

## Meeting of the Council

To be held from 09:30am on Wednesday 25 January 2017  
in the Council Chamber at 23 Portland Place, London W1B 1PZ

### Agenda

Dame Janet Finch  
Chair

Fionnuala Gill  
Secretary

- |          |  |           |                        |
|----------|--|-----------|------------------------|
| <b>1</b> | <b>Welcome and Chair's opening remarks</b>                 | NMC/17/01 | 09:30                  |
| <b>2</b> | <b>Apologies for absence</b>                               | NMC/17/02 |                        |
| <b>3</b> | <b>Declarations of interest</b>                            | NMC/17/03 |                        |
| <b>4</b> | <b>Nursing associates</b><br>Chief Executive and Registrar | NMC/17/04 | 9:35                   |
| <b>5</b> | <b>Questions from observers</b><br>Chair of the Council    | NMC/17/05 | 11:00<br><b>(Oral)</b> |

### Adjournment/Lunch 11:15-13:30

#### Welcome Chair

- |          |  |           |       |
|----------|--|-----------|-------|
| <b>6</b> | <b>Minutes of the previous meeting</b><br>Chair of the Council   | NMC/17/06 | 13:30 |
| <b>7</b> | <b>Summary of actions</b><br>Secretary                           | NMC/17/07 |       |
| <b>8</b> | <b>Chief Executive's report</b><br>Chief Executive and Registrar | NMC/17/08 | 13:40 |

## Matters for decision

- |           |  |           |       |
|-----------|--|-----------|-------|
| <b>9</b>  | <b>Midwifery Committee Report</b><br>Chair of Midwifery Committee  | NMC/17/09 | 13:50 |
| <b>10</b> | <b>Future advice on Midwifery</b><br>Chief Executive and Registrar | NMC/17/10 | 14:05 |
| <b>11</b> | <b>Review of Financial Regulations</b><br>Director of Resources    | NMC/17/11 | 14:35 |

## Matters for discussion

- |           |   |           |                        |
|-----------|---|-----------|------------------------|
| <b>12</b> | <b>PSA performance review report 2015-2016</b><br>Chief Executive and Registrar | NMC/17/12 | 14:50                  |
| <b>13</b> | <b>Performance and Risk Report</b><br>Director of Resources                     | NMC/17/13 | 15:05                  |
| <b>14</b> | <b>Financial monitoring report</b><br>Director of Resources                     | NMC/17/14 | 15:20                  |
| <b>15</b> | <b>Questions from observers</b><br>Chair of the Council                         | NMC/17/15 | 15:30<br><b>(Oral)</b> |

## Matters for information

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

- |           |  |           |              |
|-----------|--|-----------|--------------|
| <b>16</b> | <b>Chair's action taken since the last meeting</b><br>Chair of the Council | NMC/17/16 |              |
|           | <b>Close</b>   |           | <b>15:45</b> |

## Council

### Nursing associates

- Action:** For decision
- Issue:** Regulation of the new nursing associate role.
- Core regulatory function:** All regulatory functions
- Strategic priority:** Strategic priority 1: Effective regulation
- Decision required:** The Council is asked to decide whether the NMC should be the regulator for nursing associates.
- Annexes:** The following annexe is attached to this paper:
- Annexe 1: Risk analysis
- Further information:** If you require clarification about any point in the paper or would like further information please contact the author or the director named below.

Author: Jackie Smith  
Chief Executive and Registrar  
Phone: 020 7681 5871  
[Jackie.Smith@nmc-uk.org](mailto:Jackie.Smith@nmc-uk.org)

**Context:**

1. In May 2016, following public consultation, Ministers in England gave the go-ahead for creation of a new nursing associate role. On 30 November 2016, the Secretary of State for Health wrote to the NMC to ask if we would consider becoming the regulator for this role. Throughout the preparation for the creation of the role the NMC, as agreed by the Council, has provided expert input to support development of the scope of practice and standards, whilst maintaining a position of neutrality on policy and the need for the role.
2. As Ministers have already decided that public protection demands the role should be regulated, the question for the Council to debate and answer is whether the NMC should be the regulator.

**Discussion: NMC position to date**

3. Proposals for a new nursing associate role were first announced in December 2015. Given the links to registered nursing, Ministers have been keen to keep the NMC fully and closely in touch with developments as proposals progressed.
4. In all such discussions, the Council has maintained a position of neutrality on the policy issues and need for the role, which are for others to determine. The Council has also been mindful throughout that it is a four country regulator and of the importance of the perspectives of all four countries, given that this initiative is designed specifically to address workforce issues in England. It has noted that workforce structures vary in the four countries.
5. Health Education England (HEE) has set up pilot nursing associate training programmes. The first 1000 trainees are beginning programmes this month with a further cohort of 1,000 students following in March 2017. Both HEE and the Department of Health understand that it will be for the regulator to set the education standards and that the content of the pilot programmes is not binding.

