourcing comments
		A tender exercise has just been completed through a formal CCS Aggregation competition. The volume discount & savings achieved through the framework will be reviewed against Microsoft's offering to contract directly with Microsoft via a direct award.					
9	RTS – IT	<p><u>IT managed service provider contract (Telefonica)</u></p> <p>Telefonica Technologies deliver our core network and associated services.</p> <p>In 2021 the NMC agreed to a 7 year contract (3+2+2) with Telefonica Technologies.</p> <p>A decision to take up the first of the two year extension options on the existing contract has been approved by Council.</p> <p>It is anticipated the extension documentation will be signed in April 2024 which is why it has been included on this list.</p>	Extension	Yes – Telefonica Technologies	2 years	Q1	Specialist IT services we do not have in-house.

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Annexe 6: Contracts over £0.6 million expected to be signed in 2024–2025

No.	Directorate / team	Title and description	Retender / new requirement / Extension	Incumbent supplier?	Contract duration	Forecast contract award (FY quarter)	In-sourcing comments
10	PR	<p><u>OSCE Test of Competence Delivery Services</u></p> <p>We have five suppliers who run our OSCE test centres across the UK.</p> <p>*Note – this is a concessions contract which is procured under the Concessions Contracts Regulations 2016. Meaning the contract value is calculated based on the total value of test fees directly collected by the suppliers.</p> <p>The NMC contracts with the suppliers but does not pay for the services.</p> <p>The contracts started in 2022 for an initial term of three years which will expire in February 2025.</p> <p>The contracts provide options for extensions and this will be reviewed this year. Value of the extension is subject to analysis of forecast concession value, which must be undertaken as a requirement of CCR.</p>	Extension	Yes – University of Northampton University of Ulster University of Northumbria at Newcastle Oxford Brookes University Leeds Teaching Hospitals Trust	3 year initial term (followed by up to 2 years extension options)	Q2	This is currently contracted to outsourced providers but will be reviewed over next 1-2 years.

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Annexe 6: Contracts over £0.6 million expected to be signed in 2024–2025

No.	Directorate / team	Title and description	Retender / new requirement / Extension	Incumbent supplier?	Contract duration	Forecast contract award (FY quarter)	In-sourcing comments
11	RTS - Property	<p><u>Office cleaning services for 23PP</u></p> <p>This contract was extended to align with refurbishment of 23 Portland Place. However, since a decision has been taken to delay this project, we must seek to re-procure this contract.</p>	Extension or Retender	Yes – Julius Rutherford & Co	2-4 years	Q4	We do not have the capability to provide these services in-house.
12	RTS – IT	<p><u>Digital Recording and Retrieval Services (DAR)</u></p> <p>Review and possible retender of digital audio recording equipment solution for our hearing rooms.</p>	Retender	Yes – BUK Solutions	4 years	Q2	Specialist IT services/equipment we do not have in-house, but aspects will be considered as part of the review
13	RTS - IT	<p><u>Additional IT requirement for various improvements</u></p> <p>Following the decision to postpone the refurbishment of 23PP there may be a requirement to refresh or purchase new equipment that would have previously been captured as part of the refurbishment project.</p> <p>This requirement would be competitively tendered in-line with NMC's Procurement Policy.</p>	New Requirement	No	2 years	Q3	Not suitable – involves purchasing of new hardware equipment and software.

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Annexe 6: Contracts over £0.6 million expected to be signed in 2024–2025

No.	Directorate / team	Title and description	Retender / new requirement / Extension	Incumbent supplier?	Contract duration	Forecast contract award (FY quarter)	In-sourcing comments
14	Strategy & Insight	<p><u>Research consultation services</u></p> <p>The provision of research consultation services to ensure we are meeting regulatory and statutory obligations.</p>	Retender	Yes – C M Monitor (Britain Thinks)	3-4 years	Q4	Not suitable – specialist external expertise required.
15	RTS – finance	<p><u>Payment acceptance services</u></p> <p>Service allows for processing of card payments: card acquiring and gateway services and alternative payment methods.</p>	Retender	Yes – Barclaycard	3 years	Q4	Not suitable – specialist external expertise required.
16	RTS – finance	<p><u>Insurance brokerage services</u></p> <p>We are currently reviewing options for re-procurement of this contract. The overall contract value mainly comprises various policy premium costs.</p>	Retender	Yes – Sydney Packett & Sons	5 years	Q2	Not suitable – specialist market expertise we do not have in-house.

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Council

Outcome of phase one of the advanced practice review

Action:	For decision
Issue:	Reports on the conclusion and outcome of phase one of review of advanced practice, making recommendations to Council to proceed to phase two.
Core regulatory function:	Professional Practice
Strategic priority:	Strategic aim 2: Proactive support for our professions Strategic aim 4: Engaging and empowering the public, professionals and partners
Decision required:	<p>Recommendation: The Council is recommended to:</p> <p>Agree that additional regulation of advanced practice is needed for both nursing and midwifery professionals and agree to proceeding to phase two of the AP review (see paragraph 75).</p> <p>Recommendation: The Council is further recommended to agree to proceed to develop the following approaches:</p> <ul style="list-style-type: none">• Option six: develop standards of proficiency for advanced level practice and associated programme standards,• Option two: adopt a collaborative approach to develop a UK wide AP principles framework incorporating a shared position or definition of advanced level practice,• Option four: ensure that advanced level practice requirements are included in the wider review of revalidation and the Code scheduled for 2025/26 (see paragraph 76).
Annexes:	<p>The following annexes are attached to this paper:</p> <ul style="list-style-type: none">• Annexe 1: Key lines of enquiry (<i>summary only, full report is available on our website</i>)• Annexe 2: Professional Standards Authority Occupational risk framework

- Annexe 3: Stakeholder engagement and emerging *themes* (summary only, full report is available on our website)
- Annexe 4: Advanced Practice Options Appraisal (summary only, full report is available on our website)

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.

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Context:

- 1 Our core role is to regulate however to regulate well we need to support professionals on our register and the public. Doing both enables us to influence health and care. This means we need to understand, reflect and respond to the rapidly changing and challenging environment in which our registrants are working.
- 2 People have more complex clinical needs that are increasingly being shaped by who they are and where they live. Complex care pathways and transfers between health and care services require greater levels of clinical decision-making by multi-professional teams with a mix of knowledge and skills.
- 3 Advanced practice (AP) in nursing has existed in the UK for several decades, with the introduction of AP in midwifery being more recent. Historically there have been numerous requests to regulate professionals in AP roles, not least due to the nursing profession being the largest professional group practising at an AP level.
- 4 Given the planned increase to the AP workforce our 2020-2025 strategy committed us to undertaking a comprehensive review of advanced practice nursing, including consideration of whether additional regulation is needed.
- 5 Our new post-registration standards that Council approved in 2022 describe these standards as a bridge to our next phase of work, on AP (see NMC22/42).
- 6 Our 2022-2023 corporate plan included a discovery phase and took the decision to extend the scope of this review to include midwifery.
- 7 The Council discussed the Nuffield Trust's (NT) independent research findings at their May 2023 meeting (see NMC/23/35).
- 8 NT found that there is substantial literature that demonstrates that professionals' advanced level practice can support better delivery of services and improve a range of outcomes for people. In short nurses and midwives in AP roles make a significant contribution to the care of people.
- 9 Their report did suggest, however, that there are latent risks in the current arrangements for the preparation and employment of professionals in AP roles. Of note are the risks associated with diagnosis, advanced decision-making, prescribing, and delivering care interventions.
- 10 Some participants that NT engaged with felt that risk to people who use services increased in certain settings outside of the NHS. However, NT also found wide variation in understanding of, and support for advanced practitioners across different NHS employers.

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- 11 Furthermore, NT found substantial variation in AP masters' education programmes and in some instances only limited assurance on standards of those completing them. Furthermore, they noted the increase of new providers delivering AP programmes.
 - 12 In September 2023 the Council agreed to us pursuing nine key lines of enquiry (KLOE) in line with our overarching objective, the protection of the public, and maintaining public confidence in professionals on our register. (See NMC/23/74).
 - 13 Building this considerable KLOE evidence base informed our extensive engagement activity and fed into the options appraisal. We have published the output of completed KLOEs to date on our website, (see Annexe 1 for a summary of KLOE activity).
 - 14 Crucially phase one of this review did not set out to make the case for additional regulation. Instead, our aim was to establish whether additional regulation was needed to mitigate risks to public protection, and if so what proportionate, regulatory approach we may take that ensures public confidence and trust in nursing and midwifery professionals working at AP level practice.
 - 15 We used the Professional Standards Authority's (PSA) occupational risk framework to better understand the risks associated with AP. This framework outlines a continuum of assurance, indicating that as the level of risk increases so should the level and intensity of regulatory oversight (see annexe 2).
 - 16 This paper methodically presents the outcome findings from phase one and a summary of the options appraisal on the potential approaches to additional regulation of AP.
 - 17 This paper goes on to explain the need for additional regulation and makes recommendations on the preferred approaches for additional regulation of professionals in AP roles.
 - 18 In making recommendations to the Council we anticipate the following benefits:
 - 18.1 People who use services of advanced nurse practitioners and advanced midwife practitioners will be confident about the advanced support and care that these professionals can provide and how these roles keep people safe.
 - 18.2 People will be able to look at our register and identify if their nursing or midwifery professional meets our standards for advanced practice. This will promote trust in the professionals on our register and build confidence in professional regulation.

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Four country factors:

- 19 All four nations AP frameworks, approaches to AP workforce commissioning, career development and progression, service delivery and transformation across the health and care landscape were scrutinised and have informed this review. Of note is the ambition of all four nation workforce intentions to increase the number of AP professionals to meet the needs of their respective populations.
- 20 The four nation Chief Nursing Officers (CNOs) and Chief Midwifery Officers (CMidOs) are entirely supportive of this work and helpfully seconded part time nursing and midwifery AP advisers into the NMC to actively collaborate on this important review.

Discussion and options appraisal:

Risks to public protection

- 21 We have identified potential risks to public protection which in turn can impact public trust and confidence in nursing and midwifery professionals in AP roles. Broadly the risks are categorised in two main areas: the AP role itself and the governance context.
- 22 Previous reviews of AP suggest that a localised governance system was sufficient to manage latent risks; this is not the case. The lack of consensus on any agreed definition of AP or benchmark standard, and variation in recruitment, use and deployment of AP professionals at a local level means that governance and ongoing support is variable or sometimes lacking.
- 23 The latent risks identified by NT were reiterated through the KLOE findings and through stakeholder engagement with some suggesting that these risks are not being adequately managed presently and that the risk is likely to increase as AP numbers grow. Stakeholders were increasingly asking for additional regulation.
- 24 Establishing the requirements for professionals in AP roles have largely been employer driven, with the degree of unwarranted variation making it challenging to have an accurate picture of the number of nursing and midwifery professionals in AP roles. Our review has therefore been based on reasonable estimates of currently available data.
- 25 Initial findings from the independent economic evaluation estimates that growth in demand for advanced practice across the UK is in the region of 7.14 per cent per annum, given the four nation workforce development plans.

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- 26 We found limited evidence from our fitness to practise (FtP) data about the level of risk to the public from AP. We do not know who or how many professionals on our register are APs therefore this data is neither coded nor routinely collected.
- 27 In considering this risk, we also need to distinguish between risk from the professional's practice when in AP roles with the wider, risks such as variable education, preparation and employer or clinical governance. This means that the adoption of any single regulatory approach may not mitigate the risks identified.

Benefits to the public of nurses and midwives in AP roles

- 28 There is widespread acknowledgement that APs play an important role across the health and care system. APs are recognised as having advanced level knowledge, being highly skilled with broader autonomy to manage complete episodes of care that has high levels of complexity and uncertainty. They also practise across four pillars, namely clinical practice, research, education and leadership and demonstrate the ability to integrate these into their advanced level practice. These pillars are widely accepted across the UK and internationally as the requirements for the AP role.
- 29 APs are recognised as supporting the wider multi-professional health and care team by enhancing capacity for service delivery and supporting person-centred care. They are not substitute medical practitioners as they will continue to draw extensively on their nursing and midwifery person-centred practice. They work as part of a multi-disciplinary team, helping to enhance the skill mix within teams and enable other health and care professionals to re-prioritise. Taken in totality APs have the potential to improve the overall quality of service being delivered to people and their families.
- 30 Public stakeholders we engaged with consistently shared personal stories of the high quality of care they had received from APs across a number of settings whilst being clear about the overall lack of public understanding of the AP role and the inherent risks to public protection due to variability and lack of consistency.

Promoting confidence and trust in professionals on our register

- 31 Alongside the earlier evidence from the NT report, our review has highlighted the risk to public protection *and* identified the often positive and growing role of APs across health and care delivery. The NMC are seen as having a pivotal role to play in supporting public perception, enhancing trust and confidence in professionals

on our register through additional regulatory oversight of AP to mitigate the risks identified.

- 32 Through additional regulation, professionals on our register feel they will be able to be supported to ensure that they have the right knowledge, skills and support to deliver high quality care that promotes trust and confidence in our AP professionals.
- 33 Members of the public are equally clear about the role of additional regulation in ensuring their confidence that APs caring for them have met certain standards, are being held to account, and are competent and capable to deliver the advanced level care that individuals require.

Summary

- 34 Public protection and promoting public confidence and trust in our professions remains at the heart of this review. The concluding evidence from phase one of our review built on, and reaffirmed, the latent risks identified in the NT report. AP roles are also seen as a way of supporting career development and progression with the benefit of improving retention of professionals within health and care settings.
- 35 Across all stakeholder groups the risk to public protection and confidence and trust in professionals on our register is notable, with implications for the safety of people using services, recognising the risk is likely to increase in line with growth of the AP workforce across the UK. The analysis and emerging themes from our engagement activity suggests that additional regulation of AP is seen as a credible means to mitigate that risk, reduce variability and influence the need for consistency across the health and care sector. We have published a full report on our stakeholder engagement and emerging themes on our website. (See annexe 3 for a summary of engagement activity).

Options appraisal: potential regulatory approaches

- 36 Several options outlining the range of potential regulatory approaches were developed and analysed using the Professional Standards Authority's (PSA's) occupational risk framework. This appraisal indicates the risk, benefits and potential outcomes for future additional regulation and engaged with the public and professionals on all options. We have published a thorough, objective, and detailed options appraisal report on our website. (See annexe 4 for a summary of the options appraisal).

Option one: Maintaining the status quo

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- 37 This option retains our current approach, meaning we would not set standards, nor would we approve and monitor AP programmes or protect a qualification or title. Nor would our revalidation process require any additional requirements of professionals in AP roles.
- 38 This means our present regulatory model would continue. Neither we, nor the public, will be able to identify who on our register are advanced practitioners nor will we be able to restrict someone from practising as an advanced practitioner other than by sanctioning them as a nurse or a midwife. AP professionals, like all professionals on our register will continue to be required to work within their scope of practice and in accordance with our Code and standards.
- 39 This option would mean we would not have a proactive approach to the known risks to public protection or challenges to the confidence and trust in the professions outlined in this paper and throughout phase one. The risks identified would continue, as would variability and inconsistency. This option was the least favoured option.

Option two: Set of Principles/Joint Statement

- 40 This would involve us collaborating with key stakeholders to develop a shared approach to AP, either via shared set of principles or framework for AP or a joint statement. This approach would not see the NMC taking on any additional regulation of AP, instead convening partners would collaborate and develop a new voluntary approach for advanced nursing and midwifery level practice.
- 41 Key benefits of this approach enable us to support and influence the role of other key stakeholders in pursuit of consistency and standardisation of education, roles and responsibilities but stops short of providing any additional regulatory oversight.
- 42 The lack of consistency and variability seen today may continue due to the voluntary nature of shared principles, something we noted in our Spotlight on nursing and midwifery in relation to preceptorship. The robustness of this approach in driving assurance would therefore be weaker than other approaches.
- 43 External engagement favours an approach that unifies the four nations frameworks, collaborating with other professional regulators and agreeing a shared position on AP. Furthermore the consensus stakeholder view supports joint regulatory ways of working, has merit and can be undertaken in tandem with other approaches.

Option three: Credentialling

- 44 Credentialling is a consistent method of assessing and validating the identity and competency of nursing and midwifery (and other)

professionals working at AP level based on their education and practice background.

- 45 This approach could entail direct credentialling by the NMC where we would directly credential AP education and experience. We would need to develop a framework that would determine the minimum requirements and standards needed to evidence via the credentialling process.
- 46 Professionals who successfully credentialled would be recognised as competent to practise as an AP. This information could be recorded on the public register.
- 47 Alternatively, we could establish a means of indirect credentialling in partnership with other organisations, such as nursing, midwifery, and medical royal colleges. Professionals who had successfully credentialled from one of these bodies would be recognised as competent to practise as an AP. In this option, we would not publish this outcome on the register.
- 48 Credentialling is expensive and often cited as being bureaucratic and burdensome. It would require considerable set up costs and may not add anything additional beyond the advanced practice education and experience required to successfully credential. It could also create a scenario where professionals are charged twice – for their education programme and then the credentialling process.
- 49 Equally any credentialling process is an assessment of competency at a single point in time meaning there would be no ongoing quality assurance and monitoring of the credentialling process. Additional regulatory levers would, therefore, be needed.
- 50 Initially there was some support for this option. Others were critical of the lack of ongoing assurance of professionals once credentialled. The consensus view did not feel that credentialling would mitigate the risks to public protection and promote public confidence and trust in the professionals on our register.

Option four: Revalidation

- 51 Revalidation is the well-established process that all NMC professionals need to follow to maintain their registration.
- 52 Under this regulatory approach, professionals would be required to self-declare if they were working in an advanced practice role or using an advanced practice title. This declaration would likely need to relate to a set of proficiency standards, which we would need to develop. Professionals could evidence proficiency via revalidation requirements, such as practice hours, CPD hours and reflective accounts. Additionally, this information would need to be externally

verified by a confirmer with sufficient knowledge and experience to be able to act in this role for professionals in an AP role.

- 53 However, revalidation is currently an approach that we take to qualifications that we set standards for and already regulate. We have not previously used revalidation to bring a qualification into regulation. We would, therefore, need to validate information gained through a revalidation application via an additional separate regulatory lever, i.e. settings standards of proficiency for AP.
- 54 We would need to establish a mechanism for professionals to initially identify themselves as an AP prior to their planned revalidation. This may be problematic due to variation in the AP role in practice will take time.
- 55 Some stakeholders raised concerns about the robustness of the current revalidation model and making proposals for APs and revalidation in advance of our planned revalidation review. Instead, there was a preference for incorporating plans for the development of any specific revalidation requirements for professionals in AP roles as part of the overall review of revalidation and the Code scheduled for 2025/2026.

Option five: Test of competence

- 56 This approach would see the development of a Test of Competence (ToC) to assess the capability of a professional to practise at an AP level against requirements based on high level standards set by the NMC. Successful completion of an AP ToC could be used as evidence for an employer to provide assurance about the competency of an AP to join the workforce or for the purpose of publishing information on the NMC register.
- 57 This approach would be similar to the current ToC for pre-registration entry to the register for international professionals and for re-joiners to the register. However, we do not currently have any ToCs for our existing post-registration qualifications.
- 58 Any ToC would need to test professionals against determined standards of proficiency, which would need to be developed and be relevant at the level of AP across both nursing and midwifery and incorporating the four pillars of advanced practice.
- 59 Any ToC would only offer an assessment of an individual's competence at a single point in time rather than ongoing capability.
- 60 Stakeholder feedback highlighted the inherent challenges and significant cost of this approach and indicated this was not an option at this time.

Option six: Setting proficiency and associated programme standards (this includes approval and monitoring of AP programmes that lead to a recordable qualification visible on the NMC register)

- 61 We would set and regulate AP standards of proficiency and associated programme standards. We would quality assure, approve, and monitor education institutions and their AP education programmes. We would do this in line with our existing wider education and training standards and processes.
- 62 Professionals would need to meet these standards of proficiency and qualify from these programmes for us to record their AP qualification. We would publish this information on the public register.
- 63 Only nursing and midwifery professionals with an NMC-approved AP qualification would be able to practise as an advanced nurse practitioner advanced midwife practitioner.
- 64 We would expect professionals to revalidate against their primary registration and post-registration AP qualification to ensure they continue to provide safe, effective and kind care.
- 65 This approach would provide us with full oversight and governance of the AP regulatory journey, including education, registration, revalidation and fitness to practise. This would include holding professionals to account for their specific practice as an advanced practitioner and ensure public protection.
- 66 This would create a consistent threshold of advanced practice proficiency and education requirements via standards. We could continue to review and update these standards as AP develops in both professions.
- 67 This would remove unwarranted variation in preparation and outcomes for the nursing and midwifery AP workforce.
- 68 This option will impact on partners across health and social care, particularly employers and education providers. We would need to collaborate, plan for, and ensure the successful articulation of practice and education systems into any additional regulatory approach.
- 69 Having considered all the evidence, our stakeholders our perceive that setting standards as a regulatory approach would mitigate the risks to public protection and continue to promote public trust and confidence in the professionals on our register in AP roles.

Summary outcome of options appraisal

- 70 All stakeholder audiences felt that the NMC was in a strong position to support and influence the changes need to protect the public. They emphasised the need to continue to work collaboratively with other professional regulators, the four-nation workforce leads and system regulators. Equally they emphasised a need to progress carefully in managing the real changes that a transition to additional regulation would bring.
- 71 We have listened carefully to the perspective from education providers on whether the option of setting standards and approving programmes and/or credentialling would place a disproportionate burden on higher education institutions, particularly as these institutions already deliver AP programmes that are subject to various quality assurance measures. This perspective has been balanced against the findings of risk associated with reports on risk due to unwarranted variation of AP education and preparation programmes.
- 72 The six options are not mutually exclusive as no single option will solely mitigate the risk to public protection. Instead, developing and implementing a combination of approaches through a sequence of planned activity would ensure we collaborate with our stakeholders to safely plan for and manage this change. For example, if we set standards, this would include planned change across the professional journey in line with our core regulatory functions.
- 73 Additionally, it will be necessary to maximise approaches that sit within our commitment to support our professions and the public through development of resources for AP. This is option two, development of a principles-based UK wide AP framework and shared joint-regulatory statement on AP. Taken together we can maximise these approaches to influence health and social care and work with other regulators and partners to support workforce planning.
- 74 At its meeting on 15 February 2024 the independent AP steering group reviewed the evidence, considered current and future risk, and balanced its recommendation to the Executive Board with the requirements of right touch regulation.
- 75 For a small number of steering group members there was a desire to continue to gather evidence, however, the majority consensus found that the currently known risks together with the anticipated benefit to people were sufficient to make a recommendation to the Executive Board (EB) that additional regulation was needed and to proceed to phase two focusing on a combination of regulatory options.