**Implications of regulation**

6. The Council's primary responsibility is to patient safety and public protection: these must be the key considerations guiding any decision the Council makes. Given the government's assessment that public protection requires regulation, the key question for the Council is whether, in principle, it is willing and able to take on this role. It is not for the Council to debate whether regulation is needed, as Ministers have made the decision in favour of regulation. Neither is it for the Council to debate how the role should be deployed across countries or settings. That is for each administration and employers to decide.
7. Both the initial public consultation and subsequent engagement to develop the scope of practice indicated overwhelming support in England for the NMC to regulate the new role.

8. The Council has recognised throughout that there is a divergence of views around the need for the new role across the four countries. The role of the NMC would be to set the standards for an individual to qualify as a nursing associate, and thus have her or his name appear on an NMC register. In principle, that individual could practice anywhere in the UK where the qualification is recognised as a requirement for specific posts. It would remain entirely a matter for each of the four countries to determine whether they wish to use this qualification for posts within their respective health services.

### **How would regulation work?**

9. In reaching a decision, the Council will wish to be clear about any conditions which would need to be met, including those within the control of others, for it to be willing to regulate the role. The Council will also want to be clear about any requirements which it would set in regulating the role.
10. It is suggested that the Council would expect the following conditions to be met for it to regulate the role.
  - 10.1. **Legislative change.** This is fundamental: it is not possible to regulate this role without change to our legislation to create a new part of the register for the nursing associate. Our understanding is that Government is committed to implementing the necessary legislative changes by means of a further section 60 Order and expects to have this in place within two years. Until that is done, no one could qualify as a nursing associate regulated by the NMC.
  - 10.2. **Use of the nursing associate role in the four countries of the UK.** Whilst qualified nursing associates would be eligible to practise across the UK, it would remain a matter for each of the countries separately whether to make such roles available within the workforce.
  - 10.3. **Funding for development phase:** the costs of introducing regulation for the new role would need to be fully met. The Council has been clear that existing registrants' fees must not be used to fund regulation of the new role which would be *ultra vires*. Initial scoping work earlier this year indicated that the costs of setting up and implementing regulation are likely to be in the region of £4m. These start up and initial running costs would need to be met by Government, until the role became fully funded through fees. This expectation, along with the indicative costs, is understood by the Department of Health.
  - 10.4. **Authority as regulator:** Given our responsibility for public protection, the NMC would need to have full authority over

all aspects of the education and training of nursing associates. This includes: determining the education standards and practical competences which the role requires; approving programmes; determining entry qualifications; the type of educational experience required; and the forms of assessment.

- 10.5. **Timescale for delivery:** Recognising that this role is being developed to assist with urgent workforce needs in England, every effort would be made to implement regulation as quickly as possible. However ultimately, the NMC will not compromise on standards work, which could then represent a risk to public protection. Therefore, there must be agreement that the NMC must be the final arbiter of the timescale on which prospective nursing associates can begin programmes and enter the register.
- 10.6. **Pilot projects established by Health Education England:** These projects have been established before a decision about regulation, and therefore ahead of the work which the NMC would do as regulator to determine educational requirements. The NMC will work as flexibly as possible with HEE and others involved in the pilot projects, but ultimately students from these projects who wish to qualify as nursing associates will have to meet NMC requirements.
11. The Council will also wish to be clear about the requirements which it would apply in regulating the new role. It is suggested that these should include the following:
- 11.1. **Fees for nursing associates:** The regulatory system which NMC operates is funded solely from fees paid by each individual registrant. The NMC would expect to provide the full range of functions associated with the role, including registration, revalidation and fitness to practise. The NMC would therefore charge fees for each nursing associate to be on the Register, and set those fees to take appropriate account of costs. The current annual fee for registered nurses and midwives is £120.
- 11.2. **Career progression:** The NMC would develop the standards and educational requirements for the nursing associate role in ways which are both distinctive from, and compatible with, those for a registered nurse. Thus ensuring that the role can be a stepping-stone to the registered nurse qualification, for those who wish to progress further and are able to do so.
- 11.3. **The apprenticeship delivery route:** It is understood that, in England, the intention is to use the apprenticeship delivery route for the first cohorts of nursing associates. The NMC

would not expect to tie the qualification exclusively to this route, but would enable it to be delivered through other full-time or part-time routes should providers wish to propose that in the future. In relation to the apprenticeship route specifically, the NMC will be mindful of the need to provide education and training which will equip the qualified nursing associate to work in a variety of different settings, and therefore would not normally expect training to be tied too narrowly to one specific employer.