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- 76 We updated the four nation CNOs and CMOs (or their representatives) on 21 February 2024 and appraised them of our progress and feedback on the consensus recommendations of the AP steering group. They were unanimous in supporting the recommendation to progress to phase two of the review with the aim of introducing additional regulation of professionals in AP roles through a range of regulatory approaches.
- 77 **Recommendation:** The Council is recommended to:
- 77.1 Agree that additional regulation of advanced practice is needed for both nursing and midwifery professionals and agree to proceeding to phase two of the AP review.
- 78 **Recommendation:** The Council is further recommended to agree to proceed to develop the following approaches:
- 78.1 Option six: develop standards of proficiency for advanced level practice and associated programme standards,
- 78.2 Option two: adopt a collaborative approach to develop a UK wide AP principles framework incorporating a shared position or definition of advanced level practice,
- 78.3 Option four: ensure that advanced level practice requirements are included in the wider review of revalidation and the Code scheduled for 2025/26.
- 79 Implementing the above options/approaches will ensure that we intend to mitigate the risks identified throughout phase one of this review, ensuring that those undertaking AP roles are educated to approved standards and able to deliver the high level and quality of care expected by public and professionals, that they continue to maintain their knowledge, capability and skills through professional development and that we continue to collaborate across the sector to promote consistency and reduce variability.
- 80 This will support our role of maintaining public protection, promoting confidence and trust in our professionals in AP roles through proportionate regulation, whilst supporting and influencing the wider health and care sector.

Next Steps

- 81 Following the Council's decision, we will develop a project plan for phase two. This will include detail on workstreams, timelines and milestones in line with the recommendations that will go to Executive Board (EB) at the end of April 2024. EB will provide an update to the Council in May 2024.

Implications

82 The recommendations focus on professionals seeking AP qualifications in the future. If Council agree to the recommendations it will be necessary to establish a workstream that seeks to identify a proportionate approach to recognising AP qualifications already held by nursing and midwifery professionals in AP roles and those currently studying for AP qualifications. EB Board will update the Council on our plans for this activity.

Midwifery implications:

83 Our ambitious standards of proficiency for midwives (2019) ensure that midwives are autonomous professionals at the point of entry to the register. However, autonomous practice as a midwife at this point and advanced level midwifery practice should not be conflated. This review has considered advanced practice for the midwifery profession, and the options and recommendations have included midwifery professional perspectives, including whether profession-specific approaches are needed.

84 Consideration of the need for, and growth of, AP in midwifery has been central to phase one of this review. It was important to recognise midwifery as a distinct profession and what specific evidence and potential approaches for advanced level practice are needed to mitigate the risks to women, babies and their families.

85 Although consultant and specialist midwifery practice are commonplace and locally governed, AP in midwifery is a more recent introduction to the midwifery workforce, particularly in England. Importantly, however, this AP review cannot broker an AP workforce expansion as a means of medicalisation of midwifery practice, nor should we suggest in any way that this development offers opportunities for medical substitution in maternity services. Instead, progressing midwifery AP into phase two will enable a robust regulatory framework that supports the safe growth of AP midwifery professionals within the multi-disciplinary maternity workforce that benefits women, babies and families.

86 Engagement with key stakeholders including the Royal College of Midwives, Royal College of Obstetricians and Gynaecology, professionals, women who use services and the public has informed this phase of the review.

Public protection implications:

87 People receiving care from nurses and midwives in AP roles is beneficial. Professionals with AP qualifications can demonstrate advanced communication skills, make timely person-centred decisions, provide continuity of care and support people to navigate

their care pathway seamlessly across different specialities and settings, and professions as part of their day-to-day practice.

- 88 None of the recommendations support medical substitution, instead they demonstrate approaches to drive consistency, safety and quality when nurses and midwives in AP roles are caring for people.
- 89 In exploring each option, we have considered whether each option was proportionate to the risk posed to the public by APs.
- 90 In the future people who receive care from professionals in AP roles will be confident about the advanced knowledge and skilled care that these professionals can provide and how these roles keep people safe.
- 91 People will be able to look at our register and identify if their nursing or midwifery professional meets our standards for advanced practice. This will promote trust in the professionals on our register in AP roles and build confidence in professional regulation.

Resource implications:

- 92 The 2023/2024 budget for phase one of this review has been delivered with an underspend of £145,700. This deferred underspend will be carried forward to phase two of the review if the Council agree to proceed. This means the budget for 2024/2025 is now £681,382.
- 93 The project plan for phase two that will go to EB in April will include the breakdown costs and resource allocation of each workstream in line with the recommendations identified in this paper.
- 94 To minimise overall costs the cost of consideration of additional revalidation and/or Code requirements will be factored into the proposed planned review of both these items currently scheduled for 2025/26 meaning this will not factor in the 2024/2025 budget.
- 95 The health economic analysis /cost consequence report will be finalised and inform the recommendations once a decision is made. A pragmatic approach is needed as there are challenges in establishing precise data. Their independent approach balances regulatory assurance with costs and benefits to public protection.

Equality diversity and inclusion implications:

- 96 In undertaking phase one of this review, we have undertaken an Equality Impact Assessment (EqIA). In doing so we can demonstrate we have taken account of the public sector equality duty in the Equality Act 2010. This is a live impact assessment that we have published on our website. This will be the foundation for additional EQiA considerations in phase two following the Council's decision.

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97 A Welsh language impact assessment has been undertaken ensuring the Welsh language is treated no less favourably than English in any proposals. We engaged with the Welsh Government as part of this review and the Wales AP advisers for nursing and midwifery who have led on engagements in Wales, including a public engagement session in the Welsh language.

98 We commissioned the Florence Nightingale Foundation to undertake KLOE nine. This is a mixed methods review that considers the opportunities and barriers with regards to access and education and training, for AP roles and qualifications for internationally educated nurses and midwives and will inform phase two.

Stakeholder engagement:

99 Our commitment to collaboration and coproduction has been at the forefront of this review. We have had engaged extensively with the public and people with lived experience of receiving care from professionals in AP roles, and charities and advocacy organisations.

100 To ensure that people are at the centre of this review we have:

100.1 engaged with our Public Voice Forum on several occasions and established an AP public advisory group (PAG), co-chaired by the Clinical Director of Dementia UK

100.2 held in-country engagement with the public and held a roundtable for women who use midwifery services, and

100.3 ran a public focused survey to elicit views on whether additional regulation of AP was needed and if so, which option was considered necessary for public safety and confidence and trust of professionals in AP roles.

101 Professional engagement includes a strong AP community of interest (now 1,741). We have held webinars, roundtables, in country sessions, professional challenge sessions, and established a joint regulator group with the nine health and care professional regulators, and the PSA. We commissioned independent analysis of our engagement and have published their report on our website.

Risk implications:

102 There are potential risks to public protection that may impact on public trust and confidence in professionals in AP roles. These risks can be summarised into two main areas namely the AP role and the governance context.

103 Our evidence reviews and stakeholder themes confirms that that there are currently latent risks in AP and leaving the oversight to local and different governance measures provides limited assurance to the safety of people and public protection.

104 It is unclear how many nursing and midwifery professionals are in AP roles are currently practising across the UK. Although national NHS workforce plans state their intention to grow this workforce, there is limited information on AP growth in other health and care sectors, including primary care. Inevitably this level of known and unknown growth indicates that there is a risk that our current approach to regulating professionals in AP roles is insufficient given their role in delivering complete and often complex episodes of care.

105 If we agree to additional regulation and other professional regulators, particularly HCPC, does not, there is a risk that we create a two-tier system. To mitigate this risk, we established the joint regulatory group to move towards agreement on a shared statement on advanced practice.

Regulatory reform:

106 Regulatory reform is a key interdependency, with exact implications dependent on the recommended option(s) approach and will be considered in phase two following Council's decision.

107 Regulatory reform will introduce changes to the way we regulate post-registration qualifications, this includes qualifications for AP. The proposals include using new powers to make sure the register reflects registrants' current practice.

Legal implications:

108 The legal implications for regulating Advanced Practice are dependent on each option and regulatory approach.

109 No legislative update is needed for option one: maintain the status quo or option two: develop a set of principles or shared statement on AP.

110 Within option three there are contrasting approaches to credentialling meaning different legal considerations are needed. Credentialling is not something currently specified in our legislation however elements of this may be achieved through our power to set standards and where appropriate add annotations to the Register.

111 Option four: revalidation. Our revalidation standards are established through our power to set requirements for post-registration training and continuing professional development and is directly linked to renewal of registration. We would be able to amend our standards to account for those in AP roles. However, under our existing legislative framework the extent to which revalidation can be used solely as an enforcement mechanism for AP is limited and would likely require legislative change.

112 Developing a test of competence may not need changes to our Order and rules to achieve option five, however it would need us to

develop standards of proficiency for AP level practice against which professionals could be tested.

- 113 A full-scale regulatory approach is achievable for option six under our existing powers to set standards for additional post-registration qualifications which may be recorded on the register.
- 114 Protection of professional titles is currently linked to parts of the register and the titles associated with these. Regulatory reform is seeking to protect the title 'nurse.' Any additional protected titles associated with AP would need legislative change.

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Annexe 1: Key lines of enquiry (KLOE) a short summary of evidence to date

In May 2023 the Council agreed to the delivery of several KLOEs to support the advanced practice (AP) review. These were developed in response to the latent risks identified in the Nuffield report, to support building an evidence base upon which to conduct the review. A summary of the KLOE outputs are as follows:

1. Comparative analysis of current AP frameworks across the four countries of the UK and potential for developing a UK wide AP framework.

1.1. Each country of the UK has its own AP framework which are broadly similar and based on the four pillars (clinical, research, education and leadership) of AP but there remains variation. Not all frameworks include midwifery, and some include wider allied health professionals.

1.2. A unified UK wide framework could bring consistency but a need to be mindful of the differing structure of health and care systems, legislation and population care needs.

2. Examine and compare AP models in other countries and identify elements which we could adapt to the UK context.

2.1. Internationally, regulation of advanced level practice has been introduced for a variety of reasons - public protection, to support health and care reform, to mitigate areas seen as 'high risk'.

2.2. International models broadly support the four pillars of AP but applicability to the UK context is variable, however there is valuable learning on approaches and impact.

2.3. The UK is currently an international outlier in the professional regulation of AP with countries either already regulating AP or working towards regulation.

3. Scope and level of practice considerations in the regulation of AP.

3.1. AP is a level of practice, and the focus of this review is on the need for additional regulation of that *advanced* level of practice.

3.2. There is variation in evidence of benefits of defining scope of practice. The NMC currently does not define scope of practice for nurses or midwives but are mindful that the title of 'midwife' is protected in law and there is a protected legal function associated with this title.

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3.3. We acknowledge that there is a need for clarification about the difference between a level of practice and a scope of practice.

4. Task shifting rationale (tasks formerly undertaken by other professionals and balancing with person-centred care principles).

4.1. The AP role developed primarily from workforce demands and employer led requirements and confirmed the need for nurses (and midwives) to develop additional knowledge and skills to support care delivery. Professional identity is important, recognising that both nursing and midwifery have distinct epistemologies.

4.2. Those in AP roles, irrespective of their professional backgrounds, require high level knowledge and skills to support person-centred care.

5. Supervision, assessment and continued professional development (CPD) of AP professionals.

5.1. A need to understand the education and training need, including supervision and assessment of aspiring APs, as well as the ongoing supervisory and CPD needs of practising APs. Wide acknowledgement of the need for ongoing supervision to support professional development and positive outcomes for people who use services.

5.2. Much good practice has been identified in relation to this line of enquiry and further evidence/research is required to understand and develop this further.

6. Comparative analysis of approach by other professional regulators in the regulation of advanced level practice.

6.1. Across the UK, there is no professional regulation of professionals working in AP roles. Recognition of need for a consistent approach to avoid a two-tiered approach and recognising the multi-professional context in which health and care professionals practice.

6.2. We continue to work with the nine professional health and care regulators to align approaches and learn from each other. This includes the development of a joint statement on advanced practice across all professionals.

7. Economic evaluation of costs and benefits to support our findings and recommendations.

7.1. An independent economic evaluation has been undertaken to analyse the costs, benefits and consequences of each of the potential regulatory options. This will be highlighted to support Council's decision and into phase two of this review.

8. Review the risks and benefits associated with AP, particularly from a public protection perspective, and the specific risks and benefits of each potential option of regulating AP.

8.1. This work is presented as the Options appraisal paper.

9. Consideration of the impact of regulation of AP on internationally educated nurses (IENs) and midwives (IEMs).

9.1. IENs and IEMs now constitute a large and growing proportion of the NMC register.

9.2. This KLOE will be undertaken by the Florence Nightingale Foundation on behalf of the NMC to explore the impact of additional regulation of AP on IENs and IEMs.

9.3. This piece of work will be grounded in the views and experiences of IENs and IEMs working across the UK and in diverse settings through a survey and focus groups. This KLOE will extend in to phase 2 with a report expected in Summer 2024.

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Professional Standards Authority Occupational Risk Model



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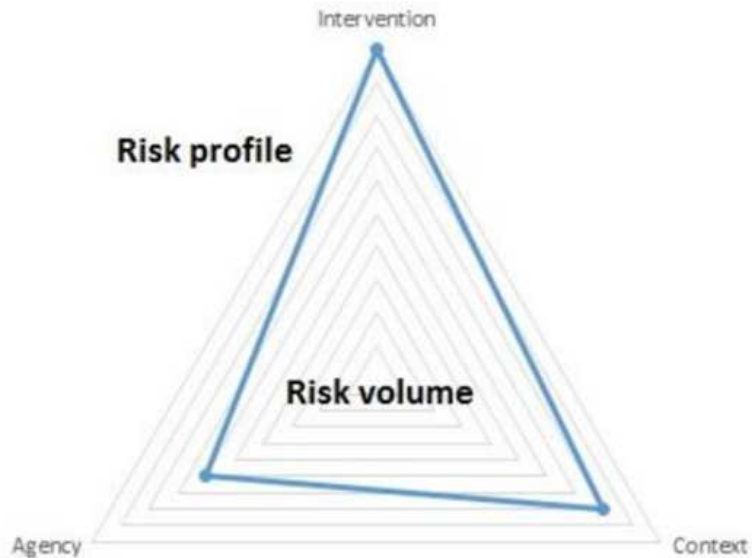
Occupational risk model

- The PSA has developed the concept of right touch regulation defined as ‘based on a proper evaluation of risk, is proportionate and outcome focused
- The occupational risk model has been used in consideration with other evidence as to whether an additional layer of regulation is required at advanced level practice
- This framework outlines a continuum of assurance which indicates that as the level of risk increases so should the level of regulatory oversight
- This ranges from employer controls through credentialling and voluntary registration to statutory regulation

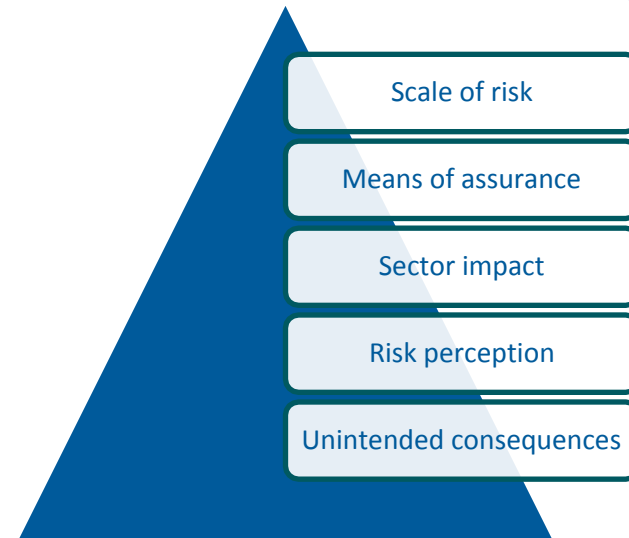
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PSA: Occupational risk model

Intrinsic Risks



Extrinsic Risks



Annexe 3: Advanced Practice Options: Stakeholder engagement and emerging themes

From November 2023 - February 2024, we engaged with key stakeholders to ensure we carefully considered the views of all people with an interest in advanced practice (AP). This included people from different practice settings, a wide range of backgrounds, from various parts of the UK, nursing and midwifery, and those with lived experience of receiving care from professionals in Advanced Practice (AP) roles and charities and advocacy organisations.

Our approach to engagement

We took a mixed approach to seek a range of perspectives to inform this project, with both breadth and depth. This approach allowed us to hear from people with lived experience and expertise, professionals who work with people with lived experience, and our public voice forum membership who combine their own lived experience of health and care with an increased more detailed understanding of the work of the NMC.

Public Advisory Group	12
Public Voice Forum	23
Four country engagement (through qualitative focus groups)	44
Women who use maternity services	40
Public survey (quantitative and qualitative feedback)	2,000
Midwifery panel discussion (includes lay members)	N/A
TOTAL	2,119

Our engagement with professionals and other stakeholders

Due to the breadth and complexity of the landscape in which AP nursing and midwifery take place, we have engaged widely with people from across the nursing and midwifery professions. This has included:

Professional audience roundtables (with researchers, employers, learners, educators, nurses and midwives working across specialisms, primary and urgent care, internationally educated nurses and midwives)	358
Webinar (with an additional over 1,000 views on YouTube)	356
Four country adviser engagement (nursing)	638
Four country adviser engagement (midwifery)	341
External challenge sessions (to challenge our work as we developed our position)	52
TOTAL	1,745

In addition to the above, our professional stakeholder engagement has included:

- An independent steering group of key partner organisations and experts;
- A collaborative working group of colleagues from other health and care professional regulators
- A discussion with four country system regulators
- Slots to discuss AP at external stakeholders' meetings and events, including the Council of Deans for Health, NHS England's Centre for Advancing Practice Conference, and the Independent Healthcare Provider Network
- Our eight advanced practice advisers – a nurse and a midwife nominated by each of the four UK Chief Nursing Officers (CNOs) and four UK Chief Midwifery Officers (CMOs)/ midwifery leads – have also been directly engaging with stakeholder groups in their respective countries. Collectively they engaged with **638** nursing stakeholders and **341** midwifery stakeholders.

What our research and engagement told us

Thinks Insight & Strategy, an independent research organisation, undertook independent analysis of our stakeholder engagement, identifying common themes within their report. These themes, building on our earlier evidence and research, have enabled us to make our recommendations to Executive Board and onto the Council.

There was widespread acknowledgement that professionals in AP roles play an important role in the health and care system. However, they found that a lack of consistency in education and training, qualifications, responsibilities and governance processes can create a risk to the public that additional regulation could help mitigate.

Through stakeholder engagement, there was consensus of the need for additional regulation to manage risks and support confidence and trust in our professions. It could also support four nation workforce development plans.

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Advanced Practice Options Appraisal Summary



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Regulatory options

- Maintaining the status quo
- Set of principles/joint statement
- Credentialling
- Revalidation
- Test of competence
- Setting education standards
- Full options appraisal paper is available on our website. This paper provides a brief summary of each option and the benefits, challenges and risks

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Option	Benefits	Challenges	Risks
Option 1: Maintaining the Status Quo	Limited evidence of demonstrated impact of advanced practice on public protection; No extra direct costs to NMC, partners and professionals.	Inherent risks in advanced practice indicating need for additional oversight; Continued unwarranted variation in education preparation, outcomes and practice roles.	Widespread perception that latent risks in advanced practice are not being adequately managed at present; UK remains international outlier, particularly for advanced nursing practice. Latent risks increase as AP workforce is expected to double
Option 2: Set of Principles/Joint Statement	Successful previous deployment of similar approach (i.e. preceptorship); Potential increased standardisation across education and practice; Minimal extra costs to NMC.	Sub-regulatory voluntary approach (namely we would not be able to mandate use) with likely variable uptake across AEs and employers; No current UK-wide independent body exists to own principles/statement.	Continued unwarranted variation in education preparation and outcomes and roles in practice. Latent risks increase in line with expansion of AP workforce
Option 3: Credentialling	Well-established process where currently in use; Could enable standardisation across education and practice.	It would be largely similar to setting education standards (particularly direct credentialling); Expensive and potentially duplicative; May not add anything beyond the education programme needed to successfully credential.	Complicated to set up and potentially overburdensome; May be preferable to simply set education standards. Is not covered by current QA of education framework

Option	Benefits	Challenges	Risks	1
Option 4: Revalidation	Successful well-established UK-wide programme ensuring professionals update their practice and continue to provide safe, effective and kind care.	An approach we take to qualifications that we already regulate; We do not currently use revalidation to bring a qualification into regulation; We would need extra regulatory levers to initially validate evidence of threshold capability.	Likely best suited to ensuring a professional has ongoing capability as an advanced practitioner rather than making an initial assessment of competency.	2 3 4
Option 5: Test of Competence (ToC)	<p>We currently use the ToC to successfully enable professionals to join (or rejoin) the register.</p> <p>Would require setting of AP standards to be able to assess professionals against</p>	No ToCs for existing post-registration standards/ qualifications; Questionable if ToC could effectively assess breadth and depth of advanced level practice; Resource intensive for both NMC and test providers.	Unlikely to be operationally feasible due to complexity, costs and difficulties with expansion or identifying new test partners.	5 6 7
Option 6: Setting Education Standards	Extensive, successful experience of regulating standards and qualifications; Would create minimum consistent threshold in education and practice removing unwarranted variation; Provide us with full governance of advanced practice regulatory journey.	Significant impact across NMC and HSC system, including AEs and employers; This would include additional costs (however this is likely with existing non-regulatory approaches and other regulatory options); Need for a grandparenting option (however	Need to consider whether this approach is proportionate to the risks posed by advanced level practice, as currently understood.	8 ⋮

Council

Request to regulate nursing associates in Wales

Action: For decision

Issue: For Council to respond to the request from the Welsh Minister of State for Health and Social Services asking us to regulate the role of nursing associate in Wales, subject to the necessary changes to our legislation

Core regulatory function: All regulatory functions

Strategic priority: Strategic aim 1: Improvement and innovation
Strategic aim 2: Proactive support for our professions

Decision required: **The Council is recommended to agree to regulate nursing associates in Wales, subject to the necessary amendments to the Nursing and Midwifery Order.**

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.

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Context:

- 1 In December 2023, the Chair and Chief Executive and Registrar received a request from the Baroness Eluned Morgan, Welsh Minister of State for Health and Social Services, to regulate nursing associates, in Wales. In January 2024, the Minister of State announced in a written statement in the Senedd that Wales intended to introduce the regulated nursing associate (NA) role.
- 2 This is a positive development, reflecting both the evidence to date of the introduction of the role, and the Welsh Government's confidence that regulation enhances public protection and public confidence.
- 3 We opened our register to nursing associates in England on 28 January 2019. Since that date there has been steady growth in the role, with new targets signalled in NHSE's Long Term Workforce Plan. There are now nursing associates in a wide range of health and care settings and the general feedback from those who receive care and those who work with nursing associates is positive. There is also a steady stream of NAs progressing through further study to qualify as registered nurses, and practise in each of the four fields of nursing. These are in the main part talented and dedicated serving health and care staff, who have been unable to progress due to the lack of core skills or for reasons of cost. At the end of October 2023 there were 10,505 nursing associates on our register, and around 1,500 have progressed to become registered nurses.
- 4 A very low number of nursing associates has been referred to us and there have been only two strike offs over five years, both for matters of conduct.
- 5 Council has had the opportunity in Seminar (January 2024) to understand the work entailed in opening our register to a new category of entrants, and to consider this request in the context of our other work. At this meeting we are inviting Council to respond positively to the Minister of State's request.
- 6 In late 2017 we received a similar request from the then Secretary of State for Health and Social Care, Jeremy Hunt, to regulate this role for use in the English context. Workforce is a devolved matter for the four countries of the UK, while professional regulation is a retained matter for the Westminster government. Early in 2018 Council agreed to the Secretary of State's request and said it would welcome any similar requests from other parts of the UK.
- 7 As we are already the regulator for nursing associates in England the workload associated with regulating the role in a further country is significantly less, and lower risk.