- 11.4. **Use of title whilst in education and training:** It is essential that there is no ambiguity about the role, and its scope, that an individual is occupying at any point in time. This is a key issue for public protection. Just as students training to be a registered nurse are not permitted to use that title until they are qualified, the NMC would not permit the use of the nursing associate title until education is complete and the individual has gone onto the nursing associate register.

### **Benefits and risks**

12. Subject to the conditions and requirements set out above being fulfilled, the key benefits for public protection of the NMC becoming the regulator for the role include:
- 12.1. Clarity for patients and the public about the standards of care they can expect from the respective roles, through alignment of education and practice standards for nursing associates with those for graduate nurses.
  - 12.2. Certainty about how to raise concerns when care falls below those standards whether delivered by a registered nurse or nursing associate or both within a team.
  - 12.3. A single, easily recognisable source of authoritative information on the regulatory status of a registered nurse or nursing associate.
  - 12.4. Public and professional confidence in the new role, given the strong support for NMC regulation.
13. The key risk is to the NMC. The Council will wish to be satisfied that taking on regulation will not impact on achieving the ambition set out in our Strategy 2015-2020 to become a dynamic, intelligent regulator and to delivery of our corporate plan commitments including our transformation programme. However, provided there is full funding, the Executive is confident that this can be achieved without compromising delivery of existing priorities.
14. Further discussion of potential risks to public protection and to the NMC is at **Annexe 1**.

## Summary conclusions

15. The introduction of a new regulated role is a major step: the Council will wish to be satisfied that it has considered all the potential implications and risks thoroughly before reaching a view on regulation of the new role, including the consequences and risks to public protection of not doing so.
16. The challenges involved are not underestimated: it is expected to take up to two years for legislative change and to put necessary standards, policies and systems in place. The NMC already has ambitious programmes which would need to be delivered alongside this.
17. In reaching a decision, the Council should have regard to its overarching objective to protect the public. The Council may also wish to be clear about any requirements it may wish to attach, should it agree to regulate, as outlined above.

### Public protection implications:

18. Ministers' decision is that the role needs to be regulated. There is likely to be a risk to public protection if regulation of the nursing associate role and graduate nurses is undertaken by different bodies and not appropriately aligned.

### Resource implications:

19. Based on initial scoping work, costs are expected to be in the region of £4 million. More detailed work will need to be undertaken once the way forward is clear. However start up and initial implementation costs would need to be met by Government until the new register became self-funding.

### Equality and diversity implications:

20. None arising from this paper. Equality and diversity implications would need to be assessed throughout the development of the regulatory requirements.

### Stakeholder engagement:

21. There has been ongoing engagement with all key stakeholders across the four countries.

### Risk implications:

22. The key risks are discussed at paragraphs 12 and 13 above and **Annexe 1**.

### Legal implications:

23. None at this stage; as indicated, legislation is a prerequisite to the NMC taking on the role.

## Potential risks to public protection and to the NMC of declining and agreeing to regulate the role

<b>Declining to regulate the nursing associate role</b>	
<b>Risks to public protection</b>	<p><b><i>Government might ask or require another regulator to take on this responsibility</i></b></p> <ul style="list-style-type: none"><li>• Securing alignment of the standards and requirements for the role with those for graduate nurses is likely to be challenging should regulation be undertaken by a body other than the NMC. Such alignment can only be guaranteed if the NMC is the regulator.</li><li>• There is scope for confusion for patients and service users about the respective roles of graduate nurses and nursing associates and about how to raise concerns when there are failures of care, if standards and regulatory actions are the responsibility of separate bodies.</li><li>• Given the strength of support for regulation by the NMC, confidence in the nursing associate role could be undermined if there were a different regulator</li></ul>
	<p><b><i>Government might decide to proceed initially on an unregulated basis</i></b></p> <ul style="list-style-type: none"><li>• Given that Ministers' view is that public protection requires the role to be regulated, this seems unlikely since an unregulated role could put patient safety at risk.</li><li>• Professional support for the role in England could be undermined since this is strongly linked to the role being regulated by the NMC.</li></ul>

<b>Declining to regulate the nursing associate role</b>	
<b>Risks to the NMC</b>	<p><b><i>Impact on the regulation of registered nurses</i></b></p> <ul style="list-style-type: none"> <li>• It would be much more difficult to achieve consistency in specifying standards for the nursing associate role which align smoothly with those for the registered nurse.</li> <li>• Ministers have been clear that the new role should provide an additional career progression route to graduate nursing. In its previous confidential discussion, Council considered it crucial to ensure that the role sits within a career pathway which makes such progression a reality.</li> <li>• The NMC's current work being led by Dame Jill Macleod Clark on competencies for future registered nurses, which is fully supported by all four countries, means that we are well placed to ensure that the standards for graduate nurses set the benchmark at the right level and that the new role is positioned appropriately.</li> </ul>
	<p><b><i>Impact on NMC's reputation as a regulator</i></b></p> <ul style="list-style-type: none"> <li>• Given that there is strong support from the nursing profession for the NMC to act as the regulator, and that this is also the position of key stakeholders, confidence in the NMC could be damaged significantly.</li> </ul>

<b>Agreeing to regulate the nursing associate role</b>	
<b>Risks to public protection</b>	<p><b><i>Differential use in the four countries of the UK creates lack of clarity</i></b></p> <ul style="list-style-type: none"> <li>At present, it would seem that only England intends to make use of the nursing associate role, so there will be a different structure in different parts of the UK. However, differences already exist in the devolved administrations delivery of healthcare. The NMC will need to work closely with the devolved administrations to ensure that the role is understood and respected, even it is not used.</li> </ul>
	<p><b><i>Potential confusion between the roles of nursing associate and registered nurse</i></b></p> <ul style="list-style-type: none"> <li>Given that the tasks undertaken by the two roles will have significant overlaps, there is potential for confusion if both are under the same regulator. The NMC would have a responsibility to mitigate that, by ensuring that there is clarity between the two roles, including clear structures for delegation and supervision, in the way that it specifies the role. As indicated, the risk is potentially greater, and mitigation more challenging, if registered nurses and associate nurses are regulated by different bodies.</li> </ul>

<b>Agreeing to regulate the nursing associate role</b>	
<b>Risks to the NMC</b>	<p><b><i>The volume of work required to develop the role draws resources from other major programmes</i></b></p> <ul style="list-style-type: none"> <li>• This could represent a serious risk to other responsibilities. To avert it, the NMC needs to ensure that the development phase is fully funded from external sources, and that the project is tightly governed and stays within the allocated funding.</li> </ul> <p><b><i>The focus and effort required to deliver the nursing associate regulation detracts from other important programmes to which the NMC is committed</i></b></p> <ul style="list-style-type: none"> <li>• The Council currently has a range of other ambitious plans, including the revision of education standards for existing programmes, the associated quality assurance and a major transformation programme affecting the whole organisation.</li> <li>• This additional new project clearly has the capacity to derail or slow progress in some of these. The full funding of the development stage is a major step to averting that. In addition, the Council will need to be assured that close oversight and monitoring of the progress of the nursing associate project is in place, so that any risk of affecting other projects is identified rapidly and adjustments made.</li> </ul>

Item 6  
NMC/17/06  
25 January 2017

Meeting of the Council  
Held in the Council Chamber at 23 Portland Place, London W1B 1PZ on 30 November  
2016

## Minutes

### Present

#### Members:

Dame Janet Finch	Chair
Karen Cox	Member
Maura Devlin	Member
Maureen Morgan	Member
Robert Parry	Member
Derek Pretty	Member
Quinton Quayle	Member
Amerdeep Somal	Member
Stephen Thornton	Member
Lorna Tinsley	Member
Ruth Walker	Member

#### In attendance:

Marta Phillips	Independent Chair of Audit Committee
----------------	--------------------------------------

#### NMC Officers:

Jackie Smith	Chief Executive and Registrar
Alison Sansome	Chief Operating Officer
Adam Broome	Director of Resources
Emma Broadbent	Director of Registration and Revalidation
Judith Toland	Director of Transformation
Geraldine Walters	Director of Education, Standards and Policy
Clare Padley	Deputy Director of Education, Standards and Policy
Matthew McClelland	Deputy Director of Fitness to Practise
Fionnuala Gill	Secretary to the Council
Pernilla White	Governance and Committee Manager

## Minutes

### **NMC/16/79 Welcome and Chair's opening remarks**

1. The Chair welcomed all attendees to the meeting, including observers and staff members present.
2. The Chair welcomed Marta Phillips, the independent Chair of the Audit Committee and Matthew McClelland, standing in for Sarah Page, Director of Fitness to Practise.
3. The Chair announced that this would be the last meeting for Quinton Quayle and Amerdeep Somal. The Chair noted that both had been appointed in 2013 when the Council was completely revised and thanked them for the valuable contribution both had made to the significantly improved position of the NMC. Work has commenced on the recruitment of two new lay members to fill the vacancies.
4. The Chair also noted that Alison Sansome, Chief Operating Officer would be leaving the NMC at the end of the year. The Chair thanked Ali Sansome for her contribution both as Director of Registration and Chief Operating Officer.
5. The Chair welcomed the Privy Council's reappointment of two registrant members, Lorna Tinsley and Maura Devlin, to serve a further three years from May 2017.

### **NMC/16/80 Apologies for absence**

1. Apologies were received from Anne Wright and Sarah Page, Director of Fitness to Practise.
2. Given Anne Wright's role and critical input as Chair of the Midwifery Committee, it had been decided to defer Item 9 (NMC/16/87: Midwifery Committee Report) and Item 10 (NMC/16/88: Future advice to Council on Midwifery) to the Council's open meeting on 25 January 2017.