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Work involved

- 8 We would look to DHSC (Department for Health and Social Care) to manage the process of changing our legislation, with our input and that of the Welsh Government. The amendments needed are small in number, and straightforward. We have had exploratory talks with DHSC and Welsh Government about how and when the legislative change might happen. DHSC and NMC share the view that using the s.60 Order we are anticipating for regulatory reform would be the most efficient use of time and resources if the timings align with Welsh government's aspirations regarding the introduction of the role.
- 9 Wales will be opting into the pre-existing model for a nursing associate. Settled matters include:
 - 9.1 NA is a stand-alone profession and a progression route to nursing
 - 9.2 The academic qualification associated with registration will be equivalent to a Foundation Degree, typically involving two years of higher education
 - 9.3 The education is generic, not field specific
- 10 The established approach to the regulation of the role will also pertain:
 - 10.1 We have a separate part of the register for nursing associates
 - 10.2 Nursing associates revalidate in the same way as nurses and midwives
 - 10.3 Fitness to practise is the same for all of our registrants
 - 10.4 Nursing associates pay the same fee as nurses and midwives.
- 11 The only aspect of our regulatory framework that will require some attention is education. Our standards and requirements will need to reflect the particulars in Wales, and we may need to develop some grandparenting arrangements for people who qualify before we are the regulator, as we did for the first cohorts in England.
- 12 There will be some technical and operational changes to registration because at the current time Welsh applications to join the NA part of the register are managed in the same manner as international applications.

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Risks

13 There is a moderate risk associated with grandparenting (if required), because we will be accepting on to the register suitable applicants who may have embarked on programmes before they had NMC approval. However, the risk is significantly reduced in comparison with when we first opened this part of the register, because the NA standards of proficiency and programme requirements will be known to Welsh providers from the outset. As last time, we envisage working with education commissioners and AElS (Approved Education Institutions) to put in place other risk mitigations.

Four country factors:

14 We are currently the regulator of nursing associates in England only. There are discussions about the use of the role in Scotland and Northern Ireland, and we have been involved over the last year in supporting those deliberations, providing insights into the role and its deployment, and the implications of regulation. We will continue to keep stakeholders in Scotland and Northern Ireland up to date with the progress of legislative change in case they reach their own conclusions about the role in the coming months.

Discussion

15 In 2018 the Government had already decided to introduce the NA role in England, and already decided that it should be regulated. This being the case, the decision before Council was whether we should agree to be the regulator. We recommended that Council agreed to regulate nursing associates for four main reasons:

- 15.1 We were confident that we could enhance public protection by doing so, including through standards, our Code, and our revalidation requirements
- 15.2 We believed it would be detrimental to public understanding if another regulator was responsible for a role with ‘nursing’ in its title
- 15.3 Regulatory tools like a common Code can support effective team working between nurses and nursing associates
- 15.4 It is easier for us as the body responsible for nursing standards to set requirements for NA programmes that could fulfil the desire for NA to be a progression route to nursing.

16 We suggest that these remain strong arguments. Additionally, having agreed to play this role for English NAs, and doing so successfully for five years, strengthen the case for doing the same for other home nations seeking to regulate the role.

- 17 Our final consideration is the priority we have attached to supporting the four countries of the UK in meeting their respective workforce challenges and delivering on workforce strategies. We will be supporting Wales to fulfil its workforce ambitions, and we will undoubtedly benefit from the richer understanding of Welsh Government imperatives that closer working will bring.
- 18 **Recommendation: The Council is recommended to agree to regulate nursing associates in Wales, subject to the necessary amendments to the Nursing and Midwifery Order.**

Next Steps

- 19 If Council agrees to regulate nursing associates in Wales, we will respond formally to the Minister's request and write to DHSC requesting the necessary changes to our legislation. We will start planning in earnest with the Welsh Government and DHSC about legislative change. We will initiate a programme internally to deliver the work. We will also embark on fuller engagement with Welsh stakeholders with the guidance of Welsh Government. These will include Health Education and Improvement Wales, Healthcare Inspectorate Wales, Llais (the voice of the public in Welsh health and social care), and the Social Care Wales.

Midwifery implications:

- 20 None.

Public protection implications:

- 21 When Council agreed to regulate the nursing associate role in England, it did so with confidence that registration, revalidation, and working to a professional Code would enhance public protection for people receiving care from nursing associates.

Resource implications:

- 22 The main resource will be staff time. We believe that we can largely absorb this work within core costs, as it will involve a small amount of work from a number of teams: policy, standards, communications, registrations. We have however flagged to Welsh Government that this programme is likely to involve some new and additional technical work for which we will request their support. This is the same approach we took to resourcing the previous request in the English context, in 2017-18.

Equality diversity and inclusion implications:

- 23 We undertook an EqIA for our previous NA programme and we will do so again if Council agrees to regulate NAs in Wales.

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- Stakeholder engagement:**
- 24 We have assisted the home nations with their respective workforce deliberations as requested. We spent time with the CNO (Chief Nursing Officer) team in Cardiff in January 2024 and met with Welsh Government and DHSC on the legislative options in February.
 - 25 Further engagement can begin if Council agrees to regulate nursing associates in Wales.
- Risk implications:**
- 26 These are set out in paragraph 13 above. Mitigations will include:
 - 26.1 Engagement with HEIW about quality assurance options prior to NMC approval
 - 26.2 Providing guidance and possibly ‘buddying’ for Welsh AElS developing NA programmes
- Regulatory reform:**
- 27 Our regulatory reform S.60 Order may be the vehicle for changing our legislation to enable us to regulate nursing associates in Wales.
- Legal implications:**
- 28 In order to regulate nursing associates in Wales, we will require a change in legislation. We will provide a first assessment of the changes we require, for review by DHSC and the Welsh government. DHSC will steward the S.60 through the parliamentary process.

Council

Panel Member Transfers

Action: For decision.

Issue: Panel Member transfers between Practice Committees.

Core regulatory function: People and Organisational Effectiveness.

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

Decision required: The Council is invited to accept the recommendation of the Appointments Board to transfer the Panel Members at Annexe 1 from the Fitness to Practise Committee to the Investigating Committee (**paragraph 8**).

Annexes: The following annexe is attached to this paper:

- Annexe 1: Panel Members to be transferred between committees

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.

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Context:

- 1 At its February meeting, the Appointments Board considered the transfer of three Panel Members from the Fitness to Practice Committee (FtPC) to the Investigating Committee (IC). One member subsequently notified the Board that they would not be available to attend the IC training and so have not been included for recommendation. A further Panel Member requested a transfer from the FtPC to the IC after the deadline for such requests. The Chair of the Appointments Board agreed to recommend their transfer to the Council via Chair’s action.
- 2 The Nursing and Midwifery Council (Midwifery and Practice Committees) (Constitution) Rules 2008 state that no Panel Member may serve concurrently as a member of the Fitness to Practice Committee and the Investigating Committee.

Four country factors:

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

Discussion Transfer of Panel Members between Practice Committees

- 4 The Panel Members listed at Annexe 1 advised that their professional obligations were such that it would impact on their availability to serve on the longer events that are typical of the FtPC and requested that they be transferred to the IC.
- 5 For the first Panel Member, the Board considered the reasons for the transfer request and reviewed the performance of the Panel Member against the performance monitoring framework. The Board concluded that the Panel Member continued to meet the required standards of performance, there have been no concerns about their conduct, they have undertaken the required IC induction training, and agreed to recommend the transfer to Council.
- 6 The second and third Panel Members listed at Annexe 1 were appointed by Council in November 2023. The Panel Members had not appreciated that the majority of FtPC events are for longer than a week and this is unworkable with their other obligations. The Panel Members have not yet sat on hearings, so we do not have performance information available. The Board considered the reasons for the transfers, that they will both have undertaken the required IC induction training prior to sitting and agreed to recommend the transfers to Council.
- 7 Full details of the Panel Members and their terms of appointment can be found at Annexe 1.

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8 **Recommendation: The Council is invited to accept the recommendation of the Appointments Board to transfer the Panel Members at Annexe 1 from the Fitness to Practise Committee to the Investigating Committee.**

Midwifery implications: 9 None of the Panel Members requesting transfer are registered midwives.

Public protection implications: 10 Panel Members are required to make decisions at practice committee events that protect the public.

Resource implications: 11 None identified. Costs associated with Panel Members are included in existing budgets.

Equality diversity and inclusion implications: 12 There are no identified equality, diversity and inclusion implications from the issues within this paper. The transfers will not change the overall diversity makeup of the Practice Committees.

Stakeholder engagement: 13 None.

Risk implications: 14 The movement of these Panel Members will not impact the ability to allocate Panel Members to events on either committee.

Regulatory reform: 15 No issues identified.

Legal implications: 16 The Nursing and Midwifery Council (Midwifery and Practice Committees) (Constitution) Rules 2008 state that no panel member may serve concurrently as a member of the Fitness to Practice Committee (FtPC) and the Investigating Committee.

Panel Members to be transferred from the Fitness to Practise Committee to the Investigating Committee

Name	Term start date	Peer review result	Quality of decision making	Concerns	Training	Recommendation
Pamela Campbell	15 June 2017	No areas of concern identified in peer feedback	0	0	Complete	Transfer to the Investigating Committee on 18 May 2024*
Marianne Scott (new member)	23 November 2023	Not applicable as not yet inducted	N/A	N/A	N/A	Transfer to the Investigating Committee on 28 March 2024
Danielle Sherman (new member)	23 November 2023	Not applicable as not yet inducted	N/A	N/A	N/A	Transfer to the Investigating Committee on 28 March 2024

*Delayed transfer due to resuming hearings on Fitness to Practise Committee.

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Council

Proposed new Council Committee Structure and Cycle of Council meetings

Action: For decision

Issue: To provide Council with the proposed Council Committee Structure and the Council cycle of meetings following the external governance review and recommendations from Campbell Tickell.

Core regulatory function: Supporting functions

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

Decision required: The Council is recommended to approve:

- the establishment of the Finance and Resources Committee in autumn 2024 (paragraph 17).
- the revised approach for how the corporate risk register is scrutinised at Committee level (paragraph 23).
- an update to Standing Orders to reflect the changes to the other Committees' Terms of Reference (Audit Committee, Accommodation Committee and Investment Committee) to reflect the new terms of reference template and incorporate the revised wording on risk management (paragraph 24).
- extending the scope of the Remuneration Committee and renaming it to the People and Culture Committee from 1 April 2024 (paragraph 29) .
- the proposed cycle of Council meetings and dates for meetings in 2025-2026 (paragraph 36).

Annexes: The following annexes are attached to this paper:

- Annexe 1: Terms of reference of the Finance and Resources Committee
- Annexe 2: Terms of Reference of People and Culture Committee

- Annexe 3: Amended Council meeting dates 2024-2025
- Annexe 4: Proposed Council and Committee meeting dates 2025-2026

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.

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Context:

- 1 Council had an initial discussion on the findings of the Effectiveness Review (full report found in the Board Intelligence pack for Council Seminar on 26 July 2023) and was broadly supportive of the recommendations. As such, we have taken forward development work on the areas identified: updating the committee structure, revising the process for scrutiny of risk, and amending the cycle of Council meetings.
- 2 Campbell Tickell also recommended that we updated our Terms of Reference template to a consistent format for all Terms of Reference and consider content in the light of a unitary Board (quorum, membership, etc).
- 3 The NMC has not had a dedicated People Committee for circa 20 years. The NMC has more recently had a Finance and IT Committee, and an Audit and Risk Committee that regularly scrutinised the risk register.
- 4 In developing proposals, we have been conscious of this history and the importance of ensuring we do not forget the lessons learned, in particular ensuring Council has a strategic focus, that all Council members are fully involved in the Council’s business and to share in decisions and harness the expertise of Council as a whole.
- 5 The review, and the subsequent discussions at Council, suggested amending the cycle of meetings to address a number of issues and the proposals below have been drafted to reflect these but also take into account the current context for the NMC.
- 6 Council considered draft proposals at its February Seminar and the proposals below reflect the discussion.

Four country factors:

7 Not applicable for this paper.

Discussion:

Finance and Resources Committee

8 Campbell Tickell recommended that: The NMC establish a committee for Finance and Resources which incorporates the current work of the Investment and Accommodation committees and gives assurance to Council on these matters.

Proposal

9 Following discussion with the Executive Director of Resources and Technology Services and Assistant Director of Audit and Finance, as well as reflecting on discussions with Council members, including the Chair of the Audit Committee, and Executive Board, we have developed a remit and terms of reference for the Committee (annexe 1).

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- 10 There was some debate as to whether Investment Committee should be kept separate or whether it best fell within the remit of the proposed new Committee. There was a view that, given the recent performance of the investment managers, now would not be a good time to integrate the Investment Committee's work.
- 11 Given the current context in which the NMC is operating, the Chair's view is that the late spring and summer will require particular focus from Council and the Executive as we respond to the outcomes of the two whistleblowing investigations and the People and Culture review. With this in mind, the proposal is that the establishment of the Finance and Resources Committee is deferred until this autumn, allowing the Committee to support the corporate plan and budget development for 2025 - 2026.
- 12 In the meantime, Accommodation Committee and Investment Committee will continue in their current state and can plan over the next nine months or so for their work to be subsumed within Finance and Resources Committee.
- 13 When the new Committee is in place, we are conscious that its introduction will result in additional work for some Council members (who sit on the committee) and the Executive who resource it, however, it will also streamline efforts into one committee rather than multiple. We will need to ensure that agenda planning is tight and focused, and that we avoid duplication of scrutiny at same level, with Council remaining accountable but with strategic oversight.

Remit for Finance and Resources Committee

- 14 To support the Council by scrutinising how the NMC is using, and plans to use, its resources to efficiently and effectively deliver its regulatory functions and strategy and deliver Value for Money and advising Council of any potential amendments to the risk register identified through the course of the Committee's work.
- 15 Draft terms of reference are at annexe 1.
- 16 The Council is recommended to approve the establishment of Finance and Resources Committee in autumn 2024.
- 17 **The Council is recommended to approve the establishment of the Finance and Resources Committee in autumn 2024.**

Review of risk at Committee level

- 18 Campbell Tickell recommended that: Audit Committee could also be asked by Council to review the corporate risk register regularly and bring to Council's attention any gaps or 'bubbling under' risks.

Revised approach

- 19 Currently, Audit Committee's formal role is to provide assurance of risk management processes rather than scrutinising the risk register itself. The rationale for this has been to ensure Council as a whole retains ownership of the risk register, in part due to the historic concerns noted above.
- 20 Importantly, Campbell Tickell's recommendation does not inherently undermine Council's ownership of the register: Council retains ownership and Audit Committee would advise on any gaps or issues. In practical terms, this would be achieved by adding a standing item to the agenda to review the risk register, a line to the terms of reference noting their role in advising on any potential gaps in the risk register and amending the risk framework to reflect this. Indeed, in effect, this relationship already happens: if in the course of its work the Committee identifies issues that need reflecting in the register then these would either be reported by the Chair or raised at the Council discussion of the register.
- 21 More widely we believe there would be value in applying the same principle to each committee: each committee scrutinises the risk register for its area of work and shares any potential gaps with Council. This already happens with Investment Committee but could be expanded to include Remuneration Committee and, if established, the Finance and Resources Committee. Again, the expectation is that Committees would already do this, so it is more a case of formalising something implicit rather than a radical change.
- 22 The proposed additional wording for the Terms of Reference of each Committee to cover the revised risk approach is as follows:
- 22.1 For the remit: advising Council of any potential amendments to the risk register identified through the course of the Committee's work.
- 22.2 For the responsibilities: Review the risk register and advise Council on any potential amendments that have been identified through the course of the Committee's work.
- 23 **The Council is recommended to approve the revised approach for how the corporate risk register is scrutinised at Committee level.**
- 24 **The Council is recommended to approve an update to Standing Orders to reflect the changes to the other Committees' Terms of Reference (Audit Committee, Accommodation Committee and Investment Committee) to reflect the new terms of reference template and incorporate the revised wording on risk management).**

Extending the scope of Remuneration Committee

- 25 Campbell Tickell recommendation: Formally extend the scope of the Remuneration Committee to reflect its wider people focus and incorporate Equality Diversity and Inclusion (EDI) in this scope.
- 26 The scope of the Remuneration Committee has crept into people areas and some interviewees welcomed this oversight of a key aspect of the organisation's ability to deliver and be successful. We heard concerns around potential staffing risks (e.g., around the ability to retain staff and turnover levels), and about how well Council is plugged in to these concerns. The view expressed was that having ownership of these risks sitting with the Audit Committee (through internal audit around the People and Organisational Effectiveness Directorate for example) may be inadequate and offer insufficient support and deliberation for a critical aspect of NMC's ability to thrive. Most interviewees saw a useful role for Remuneration Committee to have proper oversight of the people plan and of various improvements identified by internal audit processes.

Revised Remit

- 27 Following discussion with the Executive Directors of People and Organisational Effectiveness, it is proposed that the Committee would be renamed as the People and Culture Committee, but agendas would include a confidential Remuneration section at the end of each meeting attended by an appropriate core group. This would be reflected in the revised terms of reference.
- 28 We have proposed additional responsibilities and some general updates to reflect the current work of the Committee (in blue) in the revised Terms of Reference at annexe 2.
- 29 The Council is recommended to approve extending the scope of the Remuneration Committee and renaming it to the People and Culture Committee from 1 April 2024.**
- 30 To manage the risk of overlap and duplication between committees, we will implement quarterly Committee Chairs' meetings to go through the forward planners and allocate issues that have arisen appropriately.

Council cycle of meetings

- 31 Following the Effectiveness Review and the subsequent discussions about enabling the Council and Executive to have space for more generative discussions and focus on strategic items, we are proposing to adopt the cycle of meetings set out in Table 1. This has been designed based on feedback from Campbell Tickell, the Executive, and the Chair of Council.

- 32 The proposed changes include:
- 32.1 A reduction of one Open meeting across the year.
 - 32.2 Moving all but two Open meetings online to address the accessibility issues.
 - 32.3 Maintaining the same quarterly reporting pattern and key approval dates for the budget and Annual Report and Accounts.
 - 32.4 In line with feedback from the Cardiff and Exeter meetings, focuses the Open meeting outside London on the approval of the Annual Report and Accounts (ARA) and other activity sharing items rather than a traditional meeting.
 - 32.5 In line with prioritisation, reduces the commitment to one meeting outside of London but adds clinical visits and a meet the regulator session to the Awayday.
 - 32.6 Removal of all but two two-day meetings at 23PP –one becoming the annual dinner and one remaining an in person Open meeting.

Table 1

Month	Meetings	Days
April	Awayday – English region clinical visits + meet the regulator session	2 (+1 day's travel)
May	Online – Open (Q4 review)	1
June	In person - Seminar/Confidential	1
July	Early meeting, two-day in person in Wales, Scotland, Northern Ireland on rotation – Open meeting to approve ARA – no other routine business, clinical visits and stakeholder dinner Late meeting, online – Open (Q1 review)	2 (+1 day's travel) 1
August	Nil	
September	In person - Seminar/Confidential	1
October	Two-day in person - Seminar/Confidential with annual dinner	2
November	Online – Open (Q2 review)	1
December	Nil (held as contingency)	
January	Online Open (Q3 review)	1
February	In person - Seminar/Confidential	1

March	Two-day in person - Seminar/Confidential and Open (budget)	2
	Total days	15 (+2 days' travel)

- 33 The benefits of the revised approach are as follows:
- 33.1 The flexibility to add to the Open online meetings if we need additional seminar or confidential time – the approximate timings of the days remain 09.30 to 15.30.
 - 33.2 A reduction in meeting fatigue with fewer two-day meetings and overnight stays – the meeting commitment reduces by three days and 1 day's travel across the year.
 - 33.3 More in person time as a Council and Executive allowing for small group work and maintaining/developing sense of shared endeavour and allowing for generative governance discussions.
 - 33.4 Cost savings as a result of changing to online meetings and reducing overnight stays.
 - 33.5 Addresses accessibility issues for Open Council
- 34 The possible challenges from the proposed cycle include:
- 34.1 The Open meetings have the potential to feel very long online and can present technical challenges.
 - 34.2 There could be a negative reaction from the public to the move online.
 - 34.3 There is a significant reduction in the informal time Council and the Executive spend together.
- 35 We have updated the Council meeting dates for 2024-2025 at annexe 3 to reflect these proposals. The only variation is that we have maintained the May 2024 meeting in its current two-day format to allow for planned business. The proposed dates for 2025-2026 at annexe 4 reflect the proposed cycle in full.
- 36 The Council is recommended to approve the proposed cycle of meetings and dates for meetings in 2025-2026.**
- Midwifery implications:** 37 This paper is not applicable to midwifery because as it is an internally focused paper on elements of the Council's governance framework.

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Public protection implications: 38 The NMC is committed to continuous improvement and the changes to the governance arrangements are designed to increase the effectiveness of the Council and its Committees, assisting the organisation in meeting its public protection duty.

Resource implications: 39 There are minimal resource implications. The establishment of an additional Committee will mean the production of additional papers and more meeting time but this will be balanced by the reduction in duplicating discussion across the various meetings of Council. Moving the majority of Open Council meetings to Teams will reduce the costs of hosting meetings.

Equality diversity and inclusion implications: 40 The amendments to the Council cycle of meetings are likely to have a positive impact on quality, diversity and inclusion. Moving more of the Council meetings online will increase the accessibility of the meetings and reduce barriers to members of the public attending. The slight reduction in overall meeting days may also mean that the Council members roles are attractive to a wider and more diverse candidate pool in the future.

Stakeholder engagement: 41 None.

Risk implications: 42 In line with best practice, the NMC undertakes an external governance review every three years. Ignoring the recommendations of external experts could call into question how up to date the organisation’s governance arrangements are and undermine public trust and confidence.

Regulatory reform: 43 The updates to the Committee structure and cycle of meetings have been considered in preparation for unitary board status.

Legal implications: 44 None. The Nursing and Midwifery Order 2001 (as amended) art 3(12) grants the Council power to establish committees as it considers appropriate.

Terms of reference of the Finance and Resources Committee

Remit

- 1 To support the Council by scrutinising how the NMC is using, and plans to use, its resources to efficiently and effectively deliver its regulatory functions and deliver Value for Money and advising Council of any potential amendments to the risk register identified through the course of the Committee's work.