### **NMC/16/81 Declarations of interest**

1. NMC/16/85: Education and LSA QA Annual Report 2015-2016; and NMC/16/86: Education programme: progress update. Karen Cox, Maureen Morgan and Lorna Tinsley declared an interest arising from their roles in education. This was not considered prejudicial.
2. NMC/16/89: Council allowances. All members declared an interest. This was not considered prejudicial as the Order gives the Council power to determine its' own allowances and conflicts have been

addressed by the use of an Independent Panel.

3. NMC/16/90: Council member role and competencies. All members declared an interest. This was not considered prejudicial as appointments are made by the Privy Council, following scrutiny by the Professional Standards Authority.

**NMC/16/82 Minutes of the previous meetings**

1. The minutes were agreed as an accurate record.

**NMC/16/83 Summary of actions**

1. The Council noted progress on implementing actions from previous meetings.
2. Arising from NMC/16/74, Equality and Diversity Annual Report 2015-2016: the information requested relating to case examiners would be provided to the Council in the confidential session due to the small number of individuals involved, who could potentially be identified.
3. Arising from NMC/16/75, Chief Operating Officer's report: IT issues had affected the Registration and Revalidation directorate's ability to report on call abandonment, as highlighted in the Registration and Revalidation performance report (Item 14, Annexe 1c).
4. The Council noted that all matters in relation to NMC/16/53; NMC16/55 and NMC/16/61 would be dealt with at this meeting or at the Council Awayday on 8 December 2016.

**NMC/16/84 Chief Executive's report**

1. The Council considered a report from the Chief Executive and Registrar on key external developments, strategic engagement, and media activity since the previous Council meeting. In discussion, the following points were noted:
  - a) A number of Government announcements in relation to nursing associates and nursing apprenticeships had been made overnight. The Secretary of State for Health was expected to write shortly asking the NMC to be the regulator for the new nursing associate role. As Government had decided that the role should be regulated, the question for the Council in January would be whether the NMC was willing to be the regulator.
  - b) The Secretary of State for Health had also announced a new nursing degree apprenticeship, opening up a new route into nursing. Those following the new apprenticeship pathway will

be trained to the NMC's pre-registration standards, ensuring all nurses joining the NMC's register are equipped with the right skills, knowledge and experience to deliver safe and effective care. Training programmes for the nurse degree apprenticeship would need to be delivered by NMC approved education providers. It was important to distinguish between the route (which could vary) and the qualification required to become a registered nurse (which was the same whatever the study route), and to note that apprentices could only become a nurse when they qualified.

- c) Although this announcement related to England, work was ongoing with the devolved administrations to understand apprenticeship arrangements in Scotland, Wales and Northern Ireland.
- d) The question of nursing associate apprenticeships would need to be considered when the Council addressed the question of whether the NMC would be the regulator for the nursing associate role.
- e) The section 60 legislative changes were on track. The Government was expected to publish its response to the consultation in December.
- f) The Professional Standards Authority's report on the NMC's performance review 2015-2016 is due for publication on 5 December 2016 and is expected to be positive.
- g) September 2016 saw the largest number of nurses and midwives, 51,000, go through revalidation. Despite some IT issues during that time, this all went well.

2. The Council welcomed the following announcements made by the Chief Executive and Registrar:

- a) An independent lessons learned review is being commissioned into the fitness to practise cases arising from Morecambe Bay, but cannot begin until all those cases are concluded, expected to be mid-2017. The purpose of the review would be to identify learning from handling of the Morecambe Bay cases to identify where the NMC could do things differently should a similar situation arise now.
- b) Dr Bill Kirkup CBE had agreed to join the NMC's Midwifery Panel.
- c) Professor Mary Renfrew FRSE has been appointed to lead on the development of new standards of competence for the

future graduate registered midwife.

3. Clarification was sought on the role of the Professional Strategic Advisory Group in advising the Executive and Council. The Group's role was to advise the Executive and its views in turn helped inform the Executive advice to the Council. The frank exchange of views afforded by the Group helped ensure greater understanding of the NMC's work amongst professional leaders, as well as informing the NMC's own work. For example, it had provided valuable advice on revalidation; the Code; and the employer link service. The Group's effectiveness was in part due to the fluidity of membership, with different configurations depending on issues and topics for discussion
4. The Council had decided previously that members would not participate in advisory Groups set up to assist the Executive. The Council's approach was to have those Committees required by good governance, such as Audit and Remuneration, and not establish standing Committees for the sake of it, preferring short term groups to address specific issues, as necessary.

**NMC/16/85      Education and LSA QA Annual Report 2015-2016**

1. The Council considered the draft annual report on the quality assurance of education and local supervising authorities 2015-2016. The Council commended staff involved on the readability and quality of the report, which was much improved from recent years.

***Education quality assurance***

2. In discussion, the following points were noted:
  - a) During 2015-2016, the University of Portsmouth and University of Highlands and Islands secured approval for the first time. The Council congratulated both Universities on achieving approved status.
  - b) The report highlighted the different routes to pre-registration nursing education either already in place or emerging. For example the dedicated part-time route for healthcare assistants; the work-based learning model and the non-commissioned model. These are different pathways for reaching the same competencies and outcomes in the end, namely to become a graduate registered nurse. It was noted that there has been an increase in requests for approval of this type of route, and it was expected that this would continue.
  - c) The risks section indicated continuing issues in relation to practice learning and support for learning. Given expanding

routes and providers, it was important to be clear how these would be addressed. The work to develop the new standards and quality assurance framework would tackle these issues.

- d) The current approach could be viewed as 'light touch', given the number of programmes and providers, raising questions about the level of assurance that could be derived by the Council. During 2015-2016, a small proportion of institutions were visited and programmes monitored. The growth of different routes; the new nursing degree apprenticeship; and expansion in providers would have further impact on the already limited resources. Given the resources available both in terms of people and finance, this raised issues which would need to be addressed in the new quality assurance arrangements, including charging of education providers.
- e) The current approach might be considered 'old-fashioned'. Work on development of the new framework and QA would look afresh at what was required and seek to move away from input and processes and focus on outcomes. There would also be a need to bind in employers and those providing practice placements to ensure competency and consistency. Employers' views on newly qualified registrants would be an important source of information.
- f) In relation to the whistleblowing allegations highlighted in the report, all such allegations are recorded and followed up by the Education team. If necessary targeted or extraordinary reviews are undertaken.
- g) Initiatives in joint training with other professionals was noted. There were three approved programmes providing for joint qualifications with social workers, with one currently running in Salford.
- h) There was a need to be mindful of the potential issues arising from the ageing workforce in academia.
- i) It was important not to lose sight of the good and notable practice highlighted in the report and ensure this was disseminated.

3. The Council would return to these issues in more detail at seminar in February 2017.

### ***Quality assurance of Local Supervising authorities***

4. In discussion, the following points were noted:
- a) There are currently 10 local supervising authorities (LSA) across the UK with two monitoring visits undertaken during 2015-2016. Most LSAs reported issues around supervision in their self-assessments, including supervisors not completing forms and time taken for investigations. This was in part due to the forthcoming changes in legislation and was expected to settle down once transition had taken place. The pragmatic approach taken had been welcomed by LSAs and Supervisors on the ground.
  - b) The report did not mention the triennial signoff on mentorship by Supervisors of Midwives. It was important that the Council was assured about where this would sit in the future arrangements, in accordance with the moral commitment made to ensure an effective transition. In relation to clinical practice placements, it was important to ensure appropriateness as well as numbers. It was confirmed that these issues would be picked up in future work.
5. The Midwifery Committee had been given an opportunity to review the draft report and had commented positively.

6. **Decision: The Council approved the draft annual report.**

**NMC/16/86 Education programme: progress update**

1. The Director of Education, Standards and Policy introduced the report which provided a progress update on the overall education programme. In discussion, the following points were noted:
- a) The key elements of the programme are: setting new pre-registration standards for nurses and midwives; a new education framework; an independent review of quality assurance; and a review of post registration standards including medicines management and standards of proficiency for prescribers.
  - b) The priority focus was on pre-registration standards. Medicines management and prescriber standards were being considered, given the relationship with pre-registration standards. In doing so, account would be taken of learning from fitness to practise cases. This was welcomed. This was a five year programme and work on post registration qualifications, such as advanced practitioners and SCPHNs, would be progressed in further phases.

- c) The extent of change occurring in the higher education sector could not be underestimated. Changes to education funding were likely to lead to a significant expansion of potential providers in the future. The Council would need to be mindful of how quality assurance in the education sector was developing more generally to ensure close understanding of, and alignment with, current trends.
- d) It was good to see education central to the NMC's work. This was a significant body of work and it was important to ensure that it was adequately resourced both in terms of people and finance. Additional resources would be proposed in the forthcoming budget to be considered by the Council in January 2017.

2. The Council welcomed the update and requested that further progress updates on the programme as a whole be scheduled at regular intervals. There would be further discussions at the seminar in February 2017, with the Council taking decisions in May 2017.