Responsibilities

- 2 The Committee's responsibilities are:
 - 2.1 to review and recommend to the Council the financial strategy, including reserves policy;
 - 2.2 to review and recommend to the Council the financial regulations;
 - 2.3 to review and recommend to the Council the draft budget and corporate plan;
 - 2.4 to scrutinise and advise the Council on performance against budget and the corporate plan;
 - 2.5 to review the risk register and advise Council on any potential amendments that have been identified through the course of the Committee's work;
 - 2.6 to scrutinise and advise the Council on the accommodation strategy and to oversee implementation of the accommodation strategy, including:
 - 2.6.1 Reviewing the business cases for the future of the Edinburgh office, 23 Portland Place and 2 Stratford Place prior to submission to the Council for decision;
 - 2.6.2 Reviewing proposed heads of terms of any new leases, or any proposed variation or surrender of the lease of 23 Portland Place, or any lease required for the temporary relocation of staff and due diligence outcomes;
 - 2.6.3 Reviewing, and recommending to the Council, final agreement of any new leases or any proposed variation or surrender of the lease of 23 Portland Place or any lease required for the temporary relocation of staff;
 - 2.6.4 Reviewing, and recommending to the Council, the final overall budget for fit out of leased premises;

- 2.6.5 Reviewing and recommending to the Council any plans for refurbishment of 23 Portland Place, including giving assurance on how the wellbeing of employees is being addressed;
- 2.6.6 Reviewing and, within the budget and other parameters set by the Council, awarding any contracts for fit out of leased premises; and
- 2.6.7 Reviewing proposals for implementation of other aspects of the Accommodation Strategy for consideration by the Council;
- 2.7 to scrutinise and advise the Council on the investment strategy and to oversee implementation of the investment strategy, including:
 - 2.7.1 Keeping the investment strategy under review, taking into consideration factors such as legislative, financial and economic changes, and ethical considerations; and make recommendations to the Council for changes, as necessary.
 - 2.7.2 Overseeing implementation of the investment strategy and monitoring risks.
 - 2.7.3 Appointing external Investment Fund Managers, including deciding the number of fund managers to be used, the proportion of assets managed by each manager, their mandates and associated fees.
 - 2.7.4 In order to discharge its remit effectively, the Committee may delegate discretion in managing funds to investment managers.
 - 2.7.5 Setting asset allocation parameters, based on advice from fund managers and/or external advisers, and monitor the actual asset allocations chosen by the fund manager, to ensure consistency with the policy. Where more than one fund manager is appointed, the Committee will also monitor the aggregate asset allocation to ensure it provides sufficient diversification to reduce the risk of capital and/or revenue loss.
 - 2.7.6 Meeting regularly with Investment Fund managers and monitor the performance of each against agreed objectives by means of regular review of the investment results and other information, including corporate governance activities, policies and exercising of voting rights of the investment fund managers.
 - 2.7.7 Appointing independent Investment Advisers, as necessary, and approving associated fees.
 - 2.7.8 Report to the Council on the Committee's work, escalating issues or risks as required. Provide an annual report to the Council which includes investment performance in comparison to relevant benchmarks (either directly or via investment experts); and risks within the investment strategy and the appropriateness of mitigations put in place to address those risks. A summary of

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investment performance will be reported to the Council as part of the normal reporting of financial performance by the Director of Resources.

- 2.8 to scrutinise and advise the Council on the Technology strategy and its implementation;
- 2.9 to scrutinise high value contract management performance; and
- 2.10 undertake detailed scrutiny of high value contracts and provide assurance to Council when recommending approval.

Membership

- 3 The Chair and the members of Discretionary Committees are appointed by the Chair of the Council from amongst the members of the Council.
- 4 The Chair of the Finance and Resources Committee will recommend to the Remuneration Committee any recruitment of partner member to the committee.
- 5 The Finance and Resources Committee will comprise a minimum of four members.
- 6 In appointing members, the following will be observed:
 - 6.1 Each member should be capable of making a valuable contribution to the committee.
 - 6.2 The Committee must have suitable expertise and experience, including a member who is financially qualified, or has significant financial experience, from an organisation of similar scale and complexity and other members who collectively bring experience of operating at a senior level with experience of performance management, technology and programme management.
 - 6.3 The executive lead will be the Executive Director, Resources and Technology Services.

Quorum

- 7 The quorum for this Committee is a majority of the members of the committee.
- 8 The Chair may invite such other persons to its meetings as it deems appropriate to observe or to be present on a specific agenda item.
- 9 The executive lead must send a deputy in their absence.

Frequency of meetings

- 10 Meetings will ordinarily take place no fewer than four times a year, subject to operational needs of NMC.

- 11 Meetings may be held in-person, by video- or teleconference as agreed by the Chair of the Committee.

Servicing

- 12 The secretariat support will be provided by the Governance team.
- 13 The agenda items will be agreed by the Chair in consultation with the Executive and Governance lead.
- 14 The Secretariat shall ordinarily circulate draft minutes within two weeks of that meeting to the members, and a summary to the Council.

Review

- 15 These terms of reference will be reviewed each year during the committee effectiveness review.
- 16 As part of Council member appraisal, performance as committee members and partner members will be reviewed.
- 17 There will be an annual review of the effectiveness of Council and its committees, with an external review taking place every three years.

Terms of Reference of People and Culture Committee

- 1 The People and Culture Committee is established by the Council under Article 3 (12) of the Nursing and Midwifery Order 2001.

Remit [updated and additional responsibilities in blue]

- 2 The remit of the People and Culture Committee is to ensure that there are appropriate systems in place for objective setting and appraisal, remuneration and succession planning at the NMC as well as oversight of the People and Equality, Diversity, and Inclusion Plans, including their strategic development and receiving assurance on key learning and delivery of actions, as well as to advise Council of any potential amendments to the risk register identified through the course of the Committee's work.

Responsibilities

Chief Executive and Registrar, Executive Directors, and other employees

- 3 Approve and oversee the process for the recruitment and selection of the Chief Executive and Registrar.
- 4 Consider and recommend to the Council an appropriate objective-based reward strategy, aligned to that of wider colleagues, for the Chief Executive and Registrar and the Executive Directors.
- 5 Approve annually the reward package, including any performance related element, of the Chief Executive and Registrar and the Executive Directors in line with the reward strategy set by Council.
- 6 Approve the process for the performance appraisal of the Chief Executive and Registrar.
- 7 Review reports from the Chief Executive and Registrar regarding the setting of both common and individual objectives for, and performance appraisal of, the Executive Directors.
- 8 Approve the arrangements for succession planning for the Chief Executive and Registrar and review those for the Executive Directors.
- 9 Decide and, if approved, report to the Council any request by the Chief Executive, as Accounting Officer, to make a non-contractual payment to Executive Directors or other employees or, in the case of the Chief Executive and Registrar, any request made by the Chair of the Council. Review any non-contractual payments authorised by the Chief Executive and Registrar as delegated by the Committee.
- 10 Review, as necessary, any significant changes to the People Plan, the employee pay and grading structure, or the pension schemes.

- 11 Review the risk register and advise Council on any potential amendments that have been identified through the course of the Committee's work.

The Chair and the Council

- 12 Recommend to the Council any changes to the remuneration and terms of service of the Chair, Council members, Associates and Partner members seeking independent advice as appropriate.
- 13 Approve the expense policy for the Chair, Council, Associates and Partner members.
- 14 Recommend to the Council the arrangements for the induction, appraisal and development of the Chair, Council members, Associates and Partner members.
- 15 Approve and oversee the process for the recruitment or reappointment of the Chair and Council members, in accordance with Professional Standards (PSA) guidance and the requirements of the Privy Council and the processes for recruitment of Associates and reappointment of Partner members.

NMC colleagues

- 16 Review and monitor the People Plan and Equality Diversity Inclusion (EDI) Plan for Council to approve and seek assurance on the delivery of these plans.
- 17 Have oversight of the people risks and improvements identified by lessons learnt reports or internal audit processes relating to people.
- 18 Monitoring key metrics and dashboards that underpin the People and EDI plans.
- 19 To act as a sounding board for strategy and culture change for NMC colleagues and to receive assurance that feedback from colleague surveys is appropriately analysed and improvement actions are taken where necessary to drive employee engagement and achieve the desired organisational culture.

Membership

- 20 The Chair and the members of Discretionary Committees are appointed by the Chair of the Council from amongst the members of the Council.
- 21 The People and Culture Committee will comprise a minimum of four members.
- 22 In appointing members, the following will be observed:
- 22.1 Each member should be capable of making a valuable contribution to the committee.
 - 22.2 The appropriate key skills, including expertise in developing and implementing people strategies and embedding culture change within an organisation of similar scale and complexity to the NMC, and diversity needs of the committee.
 - 22.3 The executive lead will be the Executive Director of People and Organisational Effectiveness
- 23 The Committee will discharge some of its responsibilities in confidential session as required and will limit invitees as appropriate.

Quorum

- 24 The quorum for this Committee is a majority of the members of the committee.

- 25 The Chair may invite such other persons to its meetings as it deems appropriate to observe or to be present on a specific agenda item.
- 26 The executive lead must send a deputy in their absence.

Frequency of meetings

- 27 Meetings will ordinarily take place no fewer than four times a year, subject to operational needs of NMC.
- 28 Meetings may be held in-person, by video- or teleconference as agreed by the Chair of the Committee.

Servicing

- 29 The secretariat support will be provided by the Governance team.
- 30 The agenda items will be agreed by the Chair in consultation with the Executive and Governance lead.
- 31 The Secretariat shall ordinarily circulate draft minutes within two weeks of that meeting to the members, and a summary to the Council.

Review

- 32 These terms of reference will be reviewed each year during the committee effectiveness review.
- 33 As part of Council member and partner member appraisal, performance as committee members and partner members will be reviewed.
- 34 There will be an annual review of the effectiveness of Council and its committees, with an external review taking place every three years.

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Proposed updated Council meeting dates for 2024-2025

April 2024 to March 2025

Bank Holidays 2024:

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

Bank Holidays 2025:

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

Please note:

- **The meetings and dates are based on proposed new governance arrangements for Council meetings.**

Month	Date	Meeting/Event	Time
April 2024	Monday 22 April	Clinical visits and 'meet the regulator', informal Council dinner (East of England)	All day
	Tuesday 23 April	Council Awayday	09:00 – 16:00
May 2024	Tuesday 21 May	Council Seminar & Confidential Meeting	10:00 – 17:30
	Wednesday 22 May	Council Open Meeting In person	09:30 – 14:00
June 2024	Tuesday 11 June	Council Seminar/Confidential In person	09:00 – 16:00
July 2024	Monday 1 July	Travel to Scotland clinical visits, stakeholder dinner	All day
	Tuesday 2 July (Scotland)		
	Wednesday 3 July	Council Open Meeting	09:30 – 14:00

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Month	Date	Meeting/Event	Time
July 2024	Wednesday 24 July	Open Meeting Online	09:30 - 16:00
September 2024	Tuesday 24 September	Council Seminar & Confidential Meeting In person	10:00 - 17:30
October 2024	Tuesday 22 October	Council Seminar Annual dinner In person	09:00 - 16:00
	Wednesday 23 October	Council Confidential meeting In person	09:00 -15:00
November 2024	Wednesday 27 November	Council Open meeting Online	09:30 -14:00
December 2024			
January 2025	Wednesday 29 January	Council Open Meeting Online	09:30 - 14:00
February 2025	Tuesday 25 February	Council Seminar & Confidential Meeting In person	09:00 - 16:00
March 2025	Wednesday 26 March	Council Open Meeting Online	09:30 - 14:00

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

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Proposed Council Meeting Dates:

April 2025 to March 2026

Bank Holidays 2025:

- 18 & 21 April (UK wide)
- 5 May (UK wide)
- 26 May (UK wide)
- 14 July (Northern Ireland)
- 4 August (Scotland)
- 25 August (England, Wales & Northern Ireland)
- 1 December (Scotland)
- 25 & 26 December (UK wide)

Bank Holidays 2026:

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

Please note: Council Seminar start times & Open meeting finish times may vary

Month	Date	Meeting/Event	Time
April 2025	Monday 28 April	Visits and 'meet the regulator', informal Council dinner (English region)	All day
	Tuesday 29 April	Council Awayday	09:00 – 17:00
May 2025	Wednesday 21 May	Council Open Meeting Online	09:30 – 14:00
June 2025	Tuesday 10 June	Council Seminar/Confidential In person	09:00 – 16:00
July 2025	Monday 30 June	Travel to Northern Ireland	
	Tuesday 1 July Northern Ireland	Council visits, informal Council dinner	All day
	Wednesday 2 July Northern Ireland	Council Open Meeting	09:30 – 14:00
	Wednesday 23 July	Open meeting Online	09:30 – 14:00

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September 2025	Tuesday 23 September	Council Seminar & Confidential Meeting In person	10:00 – 17:30
October 2025	Tuesday 21 October	Council Seminar Annual dinner In person	13:00 - 17:00
	Wednesday 22 October	Council Confidential meeting In person	09:30 -15:00
November 2025	Wednesday 26 November	Council Open meeting Online	09:30 – 14:00
January 2026	Wednesday 28 January	Council Open Meeting Online	09:30 – 14:00
February 2026	Tuesday 24 February	Council Seminar & Confidential meetings In person	09:00 – 16:00
March 2026	Wednesday 25 March	Council Open Meeting Online	09:30 – 14:00

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

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Council

Governance matters: Council committee membership/appointments 2024-2025

Action: For noting.

Issue: Confirms Council committee membership/appointments for 2024-2025.

Core regulatory function: All regulatory functions.

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

Decision required: None.

Annexes: The following annexes are attached to this paper:

- Annex 1: Council Committee membership/appointments 2024-2025.
- Annex 2: Council and Committee membership 2023-2024 (including Council appointment and term number and end dates).

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.

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Context:

- 1 Under Article 3(12) of the Nursing and Midwifery Order 2002 (as amended), the Council may establish discretionary Committees in connection with the discharge of its functions and delegate any of its functions to them.
- 2 The Remuneration (NB: proposal to rename to People and Culture Committee from 1 April 2024), Audit, Investment and Accommodation Committees are discretionary Committees of the Council.
- 3 The Council's Standing Orders (paragraph 4.2.4) authorise the Chair of the Council to make appointments to Council committees and other bodies. The Council also has an agreed set of policy principles in place for the appointment of Vice-Chairs, Council committee Chairs and Council committee membership.
- 4 Membership arrangements and other appointments are set out in **Annexe 1**.
- 5 These arrangements account for the following:
 - 5.1 The proposed amendments to the Council committee structure (see item 12.1 on the agenda), following recommendations from the Council Effectiveness review.
 - 5.1.1 It is proposed that the Remuneration Committee be reformed as the 'People and Culture Committee' from 1 April 2024, to reflect its wider remit.
 - 5.1.2 It is also recommended that the NMC establish a committee for Finance and Resources, incorporating the current work of the Investment and Accommodation committees, to give assurance to Council on these matters. Whilst we have been mindful of this recommendation in the proposed membership and appointments at **Annexe 1**, it is anticipated that the restructure will not occur until later in 2024-2025.
 - 5.2 The two Council members' terms which end on 30 April 2024:
 - 5.2.1 Derek Pretty (currently Vice-Chair, Audit Committee Chair, Accommodation Committee Chair and Investment Committee Chair).
 - 5.2.2 Ruth Walker (currently Vice-Chair and Remuneration Committee Chair).
 - 5.3 The current recruitment for two new Council members – one lay and one registrant – to take up office on 1 May 2024. The selection process for the new lay Council member is

specifically seeking a candidate with the skills and experience to act as Chair of the Audit Committee.

- Four country factors:** 6 Four country considerations are one of the factors taken into account in balancing roles across the Council..
- 7 As is the ongoing commitment to holding one of the Council's Open meetings each year in either Wales, Scotland or Northern Ireland on rotation.

- Discussion:** 8 In summary, the key proposed changes to Committee appointments and membership for 2024-2025 are:

People and Culture Committee

- 8.1 Lynne Wigans to be appointed as Chair of the People and Culture Committee from 1 May 2024.
- 8.2 Lindsay Foyster to be appointed as People and Culture Committee member from 1 April 2024.
- 8.3 Margaret McGuire to be appointed as People and Culture Committee member from 1 April 2024.
- 8.4 David Warren to stand down as Remuneration Committee member from 31 March 2024.

Audit Committee

- 8.5 New lay Council member to be appointed as Audit Committee Chair, on 1 May 2024, in line with the date they are due to take up office as a Council member.
- 8.6 New Partner member to be appointed to the Audit Committee during 2024-2025.

Accommodation Committee

- 8.7 Sue Whelan Tracy to be appointed as Chair of the Accommodation Committee from 1 May 2024.
- 8.8 Florence Panel-Coates to be appointed as Accommodation Committee member from 1 April 2024.
- 8.9 Lynne Wigans to stand down from Accommodation Committee from 31 March 2024, in light of new responsibilities proposed.

Investment Committee

- 8.10 Sue Whelan Tracy to be appointed as Chair of the Investment Committee from 1 May 2024.
- 8.11 New registrant Council member to be appointed to the Investment Committee, on 1 May 2024, in line with the date they are due to take up office as a Council member.

Associates

- 9 Associates are invited to attend Council committee meetings as observers as they wish.
- 10 The current Council and Committee membership (for 2023-2024), including Council appointment and term number and end dates is set out in **Annexe 2** for information.

Appointments Board

- 11 The Appointment Board is currently recruiting for a new Chair and two new members. Its current membership, comprised of non-Council members, is set out at **Annexe 1** for completeness.

Additional allowances

- 12 Additional allowances for these roles are set out at Annexe 1, and accord with the process agreed by the Remuneration Committee.

Council Vice-Chairs

- 13 The Chair proposes that Anna Walker and Lynne Wigen are appointed as Vice-Chair from 1 April 2024 to 31 March 2025, as successors to Derek Pretty and Ruth Walker respectively. Given the extended timetable for regulatory reform and moving to a unitary board structure, the Chair has proposed that we continue with the current arrangements and defer the Effectiveness Review recommendation until a later date.
- 14 Vice-Chairs are responsible for conducting the Chair's appraisal; advising the Chair as appropriate; and acting as a sounding board for members. In the event of the Chair of the Council being absent, or needing to withdraw from a meeting, normal practice is for one of the Vice-Chairs to preside for the meeting/item.
- 15 These principles do not apply where there is a vacancy or the Chair is unlikely to be available for more than one meeting or more than a month. The Council's Constitution Order 2008 and Standing Orders provide for the Council to nominate a deputy to act as Chair during a vacancy or prolonged absence.

- 16 A rota for the two Vice-Chairs is in place to cover the circumstances where the Chair is unlikely to be available for a meeting.

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

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

General Nursing Council for England and Wales Trust: NMC Trustee

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

People and Culture Advisory Group

- 19 The People and Culture Advisory Group is Co-Chaired by Nadine Pemberton Jn Baptiste, Council member, Navjot Kaur Virk, Council Associate, and Helen Herniman, Executive Director, Resources and Technology Services.

Next Steps

- 20 Subject to approval, proposed appointments to the Finance and Resources Committee would be submitted to the Council during the year, likely in Autumn 2024.

Midwifery implications:

- 21 None.

Public protection implications:

- 22 None.

Resource implications:

- 23 There are no resource implications arising from this paper.

Equality diversity and inclusion implications:

- 24 Equality and diversity impacts and the NMC’s obligations under the Equality Act 2010 are taken into account in Council appointments.as set out at paragraph 9.5 of the principles for appointments to Council Committees.

Stakeholder engagement:

- 25 None.

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Risk implications: 26 Regular review of Council roles and Committee appointments are consistent with good governance and mitigate against any governance risks.

Regulatory reform: 27 Committee membership may be subject to review during the year as the Council gives further consideration to preparing for Regulatory Reform.

Legal implications: 28 The proposals in this paper are compliant with the Nursing and Midwifery Order 2001 and the Council's Standing Orders and Scheme of Delegation.

Council Committee membership/appointments 2024-2025

Chair	
David Warren (lay member)	From 21 June 2021
Vice-Chairs	
NB: Two Vice Chairs to be appointed from 1 April 2024	
Anna Walker	Lay
Lynne Wigens	Registrant

People and Culture Committee	Term
<p><i>Proposed updated remit:</i> The remit of the People and Culture Committee is to ensure that there are appropriate systems in place for objective setting and appraisal, remuneration and succession planning at the NMC as well as oversight of the People and Equality, Diversity, and Inclusion Plans, including their strategic development and receiving assurance on key learning and delivery of actions, as well as to advise Council of any potential amendments to the risk register identified through the course of the Committee's work.</p> <p>Additional annual allowance for chairing the Committee: £2,000 (same as in 2023-2024)</p> <p>NB:</p>	
Ruth Walker (Chair) (registrant member)	<p><i>1 April 2024 to 30 April 2024</i> <i>Committee Chair since 1 October 2020</i> <i>Committee member since 1 April 2020</i></p>
Lynne Wigens (Chair) (registrant member)	<p><i>Chair from 1 May 2024 to 31 March 2025</i> <i>Committee member since 1 October 2020</i></p>
Lindsay Foyster (lay member)	<p><i>Committee member from 1 April 2024 to 31 March 2025</i></p>
Margaret McGuire (registrant member)	<p><i>Committee member from 1 April 2024 to 31 March 2025</i></p>
Anna Walker (lay member)	<p><i>1 April 2024 to 31 March 2025</i> <i>Committee member since 1 October 2020</i></p>
Associates	<p><i>1 April 2024 to 31 March 2025</i> <i>Invited to attend as wishes</i></p>

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Audit Committee	Term
<p><i>Proposed updated remit:</i> The remit of the Audit Committee is to support the Council and management by reviewing the comprehensiveness and reliability of assurances on governance, risk management, the control environment and the integrity of financial statements and the annual report; advising Council of any potential amendments to the risk register identified through the course of its work.</p> <p>Additional annual allowance for chairing the Committee: £2,000 (same as in 2023-2024)</p>	
<p>Derek Pretty (Chair)</p> <p>TBC (Chair) New lay Council member, to take up office on 1 May 2024</p>	<p><i>1 April 2024 to 30 April 2024</i> <i>Committee Chair since 1 May 2023</i> <i>Committee member since 1 January 2017</i></p> <p><i>1 May 2024 to 31 March 2025</i> Committee member from 1 May 2024</p>
<p>Eileen McEneaney (registrant member)</p>	<p><i>1 April 2024 to 31 March 2025</i> <i>Committee member since 1 October 2020</i></p>
<p>Sue Whelan Tracy (lay member)</p>	<p><i>1 April 2024 to 31 March 2025</i> <i>Committee member since 1 October 2020</i></p>
<p>Partner member (TBC)</p>	<p><i>To be appointed in 2024-2025</i></p>
<p>Associates</p>	<p><i>1 April 2024 to 31 March 2025</i> <i>Invited to attend as wishes</i></p>

Accommodation Committee	Term
<p>The remit of the Accommodation Committee is to oversee implementation of the Accommodation Strategy, including any proposed refurbishment of 23 Portland Place, within the financial and other parameters set by the Council.</p> <p>Additional annual allowance for chairing both the Investment and Accommodation Committee: £500 (same as the Chair of both committees received in 2023-2024)</p> <p><i>Proposed:</i> To be incorporated into a 'Finance and Resources Committee' in autumn 2024.</p>	
<p>NB: <i>Following the Council Effectiveness review, it is recommended that the NMC establish a committee for Finance and Resources which incorporates the current work of the Investment and Accommodation committees and gives assurance to Council on these matters.</i></p>	

Derek Pretty (Chair) (lay member)	1 April 2024 to 30 April 2024 Committee Chair since 1 January 2021 Committee member since 1 May 2020
Sue Whelan Tracy (lay member)	Chair from 1 May 2024 to 31 March 2025 Committee member from 1 April 2024
Anna Walker (lay member)	Committee member since 1 October 2020
Florence Panel-Coates (registrant member)	Committee member from 1 April 2024 to 31 March 2025
Associates	1 April 2024 to 31 March 2025 Invited to attend as wishes

Investment Committee	Term
<p>The remit of the Committee is to oversee implementation of the Council's investment strategy; determine the allocation and movement of funds in accordance with the investment strategy; and monitor the Council's investment portfolio. Decision-making and implementation of the investment strategy is delegated to the Investment Committee.</p> <p>Additional annual allowance for chairing both the Investment and Accommodation Committee: £500 (same as the Chair of both committees received in 2023-2024).</p> <p><i>Proposed:</i> To be incorporated into a 'Finance and Resources Committee' in Autumn 2024.</p>	
Derek Pretty (Chair) (lay member)	1 April 2024 to 30 April 2024 Committee Chair and Committee member since 10 October 2018
Sue Whelan Tracy (lay member)	Chair from 1 May 2024 to 31 March 2025 Committee member since 1 October 2020
Claire Johnston (registrant member)	1 April 2024 to 31 March 2025 Committee member since 10 October 2018
TBC (new registrant Council member)	1 May 2024 to 31 March 2025 Committee member since 1 October 2020
Nicholas McLeod-Clarke (independent member)	15 April 2019 to 14 April 2025 Second term extended by one year from 15 April 2024 to 14 April 2025.
Thomasina Findlay (independent member)	15 April 2019 to 14 April 2025 Second term extended by one year from

	<i>15 April 2024 to 14 April 2025.</i>
Associates	<i>1 April 2024 to 31 March 2025 Invited to attend as wishes</i>

For information only

Appointments Board All non-council (Partner) members	Term
The remit of the Appointments Board is to assist the Council in connection with the exercise of any function or process relating to the appointment of Panel Members and Legal Assessors to the Practice Committees (the Investigating Committee and the Fitness to Practise Committee) and the appointment of Registration Appeal Panel Members to the Registration Appeals Panel.	
Jane Slatter (Chair)	6 August 2021 to 5 August 2024 Chair since 6 August 2018
Angie Loveless	1 March 2021 to 29 February 2024 (second term) <i>Board member since 1 March 2018</i>
Clare Salters	1 March 2021 to 29 February 2024 <i>Board member since 1 March 2018</i>
Robert Allan	1 October 2021 to 30 September 2024 <i>Board member since 1 October 2018</i>
Surinder Birdi	1 July 2023 to 30 June 2026 Appointed 1 July 2023
Yasmin Ullah	1 March 2024 to 28 February 2027

NMC and Associated Employers: Defined Benefit Pension Scheme NMC Employer Nominated Trustees	
John Halladay	Chair of the Trustee Board From 18 July 2013
Phil Hall	<i>1 May 2024 to 30 April 2029</i> <i>Current term: From 1 May 2019 to 30 April 2024</i>
There are five other Trustees who are not appointed by the Council:	

DHSC Employer Nominated Trustee (appointed)
 Two Pensioner Trustees (elected)
 Two Deferred Member Trustees (elected):

NMC Trustee General Nursing Council for England and Wales Trust	Term
Lynne Wigans (registrant member)	From November 2020

People and Culture Advisory Group	Temporary
Nadine Pemberton Jn Baptiste (Co-Chair), Council member	From October 2023
Navjot Kaur Virk, Associate	From October 2023

Item 12.2: **Annexe 2**
 NMC/24/25
 27 March 2024

Council and Committee membership 2023-2024 (including Council appointment and term number and end dates)

Name and office held	Date appointed to Council	Term number	Term ends	Notes	Council Committee membership and other appointments (in <u>2023-2024</u>)
David Warren (Chair)	21/06/2021	1	31/03/2025	Eligible for reappointment	Remuneration Committee member (since 11 April 2023)
Lindsay Foyster (Lay member)	01/05/2023	1	31/03/2026	Eligible for reappointment	
Claire Johnston (Registrant member)	01/09/2018	2	31/03/2025	Reappointed for second term: 1 May 2022 – 31 March 2025.	Investment Committee member (since 10 October 2018)
Eileen McEaney (Registrant member) (Northern Ireland)	01/10/2020	1	30/09/2024	Eligible for reappointment	Audit Committee member (since 1 October 2020)
Margaret McGuire (Registrant member) (Scotland)	01/05/2022	1	31/03/2025	Eligible for reappointment	

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Name and office held	Date appointed to Council	Term number	Term ends	Notes	Council Committee membership and other appointments (in <u>2023-2024</u>)
Flo Panel-Coates	01/11/2023	1	31/03/2026	Eligible for reappointment	
Nadine Pemberton Jn Baptiste (Lay member)	01/05/2023	1	31/03/2026	Eligible for reappointment	
Derek Pretty (Lay member)	01/09/2016	2	30/04/2024	Reappointed for second term: 1 May 2020 – 30 April 2024	<p>Vice Chair (since June 2021)</p> <p>Audit Committee Chair (since Committee 1 May 2023 and member since 1 January 2017)</p> <p>Accommodation Committee Chair (since 1 January 2021 and Committee member since 1 May 2020)</p> <p>Investment Committee Chair (since 10 October 2018).</p>
Anna Walker (Lay member)	01/10/2020	1	30/09/2024	Eligible for reappointment	<p>Remuneration Committee member (since 1 October 2020)</p> <p>Accommodation Committee member (since 1 October 2020).</p>

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Name and office held	Date appointed to Council	Term number	Term ends	Notes	Council Committee membership and other appointments (in <u>2023-2024</u>)
Ruth Walker (Registrant member) (Wales)	01/09/2016	2	30/04/2024	Reappointed for second term: 1 May 2020 – 30 April 2024.	Vice Chair (since 1 April 2023) Remuneration Committee Chair (since 1 October 2020 and Committee members since 1 April 2020).
Sue Whelan Tracy (Lay member)	01/10/2020	2	30/09/2025	Reappointed for second term: 1 October 2023 – 30 September 2025	Audit Committee member (since 1 October 2020) Investment Committee member (since 1 October 2020)
Lynne Wogens (Registrant member)	01/10/2020	2	30/09/2026	Reappointed for second term: 1 October 2023 – 30 September 2026	Remuneration Committee member (since 1 October 2020) Accommodation Committee member (since 1 October 2020).

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Council

Learning and thematic review of public inquiries into failings of care

Action: For information.

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

Core regulatory function: All regulatory functions.

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

Decision required: None.

Annexes: The following annexe is attached to this paper:

- Annexe 1: Summary of inquiry activity in 2023

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.

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Context:

- 1 Our Corporate Strategy commits us to learn lessons from major failings in care. This paper outlines how we have monitored, engaged, and learned from inquiries to make improvements for the benefit of patients, people who use services and the public.
- 2 We last updated Council in March 2023. This paper highlights our continuing work to effectively engage and support ongoing inquiries to identify learning and enact change. It sets out key actions we have taken to address recommendations arising from inquiries and summarises work that we will be progressing over the next year in response to the themes identified.

Four country factors:

- 3 Most of the inquiries we are involved in are England focused. The exceptions are: the Muckamore Abbey Hospital Inquiry in Northern Ireland, the Review of Neonatal Mortality in Scotland and the Scottish Covid-19 Inquiry. Despite this, many of the findings and themes identified are applicable across each of the four countries and provide important learning to be considered by each.
- 4 As a UK-wide regulator, the actions we take in response to recommendations arising from inquiries will often have a four-country impact. Regular engagement with the Chief Nursing and Midwifery Officers also provides an important avenue to discuss relevant themes.

Discussion: Managing inquiries activity

- 5 Our cross-organisational Inquiries Working Group (IWG) continues to provide central oversight of all inquiry-related activity. This governance enables us to effectively and collaboratively manage any risks related to inquiry activity and helps ensure proactive and coordinated engagement with Inquiry Teams.
- 6 We are currently monitoring twenty-nine inquiries. This includes three at pre-inquiry stage, nine active inquiries and fourteen where recommendations have been published. Please see Annexe 1 for a more detailed overview of 2023 inquiry activity.
- 7 We proactively monitor all relevant inquiry activity to ensure timely and effective responses to recommendations and requests for information or support. We regularly assess and report on the progress of commitments made in response to recommendations to ensure organisational learning and change. Learning from inquiries will also be incorporated into the new corporate learning process.
- 8 The Executive Board oversees output of the IWG as part of organisational learning from statutory and non-statutory inquiries.

Supporting active inquiries

- 9 We have established strong and positive working relationships with active inquiry teams by proactively engaging them to explain our role, identifying opportunities to support their investigations and to share intelligence and insight where possible. We also continue to learn lessons and take action in response to emerging findings.
- 10 Our Employer Link Service (ELS) maintains regular contact with Trusts and employers involved with ongoing reviews, to ensure that we are informed immediately of any potential fitness to practise concerns or other system issues.
- 11 Our Education Quality Assurance team also works closely with approved education institutions and their practice learning partners that are connected with ongoing reviews, to ensure that our programme standards continue to be met and that students are adequately supported.
- 12 There are five inquiries which are of particular significance to us. A summary of our activity is included below.

12.1 The Thirlwall Inquiry (Statutory) (England)

12.1.1 We convened an internal review group at the end of 2022 to proactively consider what lessons we could learn before the conclusion of Lucy Letby's criminal trial. This group critically reviewed each of our regulatory processes and actions taken at the time. It suggested two key improvement areas for us:

12.1.1.1 Interim Order Guidance: As part of our cyclical review of the guidance, we have made changes to the structure of our decision making for interim order risk assessments so that complex or sensitive cases receive greater cross-organisational oversight and review. We published updates to our interim orders guidance on 25 March 2024.

12.1.1.2 Revalidation: Our revalidation review is scheduled to start in 2025/2026. Among the options for strengthening our approach to revalidation, we will explore whether there is any evidence that choosing a confirmer who is not a line manager results in a different risk profile for that individual. We will also consider any relevant findings or recommendations from the Inquiry if they are available.

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12.1.2 In November we were designated as a core participant to the Inquiry. We responded to a request for information in December and submitted our witness statement, under Rule 9 of the Inquiry Rules 2006. We are continuing to cooperate with the Inquiry and are continuing to conduct our own lessons learnt review to ensure we make any necessary changes proactively without waiting for the conclusion of the Inquiry.

12.2 An Independent Statutory Inquiry into the Deaths of Mental Health Inpatients in Essex - the Lampard Inquiry (Statutory) (England)

12.2.1 We have worked with the review team to explain our role and to develop a process for sharing information that we hold of relevance to the Inquiry. We commented on the revised terms of reference following the Inquiry's conversion into a statutory Inquiry in June.

12.3 The Independent Review of Maternity Services at Nottingham University Hospitals NHS Trust (Nottingham Review) (Non-statutory) (England)

12.3.1 We have convened an internal working group to provide additional oversight and coordination of our regulated activity.

12.3.2 We remain in contact with the Review team to ensure we are assisting their investigations in the best way possible.

12.4 The UK Covid-19 Inquiry (Statutory)

12.4.1 We responded to a Rule 9 request for information and submitted a witness statement with relevant exhibits in October to support the ongoing investigation.

12.5 Scottish Covid-19 Inquiry

12.5.1 We continue to monitor activity related to this inquiry and are keeping engagement with the Chair and their team under review.

12.6 Muckamore Abbey Hospital Inquiry (Statutory) (Northern Ireland)

12.6.1 We responded to a Rule 9 request for information in October which included a number of exhibits and an explanatory note to provide context and chronology of changes made to pre-registration nursing programme

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standards. We are responding to an additional Rule 9 request for evidence to inform the organisational modules of the Inquiry.

12.6.2 We continue to work closely with the police on live Fitness to Practise (FtP) cases to ensure that information is shared effectively between us in the interests of public safety.

Responding to published inquiries

13 We continue to engage with and monitor fourteen inquiries with published recommendations. Since March 2023, two key reports were published that have significance for us:

13.1 The Brook House Inquiry (England) (Statutory)

13.2 The Independent Review into Greater Manchester Mental Health Foundation Trust (Edenfield) (England) (non-statutory)

The Brook House Inquiry

14 The final report was published in September 2023 and revealed clear evidence of physical and verbal mistreatment of individuals detained at the centre by staff. We have critically reviewed the final report to identify lessons for us including potential fitness to practise referrals arising and will write to the Inquiry team to ensure any potential new referrals are made.

The Independent Review into Greater Manchester Mental Health NHS Foundation Trust (Edenfield)

15 The final report was published on 31 January 2024 and identifies several key areas of concern at the Trust. This includes: a failure to listen to people using services and their families; poor leadership and oversight; inadequate governance structures; poor working cultures; and wider system failures, including missed opportunities to respond to emerging concerns in a timely and effective way. These resonate with findings from other recent inquiries into major failings in care.

16 While there are no direct recommendations for us, the issues and underlying themes identified are long-standing and go to the heart of public protection and professionalism. We are currently undertaking a more detailed analysis to identify learning for us and for our registrants, and potential opportunities for joint work. The Executive Board (Learning) are discussing this in March.

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Key themes

- 17 There are several recurring themes arising from public inquiries and reports:
- 17.1 Fear of regulators and disciplinary processes.
 - 17.2 Poor leadership and governance and management of staff.
 - 17.3 Persistent cultures of denial and blame.
 - 17.4 Fear of speaking up or raising concerns.
 - 17.5 Poor communication and working relationships among multidisciplinary teams.
 - 17.6 Failure to listen to concerns and to prioritise the voices of people who use services as partners in care, and failure to provide compassionate, kind care.
 - 17.7 Lack of regulatory alignment and data sharing among regulators and more widely across the health and social care system.
 - 17.8 Clinical isolation leading to divergence from mainstream best practice.
- 18 Race inequalities and discrimination, including a failure to provide just and inclusive working environments for Black and minority ethnic professionals to progress their career are also recurring themes.

Ensuring safe and effective midwifery care

- 19 Disparities in maternity care, including inequalities in experience and safety outcomes for Black and minority women and babies, and for those of lower socio-economic backgrounds also persist.
- 20 Failures in maternity care in England have been in sharp focus in recent years, demonstrated through several independent investigations into maternity and neonatal services including the ongoing Nottingham and Thirlwall investigations, East Kent and the Ockenden Review.
- 21 There is also growing support for a national statutory inquiry into England's maternity services. We continue to monitor this as part of our pre-inquiry intelligence monitoring.

Action taken

- 22 We continue to look for opportunities to learn and improve from inquiries and reviews for the benefit of the public and people that use

services. Many of the themes are systemic and require joint action from across the system so we are continuing to collaborate with system partners to identify opportunities for joint work.

- 23 Below are some of the actions we have taken as an organisation over the past year in response to the issues and themes arising.

Ensuring safe and effective midwifery care

- 24 On 25 January 2023, the Council approved the introduction of a new standard requiring midwifery students to have placement experiences at different maternity providers. Following this, we updated our standards framework for midwifery education and supported implementation with a series of webinars to help socialise and embed the changes.
- 25 We have reviewed context factors in maternity-related fitness to practise cases on Ockenden, East Kent and Nottingham. We found that context factors were considered in the majority (83%) of cases in our sample that had been looked at by Case Examiners. They appeared to have had an impact on decision-making in half of cases. We will be reviewing our approach to context from Q1 2024.
- 26 We launched our '[best midwifery care happens in partnership](#)' to support midwives reflect, respond and deliver effective, safe and compassionate care for all women. We also launched our '[For Every Pregnancy](#)' campaign so that women know what care to expect from their midwifery team.
- 27 We have worked with RCM to develop their [education toolkit](#) designed to ensure that midwifery education addresses the diverse maternity care needs of all women. When we review our Code we will look for opportunities to strengthen our expectations on cultural competence and non-discriminatory care.
- 28 We have continued to engage key stakeholders and groups to progress midwifery-related recommendations that require a collaborative and system-wide response. This includes:
- 28.1 representation on the Maternity and Neonatal Care National Oversight Group which oversees work being carried out across the sector in response to midwifery-related inquiry recommendations, to ensure they are joined up and effective.
- 28.2 continued support to NHSE with the national quality review of pre-registration midwifery education, the findings of which will inform the development of the Midwifery Safe Learning Environment Charter.

28.3 engaged the 'New Action Forum' being led by Bill Kirkup to help generate ideas for change and attended a sounding board discussion to share our ideas for improvement.

29 We have continued to coordinate midwifery-related activity through the Midwifery Regulation Oversight Group (MROG), an internal group. Our Midwifery Panel also continues to meet four times a year which provides important oversight and guidance on maternity-related matters and helps ensure a four-country perspective is applied to decisions made.

Listening to concerns and prioritising the voices of people who use services

30 In June we met with families who have experienced harm and/or loss when using maternity services at Nottingham. As part of our learning from their experiences we:

30.1 we will cover the importance of professional curiosity as part of our training for lawyers and we will review and update relevant guidance where appropriate to ensure we are clear about our expectations on professional curiosity.

30.2 are working with the GMC to establish a process that enables us to share information given to us by families and people who use services, where doing so does not risk creating any delay.

30.3 are considering how to pilot an 'Achieving Best Evidence' interview (a technique used in criminal cases with vulnerable or intimidated witnesses).

31 We worked with the Patient Safety Commissioner for England to identify how Martha's rule could be implemented across England. We are now a member of the working group supporting implementation.

Listening and responding to concerns

32 We launched our 'future ways of working hub' which seeks to improve the way we manage Fitness to Practise (FtP) referrals from members of the public. It aims to proactively keep people informed of the progress of our enquiries and spend more time with members of the public up-front, discussing what they can expect from us and the support available. We also made improvements to our online referrals form for members of the public to better support them through our referrals process.

33 We launched a new dedicated referrals helpline to support members of the public considering making a referral to us. Providing targeted

and expert support early on in our process will help ensure information is responded to and shared effectively and will enable us to make the right decision as quickly and safely as possible.

Leadership

- 34 We launched our [leadership campaign](#) which includes a series of resources that encourage professionals to consider how they meet our standards by demonstrating good leadership. These emphasise the important role nursing and midwifery leaders have in supporting teams to provide the best care for people that use services and speak directly to the issues raised in many recent inquiries and reviews.
- 35 We input into NHS England’s new induction process for the health and social care workforce, which was prompted by the Messenger Review. We highlighted pertinent messages and principles in our Code and standards for embedding into the process, with a particular focus on the role employees play in helping advance equality, diversity and inclusion.

Understanding the NMC

- 36 We published [new resources](#) to support student’s understanding of the NMC and how to get the best out of their education. This includes a series of webinar-style videos that cover different points of the student journey and the NMC’s role in supporting them to have the skills and knowledge to deliver safe, kind and effective care.

Safeguarding and raising concerns

- 37 We worked with government on their plans to introduce a new mandatory duty for professionals to report child sexual abuse following recommendations made by the Independent Inquiry into Child Sexual Abuse.

Regulatory alignment and data sharing

- 38 We launched our first [Spotlight report](#) which shares insights from our work to strengthen how we regulate and to support sector wide learning and improvement for the benefit of people who receive care. We also developed our new insight hub, which brings together our research, data reports and insights to facilitate information sharing and to help us work more collaboratively with others.

Future plans

- 39 In the future, we will commission an external independent review of our standards following publication of the forthcoming review into

Nottingham. This will build on the internal review of our Code and standards conducted last year following publication of Ockenden and East Kent. This initial review provided assurance that our standards of proficiency for midwives and Code provide sufficient guidance on the areas of concern. We want to undertake a similar review post Nottingham publication, to identify any potential areas for improvement and so we are confident that any concerns arising in the report are thoroughly addressed.

- Midwifery implications:** 28. Many of the findings from public inquiries relate to maternity services as covered in the body of the paper.
- Public protection implications:** 29. Each inquiry we are involved with identifies significant failures in public protection. All our responses focus on reducing the risk to the public and building trust in the professions.
- Resource implications:** 30. None at present but as work progresses and new actions are identified, this may result in new associated work streams and the need for additional resource. This will need to be assessed and prioritised in line with our corporate priorities.
- Equality diversity and inclusion implications:** 31. We know that there are significant inequalities in the delivery of healthcare which many of the inquiries speak to and reinforce. This includes higher instances of bullying and harassment and unequal opportunities for certain groups of people.
32. Promoting and embedding equality, diversity and inclusion remains a key priority for us. We will continue to assess the impact of any changes we introduce in response to inquiries on specific groups. We will also continue to use our own data and insights to help influence and drive system-wide improvements.
- Stakeholder engagement:** 33. We have worked closely with other professional and system regulators in response to inquiries and reviews.
34. We sit on stakeholder groups established to take forward the recommendations from published reports. We have also provided input into government responses to reports.
- Risk implications:** 35. Our inquiries work is an integral part to how we manage public confidence and public protections risks arising from public inquiries and major failings in care. There are no risk implications from our inquiries activity or process.

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Legal implications:

- 36. We regularly engage the General Counsel team to ensure compliance with relevant legislation. This includes the Data Protection Act 2018, the Inquiries Act 2005 and our obligations under the Public Sector Equality Duty.

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Annexe 1: Summary of inquiry activity in 2023

1. This table provides an overview of the inquiries that the NMC is currently involved with. This includes active inquiries and pre- and published inquiries, and pre-inquiry intelligence monitoring.

Status	Inquiry	Relevant recommendations (or suggested timescales for reporting if not published yet)	Focus and wider themes covered by the inquiry
Active Inquiries	1. Muckamore Abbey Hospital Inquiry (Northern Ireland) (Statutory)	We are awaiting further details about reporting timescales. The Inquiry is currently in the evidence gathering phase.	<ul style="list-style-type: none"> • Structure and governance. • Culture that contributed to failings in care. • Focus on maintaining the status quo. • No evidence of learning culture. • Leadership and reluctance to escalate issues. • Staffing - shortages impacting on ability to provide safe and effective care.
	2. The Lampard Inquiry (England) (statutory)	<p>The Inquiry was re-launched as the Lampard Inquiry on 1 November 2023, and continues the work of the Essex Mental Health Independent Inquiry.</p> <p>Terms of Reference still to be confirmed. Awaiting further details about reporting timescales.</p>	<ul style="list-style-type: none"> • Investigating deaths which took place in mental health inpatient facilities across NHS Trusts in Essex between 1 January 2000 and 21 December 2023. • Culture, leadership, management and governance providing mental health inpatient care. • Recommendations will centre on improving the provision of mental health inpatient care.