**Action:** Schedule further updates on the Education programme at regular intervals  
**For:** Director of Education, Standards and Policy/Secretary  
**By:** 25 January 2017

**NMC/16/87** Midwifery Committee Report

1. This item was deferred to the Council meeting on 25 January 2017.

**Action:** Re-schedule Midwifery Committee Report for January 2017  
**For:** Secretary  
**By:** 25 January 2017

**NMC/16/88** Future advice to Council on Midwifery

1. This item was deferred to the Council meeting on 25 January 2017.

**Action:** Re-schedule item on future advice to Council on midwifery for January 2017  
**For:** Secretary  
**By:** 25 January 2017

**NMC/16/89** Council allowances

1. Introducing this item, the Chair noted that the NMC is an independent statutory body and charity responsible for all its own functions. The Council is therefore placed in the difficult position of determining its own allowance levels and as a result there had been no increase

since 2009. In view of this, the Council had agreed to distance itself through the establishment of an Independent Panel to review allowance levels. The Council had further agreed to accept the Panel's recommendations unless it wished exceptionally to agree a lower level of allowance than that recommended.

2. In discussion, the following points were noted:

- a) The Independent Panel had reviewed the current situation and had looked primarily at the allowances of other healthcare regulators. The Panel had concluded that a two-stage approach was required. As an initial first step, allowance levels should be at least at the median of healthcare regulators. Secondly, a further review should take place in 12 months' time, which would take account of fuller evidence.
- b) The Remuneration Committee had considered the Independent Panel's report in September 2016 and endorsed its recommendations.
- c) Outgoing Council members noted that, whilst allowances were not a motivating factor, the current levels were not competitive with more generous allowances paid by other public and private sector bodies. This could affect the NMC's ability to attract the calibre of candidates required. Reticence about approving increases should not result in the level being allowed to slip as had happened since 2009 and one solution might be an inflation related index.
- d) Equality and diversity implications were a further important consideration. The Council is committed to membership being open to suitable candidates from wide and diverse groups; constraining allowance levels could impact adversely on capacity to attract people with less sufficient financial resources.
- e) At the next review the Panel should consider whether for the future an inflation related index should be built in to address annual uplifts, with full reviews taking place every three to five years.
- f) In accordance with normal remuneration practice for staff, any increase should be backdated to 1 April 2016

3.

**Decisions:**

- i. **The Council accepted the Panel's recommendation that the 'equivalent' daily rate for Council members be increased to £368, which would give an annual allowance of £13,250.**
- ii. **The Council accepted the Panel's recommendation that there**

should be no change to the level of allowance for the Chair of the Council at the present time.

iii. The Council agreed that the increase to allowances should take effect from 1 April 2016.

iv. The Council agreed that a further review of allowances for the Chair and members take place in 12 months, with fuller evidence and include consideration of an inflation related index for the future.

<b>Action:</b>	<b>i. Implement the increase in Council allowances from 1 April 2016</b>
<b>For:</b>	<b>Secretary</b>
<b>By:</b>	<b>21 December 2016</b>
<b>Action</b>	<b>ii. arrange for the Independent Panel to conduct a further review in 12 months, taking account of the issues raised</b>
<b>For:</b>	<b>Secretary</b>
<b>By:</b>	<b>27 September 2017</b>

**NMC/16/90 Council member role and competencies**

1. The Council considered a report proposing changes to the Council member role and competencies. In discussion, the following points were noted:
  - a) The current role and competencies had been in place since 2012. The proposed revisions took account of learning from subsequent recruitment exercises which had identified that candidates had experienced challenges in providing evidence against some of the competencies. In addition, more prominence was given to charity trustee responsibilities.
  - b) The aim is to make the application process clearer and more accessible for potential candidates. It was important to keep the competencies broad to attract wide and diverse pools of candidates. There may be scope to put more emphasis on team working; motivation and values should be addressed as part of the selection criteria.
  - c) It would not be appropriate to include specific competencies around understanding health or professional matters. Issues relating to knowledge and understanding of the views of all stakeholders, whether professional, public or service users could be more suitably addressed through the Council's review of its own effectiveness. This would be taken forward at the Awayday on 8 December 2016.
2. **Decision: The Council agreed to adopt the revised Council member role specification and associated competencies,**

subject to account of the comments made.

**NMC/16/91 Appointment of panel members to Health Committee**

1. The Council noted the report from the Appointments Board and, subject to rephrasing of the recommendation, agreed to accept the Appointment Board's recommendations on the appointments.
2. **Decision: The Council agreed to accept the Appointment Board's recommendation to approve the appointments to the Health Committee as set out in Annexe 1.**

<b>Action:</b>	<b>Ensure future recommendations on the appointment of FTP panel members and legal assessors are appropriately phrased.</b>
<b>For:</b>	<b>Director of Fitness to Practise</b>
<b>By:</b>	<b>29 March 2017</b>

**NMC/16/92 Chief Operating Officer's report**

1. The Council considered a report from the Chief Operating Officer on performance and risk management across the organisation, since the last Council meeting in September 2016. A new format had been adopted including both a high level summary as well as a narrative summary for each directorate. The Council's views on this would be welcome.