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Active Inquiries	3. Nottingham University Hospitals NHS Trust (England) (non-statutory)	Report expected 2025.	<ul style="list-style-type: none"> Review will focus on identifying areas of concern within maternity care. Cases in scope include clinical incidents where mothers and/or babies have suffered severe harm or death. It will set out its understanding of elements of care that failed relating to clinical care; governance, incident reporting, investigation, and response to families; leadership and organisational culture including staff voices and wellbeing; and consideration of the commissioning and oversight of maternity services and improvement actions taken by relevant external bodies. It will provide information and recommendations to help improve the safety, quality and equity of maternity care and the handling of concerns raised by women, families and staff members.
	4. Thirlwall Inquiry (England) (Statutory)	<p>Awaiting further details about reporting timescales. Public hearings are not expected until autumn 2024.</p> <p>We have been designated as core participants to the Inquiry. In 2023, we responded to a formal Rule 9 request</p>	This Inquiry will investigate three broad areas:

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		<p>for evidence and submitted a witness statement. This was subsequently updated in January 2024.</p>	<p>The inquiry will investigate 3 broad areas:</p> <p>A. The experiences of the Countess of Chester Hospital and other relevant NHS services, of all the parents of the babies named in the indictment.</p> <p>B. The conduct of those working at the Countess of Chester Hospital, including the board, managers, doctors, nurses and midwives with regard to the actions of Lucy Letby while she was employed there as a neonatal nurse and subsequently, including:</p> <ul style="list-style-type: none">(i) whether suspicions should have been raised earlier, whether Lucy Letby should have been suspended earlier and whether the police and other external bodies should have been informed sooner of suspicions about her(ii) the responses to concerns raised about Lucy Letby from those with management responsibilities within the trust
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			<p>(iii) whether the trust’s culture, management and governance structures and processes contributed to the failure to protect babies from Lucy Letby</p> <p>C. The effectiveness of NHS management and governance structures and processes, external scrutiny and professional regulation in keeping babies in hospital safe and well looked after, whether changes are necessary and, if so, what they should be, including how accountability of senior managers should be strengthened. This section will include a consideration of NHS culture.</p>
<p>Active Inquiries</p>	<p>5. Liverpool Community Health Independent Investigation (England) (non-statutory)</p>	<p>Awaiting further details about reporting timescales.</p>	<ul style="list-style-type: none"> • Review will draw on new evidence identified by Mersey Care following a previous review in 2018. • It will identify serious patient safety incidents between 2010 and 2014 and advise on where inadequate leadership practices contributed towards unsafe care.
	<p>6. Covid-19 Inquiry (England) (Statutory)</p>	<p>We are awaiting further details about final reporting timescales.</p>	<ul style="list-style-type: none"> • Will examine the UK’s preparedness and response to the Covid-19 pandemic and lessons for the future.

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Active Inquiries		The Inquiry is still gathering evidence. In 2023, we responded to a formal Rule 9 request for evidence and submitted a witness statement.	
	7. Scottish Covid-19 Inquiry (Scotland) (Statutory)	Awaiting further details about reporting timescales.	<ul style="list-style-type: none"> • Direct health impacts • Non Covid-19 health impacts • Societal impacts, including education • Economic impacts
	8. Independent inquiry into the issues raised by the David Fuller case (England) (non-statutory)	<p>Interim report was published in November 2023. Recommendations were specific to Maidstone and Tunbridge Wells NHS Trust and focused on preventing events happening again.</p> <p>Phase 2 report is expected 2024 which will look at the wider national picture.</p>	<ul style="list-style-type: none"> • Investigate how David Fuller was able to carry out inappropriate and unlawful actions in the mortuary and why they went apparently unnoticed.
	9. Independent review of gender identity services for children and young people (England) (non-statutory)	<p>Interim report published March 2023.</p> <p>Final report expected by Spring 2024.</p>	<ul style="list-style-type: none"> • Explore current models of care for children and young people questioning their identity or experiencing gender dysphoria.
	10. Independent Review on Equity in Medical Devices (UK) (non-statutory)	Report was initially expected by June 2023. We are now awaiting further details about final reporting timescales.	<ul style="list-style-type: none"> • Identify systematic inequalities in medical devices registered for use in the UK • Make recommendations on how inequalities should be tackled

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			<ul style="list-style-type: none"> Consider what systems need to be in place to ensure emerging technologies are developed without ethnic inequalities Improve global standards to better healthcare and tackle disparities
	11. Review of neonatal mortality in Scotland (Scotland) (non-statutory)	Awaiting further details about reporting timescales.	<ul style="list-style-type: none"> Led by Health Improvement Scotland, this review will investigate the significant increase in neonatal mortality in Scotland in the year 2021/22.
	12. Mental Health Patient Safety Review (England) (non-statutory)	Awaiting further details about reporting timescales.	<ul style="list-style-type: none"> Investigation into the safety of mental health inpatient settings.
<p>Published Inquiries</p> <p>Published Inquiries</p>	13. Independent Review into Greater Manchester Mental Health Foundation Trust (Edenfield) (England) (non-statutory)	<p>The final report was published January 2024. No recommendations directed towards us. Key recommendations of interest include:</p> <ul style="list-style-type: none"> The Board must develop and lead a culture that places quality of care as its utmost priority, which is underpinned by compassionate leadership from Board to floor. This culture must ensure that no staff experience discrimination. The Trust must ensure that Edenfield provides compassionate, high-quality care and that all staff, 	<ul style="list-style-type: none"> The review considered failings within the Trust’s mental health services, reported at Edenfield, and the failure within the organisation to escalate concerns and mitigate against patient harm. The report identifies several key areas of concern at the Trust. This includes: a failure to listen service users and their families; poor leadership and oversight; inadequate governance structures;

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Published Inquiries		<p>permanent or temporary, have the skills, knowledge, and support to achieve this.</p> <ul style="list-style-type: none"> The organisations with responsibility for regulation, oversight and support to GMMH must review their current systems of quality assurance. They must also review how they work together collectively to identify concerns in a provider at an early stage to prevent tragedies like those seen at Edenfield from reoccurring. Where learning is identified that applies nationally, this must be cascaded by the relevant organisation. 	<p>poor working cultures; and wider system failures, including missed opportunities to respond to emerging concerns in a timely and effective way.</p>
	<p>14. The Brook House Inquiry (England) (statutory)</p>	<p>Final report published September 2023. No recommendations directed to us.</p> <ul style="list-style-type: none"> The Home Office must ensure that guidance is issued to healthcare staff in immigration removal centres clarifying their roles in the use of force incidents. It must liaise as necessary with NHS England and any relevant medical regulators. The Home Office must ensure that mandatory training is introduced for healthcare staff, and those responsible for managing them, on their roles and responsibilities in relation to planned and unplanned use of force. The Home Office must review and update the Detention Services Order 03/2015 on handling of complaints to ensure that appropriate guidance is given to healthcare providers on the investigation and handling of 	<ul style="list-style-type: none"> Mistreatment of detainees at the Immigration Centre Culture of silence and cover up Lack of leadership

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Published Inquiries		complaints specific to the provision of healthcare in an immigration detention setting.	
	15. Independent Inquiry into Child Sexual Abuse	<p>Interim report published 2018. Final report published October 2022.</p> <ul style="list-style-type: none"> Government should introduce a new law of mandatory reporting, making it a legal requirement for those who work in regulated activity or who work in a position of trust to report child sexual abuse. 	<ul style="list-style-type: none"> Failure to listen to or believe patients / children Fear of speaking out and reporting concerns Insufficient safeguarding practices and training Abuse of power Insufficient intelligence sharing practices
	16. Independent inquiry into East Kent Maternity Services	<p>Report published October 2022.</p> <ul style="list-style-type: none"> Those responsible for undergraduate, postgraduate and continuing clinical education be commissioned to report on how compassionate care can best be embedded into practice and sustained through lifelong learning. Relevant bodies, including Royal Colleges, professional regulators and employers, be commissioned to report on how the oversight and direction of clinicians can be improved, with nationally agreed standards of professional behaviour and appropriate sanctions for non-compliance. 	<ul style="list-style-type: none"> The importance of monitoring safety performance Standards of clinical behaviour Flawed teamworking Organisational behaviour and transparency

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Published Inquiries		<ul style="list-style-type: none"> • Relevant bodies, including the Royal College of Obstetricians and Gynaecologists, the Royal College of Midwives and the Royal College of Paediatrics and Child Health, be charged with reporting on how teamworking in maternity and neonatal care can be improved, with particular reference to establishing common purpose, objectives and training from the outset. • The Government reconsiders bringing forward a bill placing a duty on public bodies not to deny, deflect and conceal information from families and other bodies. 	
	17. Messenger review of health and social care leadership	<p>Report published June 2022. There are three recommendations of indirect relevance to us:</p> <ul style="list-style-type: none"> • Introduce targeted interventions on collaborative leadership and a unified set of values across health and social care. • Deliver consistent management standards through accredited training. This includes a single set of unified, core leadership and management standards for NHS managers; and a curriculum of training and development that meets these standards, with completion of this training made a prerequisite to advance to more senior roles. • Positive action must be taken to embed inclusive leadership practices. This includes committing to 	<ul style="list-style-type: none"> • Poor leadership including lack of accountability • Inconsistent and inadequate training and development opportunities • The absence of inclusive leadership practices

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		<p>promoting equal opportunity and fairness standards; more stringently enforcing existing measures to improve equal opportunities and fairness; and enhancing CQC's role in ensuring improvement in EDI outcomes. This includes ensuring that regulators take account of EDI data as part of their organisational assessment</p>	
	<p>18. Ockenden review of maternity services and Shrewsbury and Telford Hospital NHS Trust</p>	<p>Report published March 2022.</p> <p>Various recommendations are made, though none are aimed directly at us. We have undertaken several actions in response to the findings, including:</p> <ul style="list-style-type: none"> • Consulting on the inclusion of a new standard requiring midwifery students to have placement experience at more than one provider. • Written to all midwifery professionals outlining our expectations around revalidation and how our new midwifery standards should be taken into account. • Continue to work with government, employers, educators and Care Quality Commission (CQC) to ensure midwifery standards are implemented effectively in practice through regular engagement. • Introduction of midwifery matters sessions across the four nations. 	<ul style="list-style-type: none"> • The importance of listening to women and families and ensuring voices are heard • The importance of effective multidisciplinary working and training • Improved management of complex pregnancies including risk assessments • Improved information to enable informed choice
<p>Pre-inquiry intelligence</p>	<p>19. Inquiry into the Welsh</p>	<p>Inquiry has not been announced but there have been calls for one.</p>	

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	Government's response to Covid-19		
	20. Inquiry into Northern Ireland Government's response to Covid-19	Inquiry has not been announced but there have been calls for one.	
	21. Inquiry into England's Maternity Services	Inquiry has not been announced but there have been calls for one.	

2. We have provided an overview of inquiries of interest that published recommendations before 2022. Further detail about these are available upon request.

22. Independent review of adult social care in Scotland (Feeley Review). Report published July 2021.
23. Health and Social Care Committee (HSCC) inquiry into safety of maternity services in England. Report published July 2021.
24. The independent investigation into the Life and Death of Elizabeth Dixon. Report published 2020.
25. Independent Medicines and Medical Device Safety Review. Final report published 2020. Government progress report published December 2022.
26. Independent inquiry into the issues raised by Paterson (England). Final report published 2020. Government progress report published December 2022.
27. The inquiry into hyponatraemia related death (Northern Ireland). Report published 2018.

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28. The Williams review into Gross Negligence Manslaughter. Final report published in 2018.
29. Kark Review (England) (non-statutory). Final report published in 2019.

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Council

Update on progressing our Fitness to Practise casework

Action: For discussion

Issue: To update the Council on our work to make decisions in progressing cases within Fitness to Practise (FtP) as safely, quickly and fairly as possible. It is our number one corporate priority to do this to protect the public and improve the experience of everyone involved in our FtP service and minimise the impact of the length of our investigations on those involved.

Core regulatory function: Professional Regulation

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

Decision required: None.

Annexes: The following annexe is attached to this paper:

- Annexe 1: FtP Performance Information

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.

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Context:

- 1 This paper provides the Council with an update on our efforts to make quicker and safe decisions in Fitness to Practise (FtP) which protect the public and minimise distress for professionals who are referred to us.
- 2 The Council is invited to consider the information and provide comment.
- 3 The age and volume of our caseload affects our ability to progress and resolve cases in a timely way. Following a sustained increase in new concerns being referred to us each month, the total number of cases has increased by 210 (3.7 percent) cases since our last update to Council. The charts at Annexe 1 show our performance across the FtP process.

Four country factors:

- 4 Taking too long to resolve cases impacts public protection across the four nations.
- 5 The number of cases received for each of the four nations are broadly in proportion to the number of professionals who are registered there. The following table provides a breakdown of cases where a country of registration has been identified.

Country of registered address	Screening	Investigations	Case Examiners	Adjudication	Grand total
England	1,423	1,414	193	852	3,882
Scotland	184	187	25	98	494
Wales	89	73	7	68	237
Northern Ireland	61	91	8	26	186
Overseas	39	30	8	30	107
No registrant PIN linked to case	1,014	0	0	0	1,014
Grand total	2,810	1,795	241	1,074	5,920

Note: Caseload by country of registered address by FtP stage, as at 29 February 2024.

Discussion

Summary of our current position

- 6 As we have previously updated Council, we have seen our caseload rising since September 2023, and this affects our ability to progress cases in a timely way. As of February 2024, the caseload stood at 5,920, an increase of 209 cases from our last report to Council in January 2024.
- 7 In January and February referrals exceeded the forecast levels, continuing a trend we have been seeing throughout this year. In February we received 596 referrals which is the highest number we have received in a single month in the last five years. We have seen an average of 493 referrals per month since April 2023, compared to

417 referrals per month in the same period last year (an increase of 18 percent).

- 8 The majority of our referrals continue to come from members of the public and employers. Our data shows us that in the last financial year, 70 percent of referrals from the public were closed at our screening process without any regulatory basis for further action. Last year we advised 48 percent of calls coming to our Employer Link Service advice line that a referral was not necessary at the time of their call.
- 9 Our Fitness to Practise Improvement Plan will include workstreams and actions to improve referral quality. For more details on the improvement plan, please refer to item 8 on the agenda.
- 10 The ongoing increase in referral rates continues to impact workloads and performance across our screening function including our decision making. Although we are seeing an increase in the number of decisions at Screening from Q3 (906 decisions for the first two months of Q4 in comparison to 1,035 decisions in Q3), they are not keeping pace with the number of referrals being received (an average of 442 since April 2023), causing the caseload to continue to rise.
- 11 We assess every referral received, in line with our published guidance, to determine whether there is a need for an interim order to protect the public. Whilst this is a necessary step, the risk assessment process does further divert resources dedicated to the progression of the cases. Our recruitment for additional roles in Screening including ten case officers and five decision makers in addition to extending 23 current FTCs, will help mitigate this.
- 12 In Investigations we have seen a positive increase in output throughout the first two months of Q4 and the total caseload in investigations has reduced by 7.7 percent since the start of the year (As of February 2024 the caseload in investigations was 2,139).
- 13 Due to a higher turnover within the Investigator role due to internal staff moves (Investigations unit turnover rate is 11.2 percent) and a high number of vacancies, there are 499 cases that have not been allocated for investigation yet. We do not allocate all cases to make sure that colleagues have manageable workloads. We are mitigating this through recruitment, and targeted workstreams within our new FtP improvement plan to safely outsource cases. We have regularly reviewed capacity of our external legal firms to determine whether we can outsource additional cases to them throughout the year. These firms are experienced in regulatory matters, and outsourcing is a long-established part of our operating model in fitness to practise.

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- 14 Following the recent robust procurement process for our legal services providers, the team have continued to implement processes and systems building on the positive work from the onboarding for the new providers and we have now begun to allocate cases to them.
- 15 We are delivering a series of bitesize learning sessions with both of our external legal firms to establish and embed effective service delivery. We are refreshing our quality management framework which includes, a lawyer review on sampled case and feedback from the case examiner teams to review the quality of case work.
- 16 We have recently completed a successful recruitment campaign for investigator roles with seven successful applicants starting their roles in the coming months. We tested new recruitment approaches which allowed us to recruit at a higher volume throughout the year to meet vacancy demands within budget.
- 17 New colleagues are placed into our training team and we have developed extensive guidance and training to support them throughout their induction. Managers are evaluating performance at regular points throughout their probation period. In addition, the Investigations department have refreshed their monthly training programme to ensure it meets the needs of the department and the casework development needs.
- 18 At the Case Examiner stage, we saw a lower number of decisions in February, but this is a direct result of the lower input from Investigations in previous months. We have been looking at how we can utilise the additional capacity within our Case Examiner team, identifying where individuals have the skills and experience to support case progression.
- 19 We expect to see an increase in the output at Case Examiners from April onwards.
- 20 In Adjudications we saw a continued increase in the rate of decision making, with 71 decisions made in February.
- 21 We have implemented our new leadership structure in Adjudications that will provide increased capacity to consider and deliver our new ways of working and provide greater oversight of our Investigating Committee and Fitness to Practise Committees.

Undertakings at Case Examiner stage

- 22 Undertakings can, providing there are no attitudinal issues, allow a nurse, midwife or nursing associate to address problems in their practice that pose a risk. Undertakings show that we consider a Professional to have the potential to show that they can practise

safely without restriction and are designed to support them in demonstrating that.

- 23 We have seen a positive increase in the number of undertakings at the Case Examiner stage. This is linked to guidance that supports clinical concerns being put right at the earliest opportunity.
- 24 The undertakings guidance was changed in April 2022 so that we no longer require an acceptance of the concerns to be able to recommend undertakings, meaning we can appropriately recommend undertakings in many more cases.
- 25 Since we produced a Good Practice Guide in September 2023 recommending undertakings for clinical cases, we have seen 63 cases conclude with an undertaking that would have previously been referred on for a hearing.
- 26 Undertakings agreed by the Case Examiners are not case closures, but rather case to answer decisions in cases where a full hearing could be avoided. We publish all agreed undertakings in line with our publication guidance and outcomes are kept under review by our monitoring and compliance team. In the event that a professional fails to comply with the terms of the undertaking, the Case Examiners will conduct a further review of the undertaking, and if necessary, refer the matter on for a hearing before a panel of the Fitness to Practise Committee.

Panel Members

- 27 Recent successful panel member recruitment campaigns saw 139 panel members (and 36 Legal Assessors) appointed by the Council in November 2023 and January 2024.
- 28 The Panel Support Team has now concluded the induction programme for these individuals, and we expect them to begin sitting on events in the coming weeks.
- 29 The Panel Support Team are building a programme of regular and timely communications with panel members with the intention to increase engagement and support an improvement in timely management of hearings through the 2-way sharing of information. This will support work on timeliness and improving the experience of hearings for those involved.
- 30 We are currently procuring a recruitment partner for the recruitment of approximately 140 panel members and panel chairs to be appointed between January and March 2025. We will continue with our commitment to appoint a pool of panel members and legal assessors who are reflective of both the UK population and for registrant panel members, the diversity of our register.

31 These additional panel members will support our FtP plans to increase outcomes at the adjudication stage.

Upcoming activity

32 Our new Fitness to Practise Improvement Plan proposes the biggest investment in fitness to practise in a decade: £30 million over three years, with a particular focus on investment and improvement over the next 18 months. More details of this can be found at agenda item 8.

33 We have begun to hold engagement events with colleagues across Professional Regulation and the rest of the organisation to hear their views on our plans. These sessions will run throughout March.

34 We are meeting with the Chief Nursing Officers (CNOs) on 20 March to share our FtP plan and how we will be improving timeliness. The CNOs have previously raised concerns with us about the impact that delays in FtP decision making have on the workforce. We have committed to continuing to work closely with them to ensure those professionals who are able to practise feel supported and able to do so.

35 Additionally, we are regularly engaging with the representative bodies to communicate our improvement plans and seek their engagement and collaboration.

36 In April 2024 we will be meeting with our oversight body, the Professional Standards Authority (PSA), to take them through the plan and how it will improve our timely progression of cases.

37 Our recent recruitment campaign for a new Assistant Director to have oversight of our legal activity within Professional Regulation attracted an excellent field of candidates. An appointment has been made and the successful applicants will join the senior leadership team in Professional Regulation later in the spring.

38 The new Assistant Director will work alongside our existing Assistant Directors of FtP and Registrations and their focus will be on ensuring legal input across our casework processes is consistent and leads to swift and safe conclusions

Midwifery implications:

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

40 At the end of February 2024 we had 311 open cases that relate to midwives; this was approximately 5.3 percent of the total caseload.

41 This is in line with the number of midwives that made up the population of our register as of 30 September 2023.

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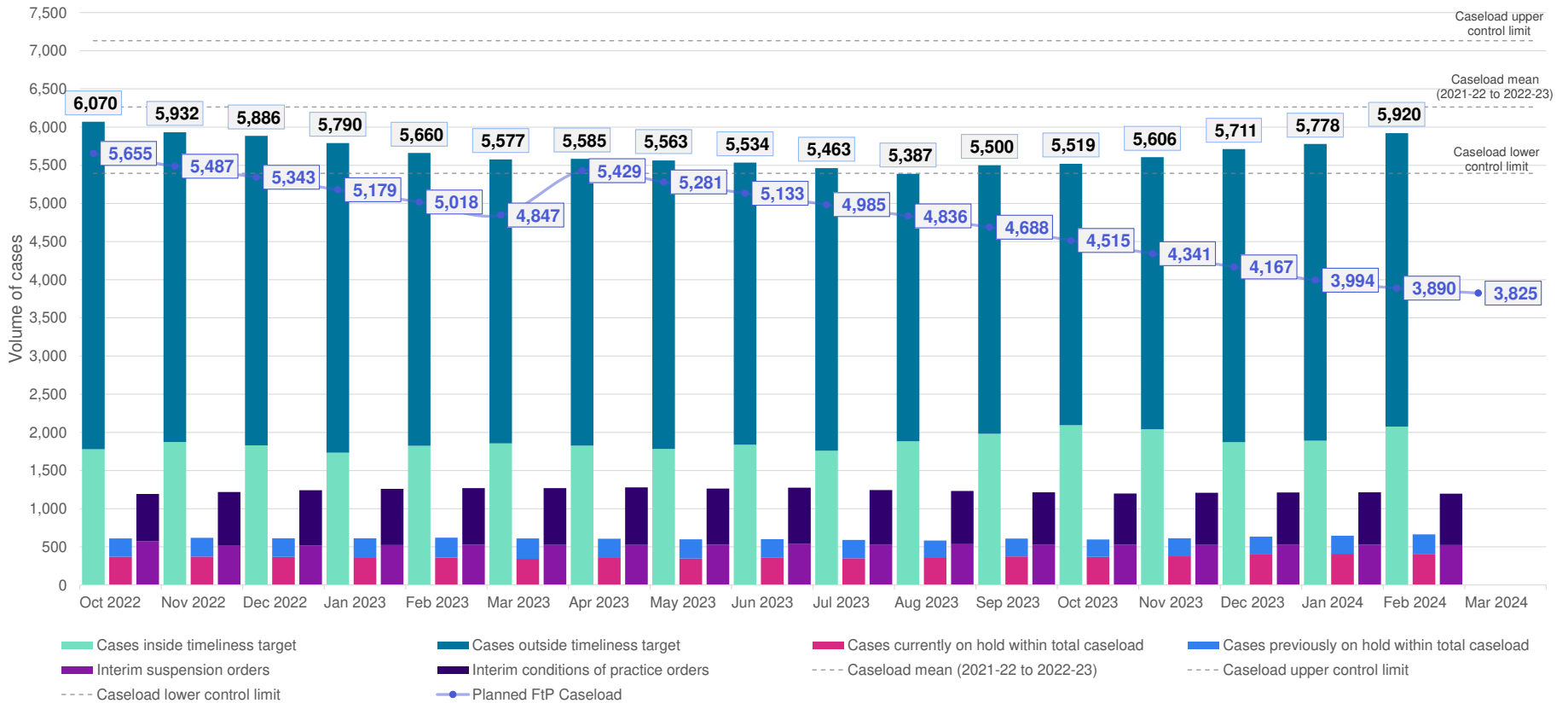
Public protection implications:	42	Making quicker decisions in FtP will protect the public and minimise distress for professionals who are referred to us.
Resource implications:	43	We continue to assess the cost of activity associated with improving the timeliness of our decision making and allocate resources to support this as our number one priority.
Equality diversity and inclusion implications:	44	We are aware that certain groups are over-represented in the referrals we receive and therefore taking too long to progress cases will further impact those groups disproportionately.
	45	However, we have not identified any adverse implications of our approach which is to manage the caseload by progressing our highest risk and oldest cases as a priority.
Stakeholder engagement:	46	We have previously reported the concerns our key stakeholder groups have about the timeliness of our decision making in FtP.
	47	As detailed in paragraphs 34-36 we are meeting with these key stakeholders in the coming weeks to communicate our plans and how they can engage and support us with them.
Risk implications:	48	A risk that our combined operational and change activities fail to deliver swifter decision making across the FtP process. This would impact on our ability to meet corporate commitment one to: "Reduce the FtP caseload and improve how we handle people's concerns about nursing and midwifery professionals".
	49	We are mitigating this risk by producing a detailed implementation plan for the next 18 months with clear expectations of the benefits of each intervention we are undertaking.
Regulatory reform:	50	Swift and fair decisions in FtP are a prerequisite for effective delivery of regulatory reform and will ensure the teams are well placed to adjust to significant changes in ways of working.
Legal implications:	51	Swift and fair decisions in FtP cases are critical to the fulfilment of our statutory public protection function. Ensuring that we manage our FtP case work effectively and in line with our NMC values, reduces the risk of legal challenge.

Fitness to Practise Council performance dashboard February 2024

The chart below shows the total fitness to practise caseload broken down into the cases that are within and outside our timeliness targets. The chart also shows within that caseload the cases that are currently on hold for a third party investigation and those that have previously been on hold but are now active. It also shows the number of interim suspension orders and interim conditions of practise orders for the cases that are still open without a final outcome. We have also provided our planned total FtP caseload based on operating assumptions for the current and previous financial year.

A1

Fitness to practise caseload



Commentary February 2024

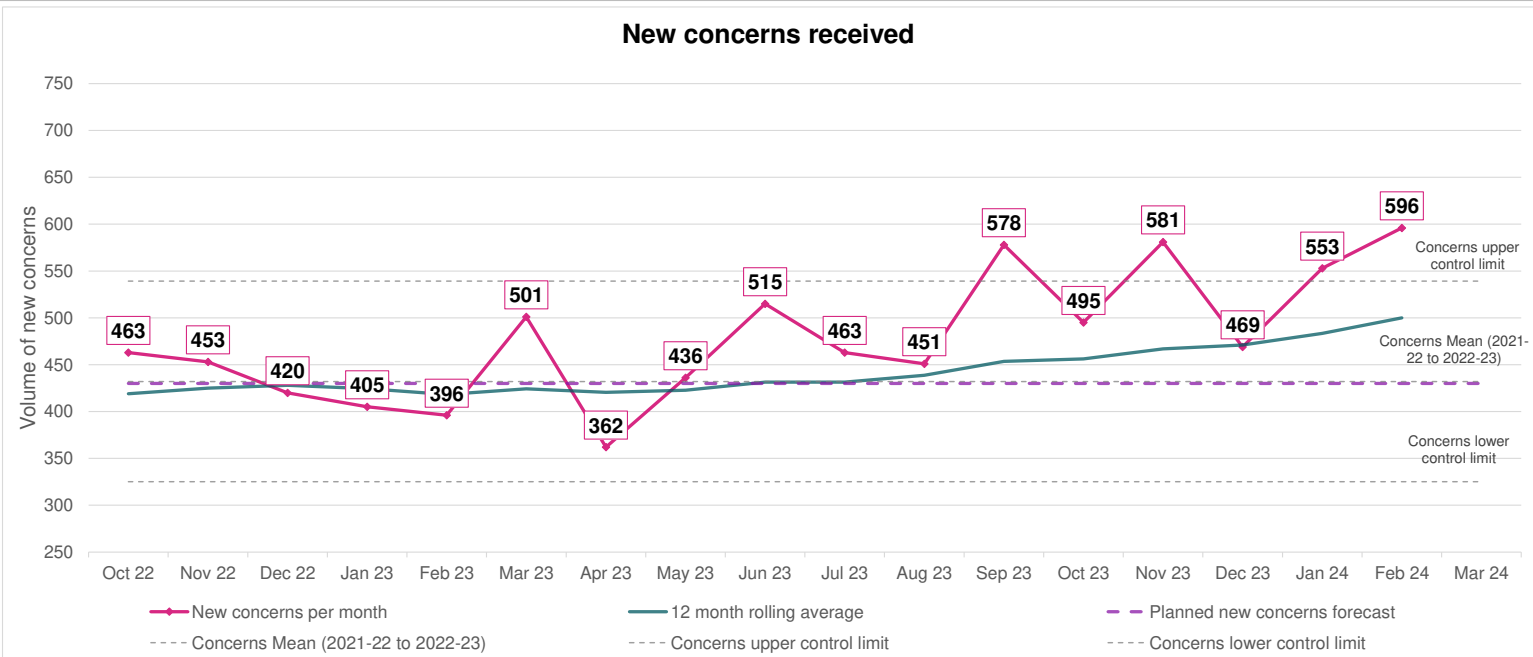
Our caseload continues an upward trend and we continue to prioritise our efforts to reduce this. Our Fitness to Practise Improvement Plan at agenda item 8 details our plans across seven key areas to reduce the number of cases safely by making decisions in a timely and considerate way.

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Fitness to Practise Council performance dashboard February 2024

The chart below shows the total number of new concerns we have received into fitness to practise on a monthly basis, and also our rolling 12 month average for the concerns we have received. The chart also includes our planned forecast for referrals for the financial year.

B1



Commentary February 2024

Referrals continue to be above our assumptions; as highlighted in the main paper we saw our highest number of referrals in a single month in the last five years in February 2024 (596). The average number of referrals per month since April 2023 is 493, an increase of 18 percent from the same period last year.

The continued trend of higher number of referrals is directly impacting on our resources for progressing cases in screening. We are mitigating this through recruitment for additional roles including additional decision makers.

C1 Monitoring and Compliance

Substantive order review caseload:
431

Undertakings caseload:
109

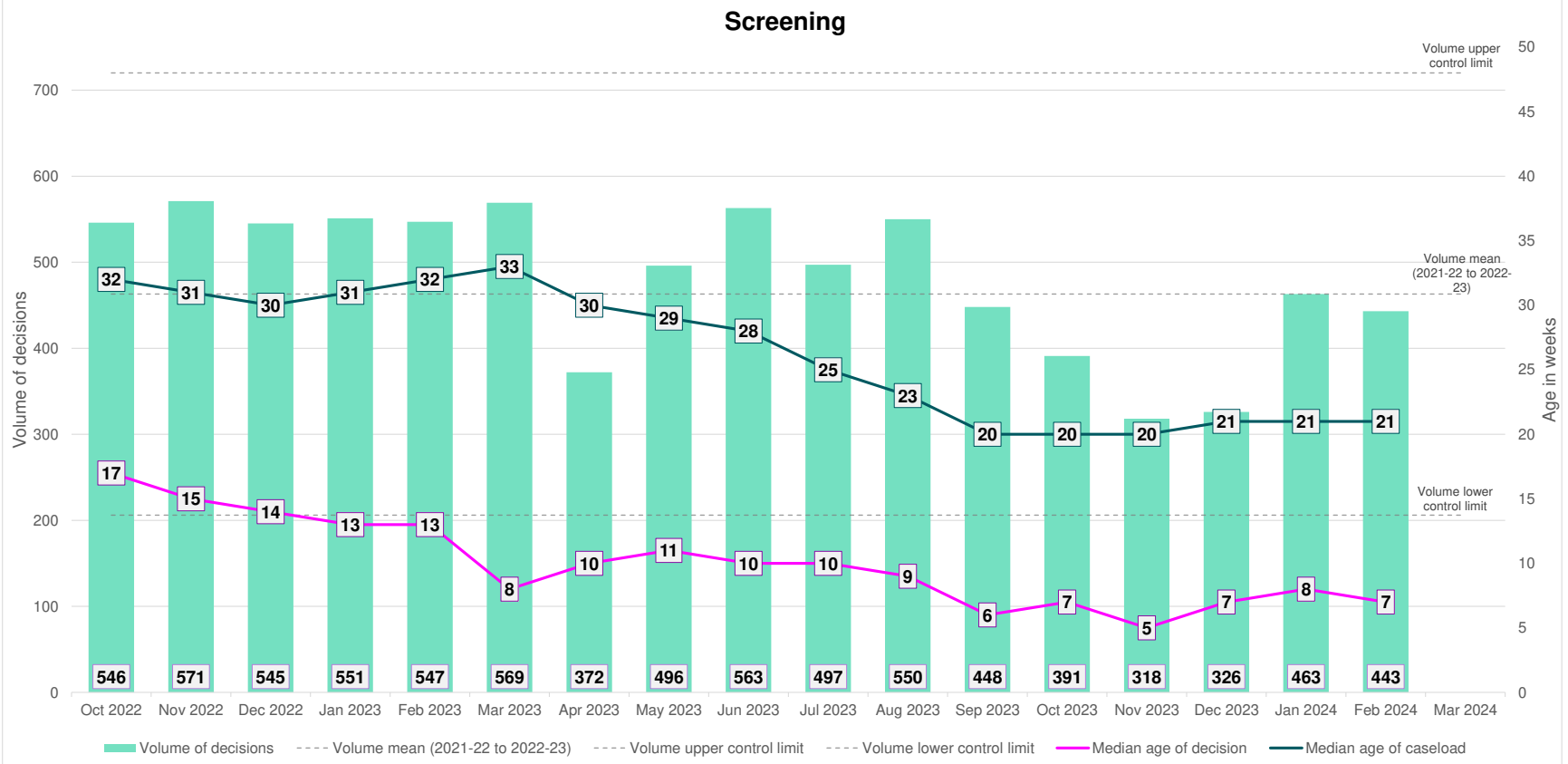
The figures above shows the total number of substantive orders that are subject to review following a decision by a Fitness to Practise Committee Panel at a hearing or meeting. It also shows the total number of undertakings offered by Case Examiners that were accepted, were still active and being reviewed.

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Fitness to Practise Council performance dashboard February 2024

The charts below provide a performance summary for the Screening stage of our fitness to practise process. The bar charts provide the total number of decisions or completed cases within the month, and the line charts show both the median age of decisions/completed cases in weeks and the other shows the median age of the open caseload at that stage. From 30 October 2023 onwards, the decisions also includes the closure made by our Future Ways of Working when triaging concerns received from our member of the public online referral form.

D1



Commentary February 2024

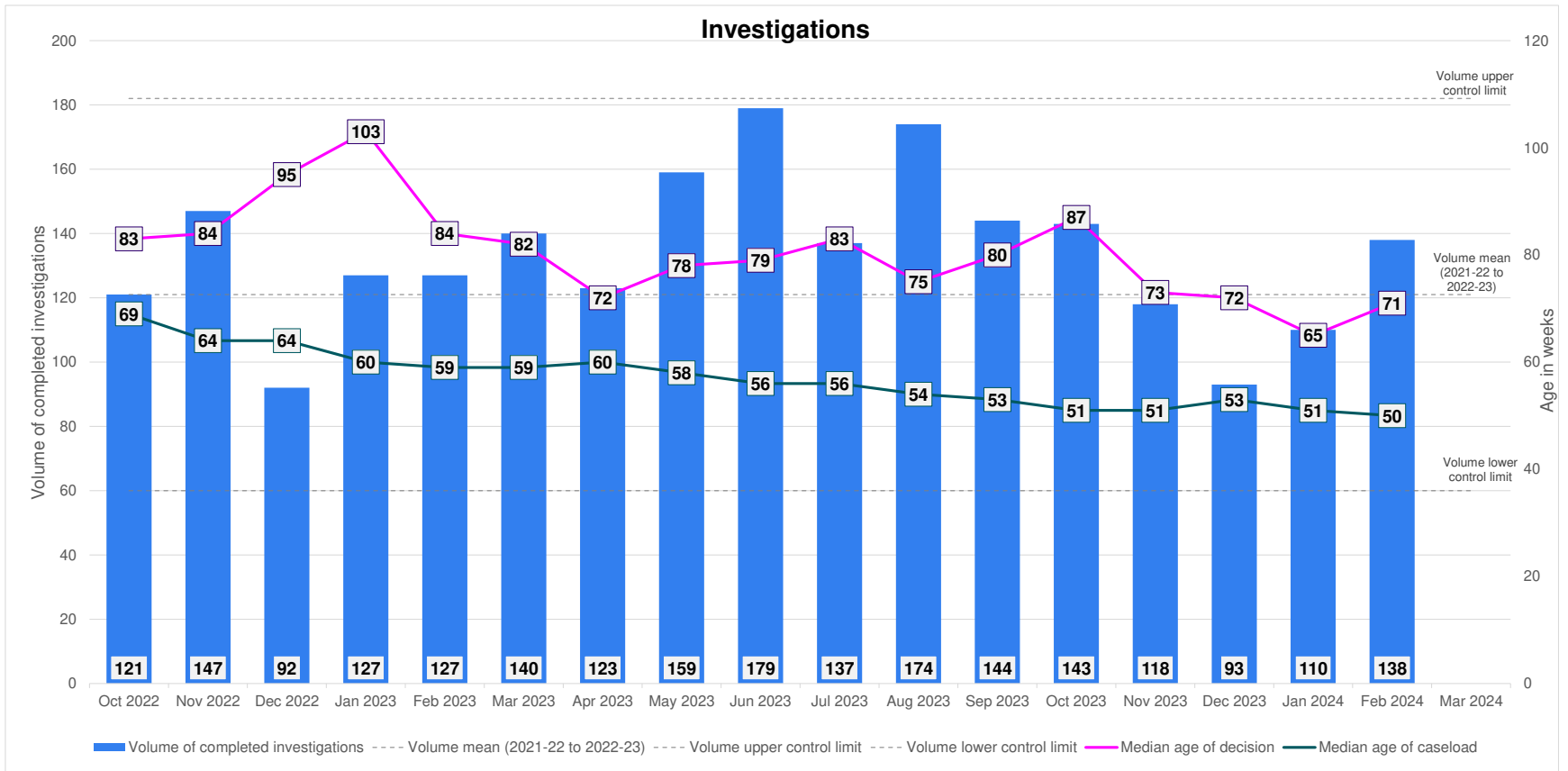
January and February saw very high number of referrals, well above our assumption of 430 a month. We have seen an increase in the number of decisions being made which is positive to see and we hope this will continue with the recruitment of additional resource in Screening.

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Fitness to Practise Council performance dashboard February 2024

The charts below provide a performance summary for the Investigations stage of our fitness to practise process. The bar charts provide the total number of decisions or completed cases within the month, and the line charts show both the median age of decisions/completed cases in weeks and the other shows the median age of the open caseload at that stage.

D2



Commentary February 2024

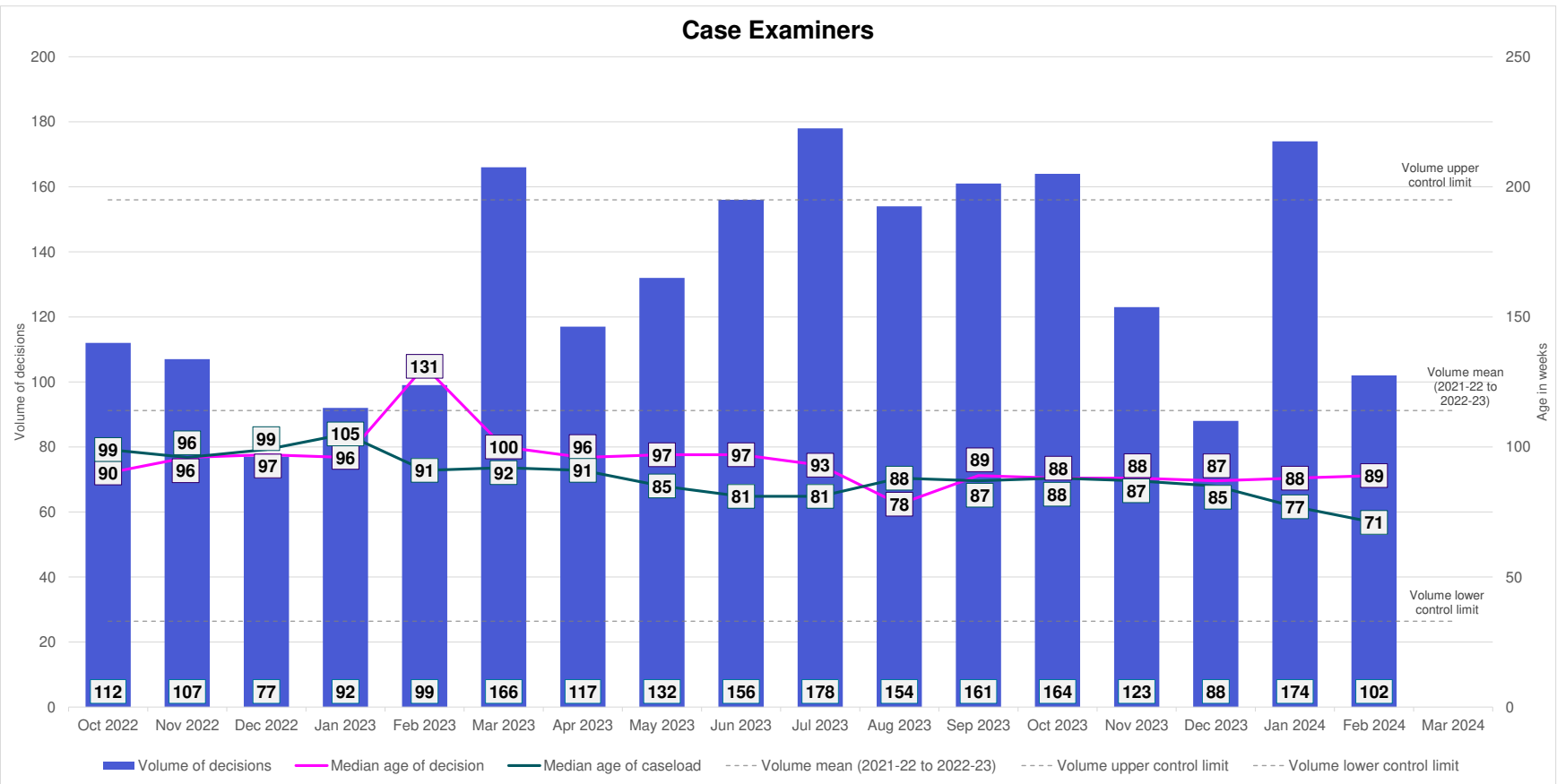
We saw a positive increase in the number of completed investigations in February; we have now offered seven Investigator roles to help fill vacancies and will continue with our new recruitment approaches to help us continually recruit throughout the year to minimise the number of vacancies.

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Fitness to Practise Council performance dashboard February 2024

The charts below provide a performance summary for the Case Examiner stage of our fitness to practise process. The bar charts provide the total number of decisions or completed cases within the month, and the line charts show both the median age of decisions/completed cases in weeks and the other shows the median age of the open caseload at that stage.

D3



Commentary February 2024

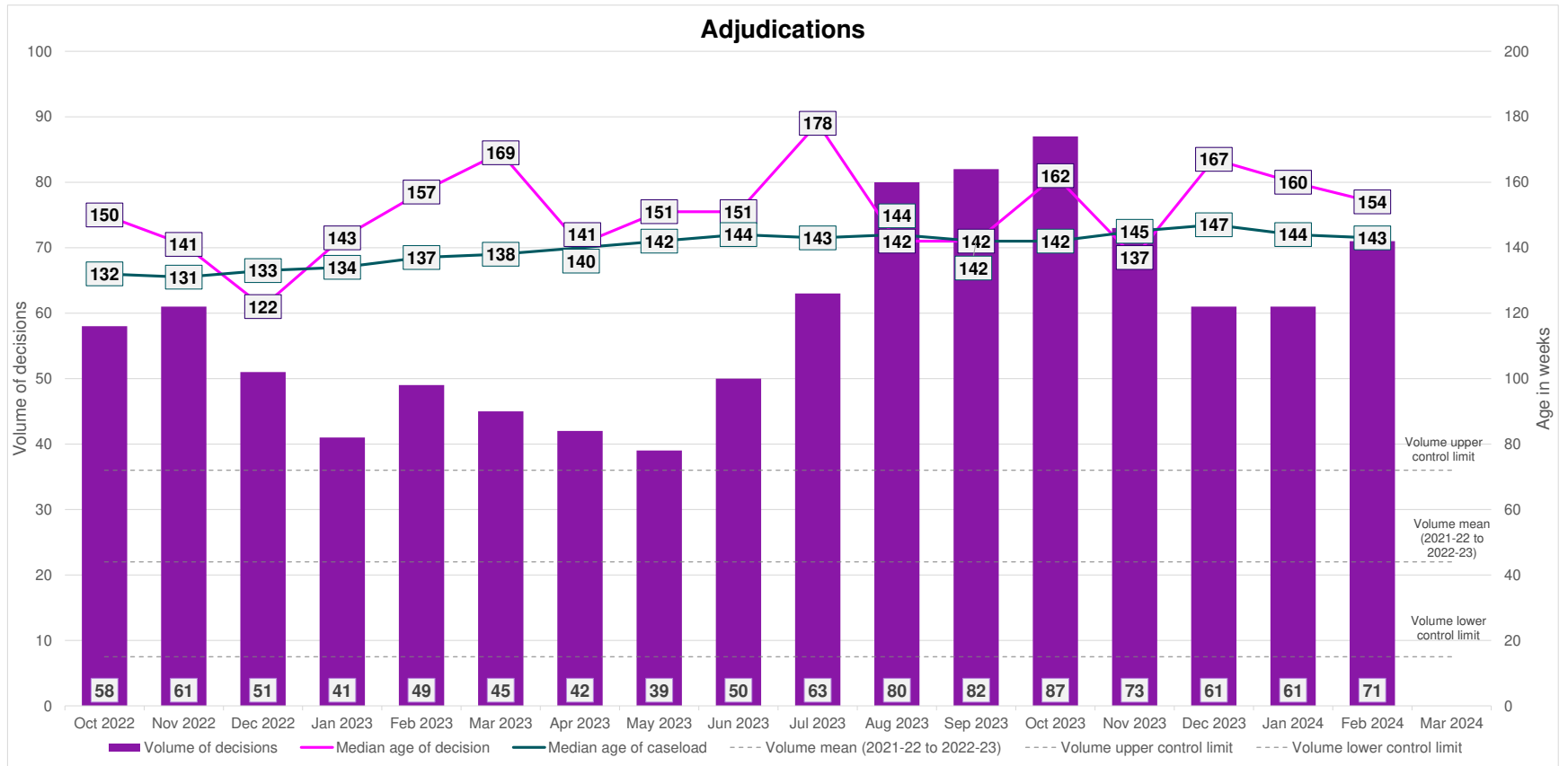
January was an excellent month for Case Examiner decisions with 174 being made. We expected there would be a decrease in the number of decisions from February onwards as a result of the lower input from Investigations in December 2023.

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Fitness to Practise Council performance dashboard February 2024

The charts below provide a performance summary for the Adjudication stage of our fitness to practise process. The bar charts provide the total number of decisions or completed cases within the month, and the line charts show both the median age of decisions/completed cases in weeks and the other shows the median age of the open caseload at that stage.

D4



Commentary February 2024

We saw a positive performance in Adjudication in February with 71 outcomes delivered, the first time we have delivered our target of 70 decisions per month since November 2023.

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Council

Audit Committee Report

Action: For information.

Issue: Reports on the work of the Audit Committee.

Core regulatory function: Supporting functions.

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

Decision required: None.

Annexes: None.

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

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Chair: Derek Pretty

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Context: 1 Reports on the last meeting of the Audit Committee held on 28 February 2024.

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

Discussion: Internal Audit work plan 2023-2024

3 The Committee reviewed progress against the Internal Audit work plan 2023-2024. The Committee considered two internal audit reports.

4 **Financial Control – Month end and year end finance** which had received an opinion of substantial assurance. The purpose of the audit was to assess whether the NMC has robust month end and year end processes in place to ensure accurate closure of financial records. The Committee is pleased that the audit had received a positive report.

5 **Change and Continuous Improvement.** The purpose of the audit was to assess whether the NMC had the required resource in place to support the delivery of its corporate plan by effectively deploying and mapping change and continuous improvement resources in those areas deemed of high importance and how those deemed important have been decided/agreed.

6 The audit produced an opinion of reasonable assurance, finding that overall the governance arrangements were well designed and appeared to work effectively, with some areas that could be further strengthened.

7 The fieldwork for this audit had taken place in November 2023 and the Committee is pleased to report that further progress has already been made.

Draft Internal Audit Opinion 2023-2024

8 The Committee considered the draft Internal Audit Opinion for 2023-2024 and welcomed the Head of Internal Audit’s positive assessment, noting that the Opinion was similar to 2022-2023. The Committee was content with the basis on which the Annual Internal Audit Opinion was given and considered that it fairly reflected the work of Internal Audit for 2023-2024. The Committee will consider the final two audit reports at its meeting in April 2024; the Head of Internal Audit confirmed that they did not expect these audits to significantly alter the overall opinion.

9 The Committee thanked the Internal Auditors and NMC colleagues for their collaborative approach to the audits which had produced productive outcomes for the NMC.

Internal Audit Work plan 2024-2025

- 10 The Committee reviewed the proposed internal audit work plan for 2024-2025. Taken in combination with other external review work, the Committee was satisfied that the plans provided appropriate coverage, taking into account organisational priorities and key risk areas.

External assurance reports

- 11 The Committee considered an update on how actions identified by two external assurance reports were being implemented.
- a) Bip: Bip (previously Chaucer) completed a review of the NMC's Modernisation of Technology Services (MoTS) programme in April 2023. The Committee is pleased that all critical and essential actions from that review have now been addressed. Work has begun on the next phase of the MoTS assurance for which Bip is taking a project-by-project approach. Full project assurance reports were still in draft but two critical recommendations had been identified with mitigating actions in progress. The Committee will receive further updates on this work.
- b) VAT review: The Committee considered the outcome of a VAT "health check" undertaken by the NMC's tax advisers, Azets. Overall, the review found that the NMC has robust procedures and processes in place to help reduce the risk of non-compliance with regard to its VAT reporting obligations. The report identified some recommendations for improvement that the Executive is taking forward.

Whistleblowing, anti-fraud, bribery and corruption

- 12 The Committee noted that no new instances of fraud, bribery or corruption had been detected since the last meeting and that there had been no reported incidents of offences under the Modern Slavery Act 2015 in the NMC's supply chain.
- 13 The Committee received an update on two whistleblowing cases. The first case concerns the whistleblowing issues reported to the PSA, Charity Commission, Equalities and Human Rights Commission and The Independent. The Committee received an update on the investigations, noting that both Ijeoma Omambala KC and Nazir Afzal OBE and Rise Associates' investigations were underway. The second case was under investigation and an update will be provided to Council in the Committee's next report.
- 14 The Committee is content with how the investigations are being handled, and is committed to ensuring any learning for the NMC's whistleblowing policy and process will be embedded effectively.

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- 15 The Committee received an update on how the NMC planned to identify and embed learning from:
- 15.1 the fraudulent activity at one of its third-party computer-based test centres in Ibadan, Nigeria; and
- 15.2 the issues at Canterbury Christ Church University relating to their nursing and midwifery programmes.
- 16 The Committee is content with how the NMC is undertaking this work and will consider a lessons learnt report on both issues in due course.

Developing the NMC’s approach to corporate learning and incident reporting

- 17 The Committee received an update on the work to develop the NMC’s approach to corporate learning and incident reporting.
- 18 As previously reported to Council, this is an area of particular focus for the Committee, and at its meeting in November 2023 the Committee had noted that overall progress was not where it needed to be. The Committee is pleased to report that key areas of work have progressed, including work to deliver a new log and learn approach to incidents and a refinement of how Executive Board oversees and monitors learning. At its meeting in April 2024, the Committee will consider an internal audit on the current incident reporting process which will help to further refine and develop the new approach.
- 19 The Committee and the Executive recognises the importance of strengthening the NMC’s approach, in particular developing a strong learning culture in which there is strong awareness and understanding of incident reporting. The Committee looks forward to seeing continued progress at its next meeting.

Development of strategic risk approach

- 20 The Committee considered an update on the development of the NMC’s approach to risk management, including proposals to separate operational risks from strategic risks to form a new strategic register for 2024-2025 and to embed risk management within governance groups more clearly.
- 21 The Committee provided steer on the further development of these plans, including the importance of ensuring:
- 21.1 that Council continues to have oversight of significant risks. As such, if an operational risk has sufficiently high impact and/or probability then it should be escalated to the strategic risk register for consideration by Council.

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- 21.2 setting clear and considered risk appetites and tolerances, with clear roles and responsibilities for deciding and reviewing these.
- 21.3 ensuring the risk management system supports the different groups to effectively identify, manage and escalate risks, with particular importance on ensuring the effective flow and synergy between groups.
- 22 The Committee is supportive of the direction of travel and looks forward to receiving a further refinement of these plans in due course.

External Audit plans for the audit of accounts for the year ending 31 March 2024

- 23 The Committee considered and approved the plans by the external auditors, HW Fisher, for the audit of accounts for year ending 31 March 2024. Now that the HW Fisher external audit plan is available, the Committee will consider the NAO's external audit plan at its April meeting.

Audit arrangements for 2024-2025

- 24 The NMC's legislation requires the NMC to appoint statutory auditors. It also requires the Comptroller and Auditor General (generally referred to as the National Audit Office (NAO)) to express an opinion on its accounts. Up until now, the NAO has largely relied on the work of the NMC's statutory auditors in reaching its opinion, using ISA 600 to provide the regulatory framework to do so. However, from financial year 2024-2025, changes to ISA 600 mean that the NAO will no longer be able to rely on the work of another auditor when forming its opinion.
- 25 The Committee received a briefing on this issue, noting that the NAO, HW Fisher and the Executive are working through potential solutions. In due course, the Committee will consider a proposal, noting that the appointment of auditors is a matter reserved for Council.

Midwifery implications:

- 26 No midwifery implications arising directly from this report.

Public protection implications:

- 27 It is important that any lessons that need to be learnt from serious incidents are embedded effectively.

Resource implications:

- 28 No resource implications arising directly from this report.

Equality and diversity implications:	29	None.
Stakeholder engagement:	30	None.
Risk implications:	31	No risk implications arising directly from this report.
Legal implications:	32	None identified.

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Council

Appointments Board report

Action: For noting.

Issue: Report to the Council on the work of the Appointments Board.

Core regulatory function: Supporting functions.

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

Decision required: None.

Annexes: None.

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

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Chair of Appointments Board:
Jane Slatter

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- Context:**
- 1 Reports on the Appointments Board meeting on 21 February 2024.
 - 2 The Appointment Board's remit is to assist the Council in connection with the exercise of any function or process relating to the appointment, training and performance of Panel Members, Registration Appeal Panel Members and Legal Assessors.

- Four country factors:**
- 3 The Board is mindful that the NMC is a four country regulator and seeks to reflect this in its programme of work.
 - 4 The upcoming selection process for new Panel Members will be open to applicants from all four UK countries.

Discussion: Board membership

- 5 The Board's membership is made up entirely of non-Council (partner) members to ensure an appropriate separation of the Board's work from that of the Council.
- 6 This was the final meeting of two members of the Board whose terms of office finished on 29 February 2024, Angie Loveless and Clare Salters. The Chair of Council has written to both members on behalf of the Council to thank them for their contributions.
- 7 Yasmin Ullah observed her second meeting of the Board before taking up her formal appointment as a member of the Appointments Board from 1 March 2024.
- 8 Two further members of the Board, including the Chair, have final terms ending later this year.
- 9 An open and competitive selection process is in progress to select a new Chair and two new members of the Board.

Integration with the wider work of Council

- 10 The Board remains committed to ensuring that its work is aligned with the Council's strategic aims, including the corporate priority to protect the public by reaching the right decisions in fitness to practise as swiftly and safely as possible and to achieve a sustainable caseload in fitness to practise.

- 11 The Board continues to receive updates on organisational developments, including the NMC’s response to whistleblowing concerns raised in the *Independent online* and the investigations being carried out by Ijeoma Omambala KC and the independent culture review being carried out by Nazir Afzal OBE and Rise Associates. The Board has had sight of the terms of reference for the reviews and remains mindful that there may be recommendations arising from the reviews which will be relevant to the Board’s remit.

Plan for delivering high quality panels

- 12 The Board approved a new three year plan for delivering high quality Panel Members, noting that the plan is a live document which will be reviewed following the investigations and culture review referred to at paragraph 11. The plan will also be reviewed pending any changes to our ongoing relationships with Panel Members and Legal Assessors. The Board will monitor progress against the plan.

- 13 The plan aims to ensure that Panel Members and Legal Assessors have the right skills; are empathetic to everyone involved in hearings; embody the NMC’s values; are efficient, engaged and technically proficient; reflect the diversity of the communities we serve; and are fit for the future. It focuses on six interlinked strands of work:

13.1 Equality, diversity and inclusion

13.2 Selection and appointment

13.3 Training

13.4 Communications and Engagement

13.5 Performance monitoring

13.6 Regulatory reform

Panel Member appointments 2024

- 14 The Board considered the lessons learned following the recent open and competitive selection process for a new cohort of Panel Members and Legal Assessors, who were appointed by the Council in November 2023 and January 2024.

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- 15 The learning identified has been incorporated in a new policy and process approved by the Board, which will govern future campaigns for the appointment of Panel Members and Panel Chairs.
- 16 The Board approved a selection process to take place later in 2024 to appoint a minimum of 140 additional Panel Members including Panel Chairs, following the end of terms of 90 current Panel Members and to address increased requirements for hearing capacity.
- 17 The policy refers to the NMC’s commitment to continue to increase the diversity of the Practice Committee pool so that the membership reflects the professions we regulate and the wider UK population.
- 18 The Board highlighted the importance of ensuring that external partners appointed to support the campaign are made aware of what is expected in relation to increasing diversity.
- 19 The timelines for the next process will be reviewed, but the aim is to recommend appointments to the Council in early 2025.

Panel Member transfers

- 20 The Board agreed recommendations to the Council for the transfer of Panel Members from the Fitness to Practise Committee to the Investigating Committee. The recommendations are the subject of a separate paper on the Council’s agenda.

Policy review and new social media policy

- 21 The Board noted that a light touch review to update policies sitting under the Panel Member and Legal Assessor Services Agreements had been undertaken, pending wider changes to our ongoing relationships with Panel Members and Legal Assessors.
- 22 The Board approved minor amendments to the Travel and Accommodation policy and the performance monitoring frameworks for Panel Members and Legal Assessors, as well as approving a new Social Media policy for use by prospective and current Panel Members.

- 23 As part of the upcoming appointments process, candidates will be made aware of the Social Media policy as part of the candidate materials. The guidance will also provide a contact for any queries or support for prospective and existing Panel Members.

Review of Panel Member fee

- 24 The Board agreed the following fee increases for Panel Members and Panel Chairs from 1 April 2024. The increases were informed by a benchmarking exercise against comparator organisations and will bring the NMC into line with other regulators. There has been no fee increase since 2011.

24.1 Panel Chair fee to increase from £340 to £367

24.2 Panel Member fee to increase from £310 to £320.

Panel Member register of interests

- 25 The Board noted an update on the implementation of a revised approach to the Panel Member register of interests, including improvements made, such as providing clarity on the range of interests Panel Members are required to declare and expansion of the frequently asked questions document to support Panel Members in completing declarations.

- 26 Panel Member declarations are available on the NMC's website.

Midwifery implications

- 27 The Panel Member pool includes registered midwives. The Board is mindful of the need to maintain sufficient numbers of midwife Panel Members to allow cases to be heard in a timely manner.

Public protection implications:

- 28 Implementation of the three year plan for delivering high quality Panel Members aims to ensure that Panel Members make high quality decisions that protect the public and maintain public confidence in the NMC.

Resource implications:

- 29 Panel Members are required to make decisions that protect the public. The Board must ensure that we have sufficient Panel Chairs and Members to undertake planned hearings activity.

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30 The revised fee will increase the cost of a panel per day from £960 to £1,007. This has been factored into the Professional Regulation budget.

Equality and diversity implications:

31 The plan for delivering high quality Panel Members includes the following objectives in relation to equality, diversity and inclusion:

31.1 Continuing to increase the diversity of the Practice Committee pool so that the membership reflects the professions we regulate and the wider UK population. This is the registrant population for registrant Panel Members and the UK population for lay members.

31.2 Continuing to ensure that Panel Members are equipped with the required knowledge and training to ensure fair and consistent decisions and that equality, diversity and inclusion matters are understood and well managed/supported.

Stakeholder engagement:

32 None arising directly from this paper.

Risk implications:

33 If we do not have high quality panels, there is a risk that panels will not make decisions which protect the public and maintain public confidence in the effective regulation of the NMC. The Board has approved a plan for delivering high quality panels which mitigates this risk.

Regulatory reform

34 The Board continues to be sighted on developments in relation to Regulatory Reform, having last received an update in October 2023. Regulatory Reform is one of the six interlinked strands of work set out in the plan for delivering high quality panels referred to at paragraphs 12 and 13.

Legal implications:

35 None.

Council

Investment Committee Report

Action: For noting.

Issue: Reports on the work of the Investment Committee.

Core regulatory function: Supporting functions

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

Decision required: None.

Annexes: None.

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

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Chair: Derek Pretty

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Context: 1 Reports on the last meeting of the Investment Committee held on 29 January 2024.

Four country factors: 2 Not applicable for this paper.

Discussion: Performance of the Investment Portfolio

- 3 The Committee reviewed and discussed the performance of the Investment Portfolio with our Investment Managers, Sarasin. The long-term objective for the fund is a return of UK Consumer Price Index (CPI) plus 3 percent per annum over rolling five-year periods.
- 4 It has been a challenging few years for investing in the stock market, with high levels of inflation and considerable geopolitical instability; all of which has contributed to a volatile market and making it challenging to achieve a target of CPI+3 percent. While the Committee is pleased that performance has improved over the last quarter (with a return of 6.4 percent against a CPI+3 percent target of 1.1 percent and composite benchmark return of 6.1 percent), the fund’s performance is still disappointing: in the last calendar year it had a return of 7.9 percent which was ahead of our CPI+3 target (7.1 percent) but behind the composite benchmark of 11.7 percent.
- 5 Given the fund’s underperformance, a group of Committee members met with Sarasin to further explore the performance issues on 20 November 2023. At this meeting, the group discussed some of Sarasin’s processes for identifying and acting on poorly performing stocks and how they ensure their thematic approach is sufficiently agile and responsive to changes in the market. At the meeting on 29 January 2024, the Investment Managers provided updates on these areas and will continue to do so to support the Committee’s monitoring of performance.
- 6 Given recent performance, following the meeting, the Committee requested that Sarasin consider a reduction in its management fee. In response, Sarasin offered a reduction which has been accepted by the Committee.
- 7 Whilst the current underperformance is concerning, the Committee agrees that holding a long-term fund with Sarasin remains a prudent and appropriate decision. Investing such funds carefully and prudently will help the NMC to achieve its financial strategy. The fund had been established with a clear understanding that periods of volatility were to be expected and that investments needed to be made over the long-term in order to realise the targeted return. The Committee will continue to carefully monitor and scrutinise the fund’s performance and the work of the fund managers, particularly around

stock selection and the ability of their thematic approach to respond to economic shifts.

Renewables session

- 8 Two Committee members, Sue Whelan Tracy and Claire Johnston, attended a very useful session with the Investment Managers on renewables, which had given them confidence in Sarasin's expertise in this area. The slides and a short note from the session are available to Council on Board Intelligence.

Money market fund

- 9 In line with the Committee's report to Council in November 2023, £7 million of cash deposits have been transferred into a money market fund. Money market funds are funds that invests in very low risk investments (i.e. short-dated government bonds) and deposits to obtain a return currently in line with what the NMC gets from cash deposits at the moment; similarly they also allow rapid access to the funds without penalty. The transfer will reduce counter-party risk compared to holding all our short-term investments as cash in banks or building societies.

Infant formula milk

- 10 In recognition of the controversial nature of infant formula milk and its marketing, particularly in low-income countries, the NMC's investment policy excludes all companies that derive significant (more than 5 percent) income from the sale of infant formula milk.
- 11 To date this has been applied by excluding a list of significant producers of infant formula identified in a United Nations report. In its November 2023 report to Council, the Committee reported that our Investment Managers had raised the possibility of using more specific screening that is based on an assessment of poor marketing practices. Further due diligence has since been undertaken and the outcome considered by the Committee at its meeting in January 2024. Given there are strong arguments that the infant formula industry as a whole continues to market the product inappropriately, the Committee agreed that the NMC should continue with its wider exclusion of identified infant formula manufacturers and use the MSCI screening to add additional companies. This is in line with the NMC's current Investment Policy.

Independent review of the NMC's investment policy and approach

- 12 As reported to Council in November, an independent review of our investment policy and management is being planned for later in the year. The Committee reflected on how the NMC could get maximum benefit from this review and will consider a plan for this work at its meeting in April.

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Risk register

	13	The Committee discussed the portion of the corporate risk register relating to the investment risk. It agreed that residual risk of not reaching the targeted total net return of CPI plus 3 percent should remain at amber.
Midwifery implications:	14	No direct implications, although the NMC’s exclusion on investing in certain companies involved in infant milk formula reflects concerns regarding the misuse of such products, particularly in low-income countries.
Public protection implications:	15	None.
Resource implications:	16	No resource implications arising directly from this report. Our long-term investment policy has a target overall rate of return on invested funds of CPI plus 3 percent per annum over rolling five-year periods, net of investment management fees. Moving £7 million of cash deposits into the money market fund has had no bearing on our ability to access the funds, as such funds have similar access conditions as banks and building societies.
Equality diversity and inclusion implications:	17	The Committee receives a regular report on how the Investment Managers are ensuring environmental, social and governance issues – including diversity – are a core part of their investment approach.
Stakeholder engagement:	18	Not applicable for this paper.
Risk implications:	19	The Committee will continue to discuss and monitor the risks associated with investment as discussed above.
Regulatory reform:	20	No issues directly related to regulatory reform.
Legal implications:	21	None.

Council

Accommodation Committee Report

Action: For noting.

Issue: Reports on the work of the Investment Committee.

Core regulatory function: Supporting functions

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

Decision required: None.

Annexes: None.

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

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Chair: Derek Pretty

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Context: 1 Reports on the last meeting of the Accommodation Committee held on 12 February 2024.

Four country factors: 2 Not applicable for this paper.

Discussion: 3 In November 2023, Council took the decision to pause the 23 Portland Place Refurbishment Project (NMC/23/64c). This will support the NMC to swiftly and safely reduce the caseload in two ways: firstly, by releasing additional financial resources and secondly, by avoiding the operational disruption caused by a major refurbishment.

4 At its meeting on the 12 February 2024, the Committee was updated on the work to pause the refurbishment project. This was progressing well, with colleagues from across the NMC working together to ensure arrangements with suppliers were managed appropriately and in compliance with public sector procurement regulations.

5 Although the refurbishment has been paused, the rationale for undertaking the work remains valid, in particular the need to refurbish key plant works and services, modernise the office space and ensure the building continues to meet building standards. To address these needs, the Committee agreed that the Executive should undertake the following:

5.1 During 2024-2025, the Executive will implement key improvement works to support colleagues to work effectively and ensure building standards are maintained. This will include a light touch refurbishment of the second floor and reception at 23PP, and undertaking any essential works.

5.2 As part of the wider estate’s strategy, the Executive will develop options for the long-term use of 23PP for consideration by the Committee towards the end of financial year 2024-2025, ahead of Council consideration. This will be a holistic strategy that covers all of the NMC’s accommodation. The discussion will take place towards the end of 2024-2025 to allow key decisions on the NMC’s wider financial position and priorities to take place first.

6 The Committee also received updates regarding a lease extension for 2 Stratford Place and a rent review at One Westfield Avenue. The Committee was pleased to note that these were progressing well.

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Midwifery implications:	7	No direct implications.
Public protection implications:	8	None.
Resource implications:	9	The release of funds from the decision to pause the 23PP refurbishment project are being invested to support the prioritisation of the FtP caseload, with an allowance to upgrade to the office environment of the second floor and public waiting area on the ground floor at 23PP. Project works completed to date have been accounted for from existing budgets.
Equality diversity and inclusion implications:	10	The Committee will continue to discuss and monitor EDI implications of our estate's strategy.
Stakeholder engagement:	11	Not applicable for this paper.
Risk implications:	12	The Committee will continue to discuss and monitor the risks associated with our estate's strategy as discussed above.
Regulatory reform:	13	No issues directly related to regulatory reform.
Legal implications:	14	The Committee considered the contractual implications of pausing the 23PP Refurbishment project as well as the NMC's obligations to ensure compliance of our main plant, mechanical and electrical systems and fabric infrastructure at 23PP.