***Quarter 2 report on Corporate plan commitments***

2. In discussion, the following points were made:
  - a) **Commitments 1 and 1a (Transformation)** were both rated red, but forecast amber at the year end. If red or amber was forecast at year end, clarity was required (eg a plan 'B') setting out what could realistically be achieved at year end. In this case, the amber rating reflected a cautious approach, given the complex scope and scale of the programme. However, it was expected that the key milestone of presenting the full transformation business case to the Council in March 2017 would be met. A green rating may be more appropriate at the year end, to reflect the direction of travel.
  - b) There were differing interpretations of what was meant by an amber rating. More detailed information in the narrative section of the summary report, to indicate the direction of travel and to set out dependencies, would be helpful.
  - c) **Commitment 1b (People Strategy):** the amber rating

reflected that, whilst a lot of work was ongoing, this has yet to translate into a People Strategy. This should be rated red.

- d) **Commitment 2 (Value for money):** the red rating recognised that the 5 percent stretch target would not be met at year end, as highlighted to the Council in September 2016. The Executive would continue to report progress against embedded efficiencies, as set out in the financial monitoring report.
- e) **Commitment 5 (Midwifery regulation):** the amber rating reflected the delay in publication of the Government's response to consultation.
- f) **Commitment 10 (Use of intelligence):** this had been rated red, as the commitment, as framed, would not be achieved. External expertise had been commissioned to assist with development of a strategic approach to intelligence and should report by December 2016. This would inform further discussion with the Council in early 2017. This work needed to go beyond the data and intelligence work which formed part of the transformation programme. The Commitment should not be reframed but the original timescale for completion by year end should be revised and a clear work plan and timetable developed.
- g) **Commitment 12 (Communication and collaboration):** the amber rating should be revised to red. The narrative was about events rather than the development of a proper patient and public engagement strategy and how the views of stakeholders informed the Council's work. Whilst there was a lot of work being done, for example, as part of the Education programme, this had not been articulated as part of an overall strategy to the Council. A full and wide-ranging discussion by the Council was needed and a clear commitment made and included in the plan for 2017-2018.
- h) In relation to the Employer Link Service, it was good to see positive feedback from employers. Clarification would be provided on whether there was engagement with the Care Inspectorate in Scotland.

3.

**Decisions:**

- i. **The Council agreed to remove the commitment to deliver an efficiency stretch target of 5 percent.**
- ii. **The Use of intelligence commitment should be retained as originally framed but the timescale for achievement reviewed with the Council.**

<b>Action:</b>	<b>Provide clearer narrative to explain ratings in future reports and in the case of red ratings, a plan 'b' for what would be achieved at year end.</b>
<b>For:</b>	<b>Director of Resources</b>
<b>By:</b>	<b>25 January 2017</b>
<b>Action:</b>	<b>Present the external report on the development of a strategic approach to intelligence, together with a timetable for planned work on this commitment to Council. (Progress update in January.)</b>
<b>For:</b>	<b>Chief Executive and Registrar / Secretary</b>
<b>By:</b>	<b>25 January 2017</b>
<b>Action:</b>	<b>Schedule time for wide ranging Council discussion on development of a public and patient engagement strategy developed and ensure a commitment around this is included in corporate plan 2017-2018 (Progress update in January)</b>
<b>For:</b>	<b>Chief Executive and Registrar</b>
<b>By:</b>	<b>25 January 2017</b>
<b>Action:</b>	<b>Clarify whether ELS is engaging with the Care Inspectorate in Scotland.</b>
<b>For:</b>	<b>Director of Fitness to Practise</b>
<b>By:</b>	<b>25 January 2017</b>

#### ***Directorate performance reports, KPIs and dashboards***

4. In discussion the following points were noted:
- a) **Registration and revalidation:** IT issues arising from the Data centre move had affected call centre performance and the ability to report results. This had now been fixed. A verbal update was provided that 82% of calls had been answered in October 2016, which was below target but recovery by year end was expected.
  - b) There had also been a communication issue resulting in a large number of registrants lapsing due to failure to issue the normal second reminder notice. This had now been automated to prevent recurrence. Both had contributed to disappointing customer satisfaction levels. Learning derived from these issues was being fed into transformation programme development and an analysis would be brought back to the Council.
  - c) These issues apart, performance against KPIs had been generally good. More stretching KPIs might be appropriate for 2017-2018.

- d) **Fitness to Practise, KPIs and dashboard:** Overall caseload had gone up slightly due to a record number of referrals in October, however the overall year end referral rate was likely to be lower than forecast. Performance had remained solid against both KPIs.
- e) FTP's key aim was to close cases at the earliest opportunity commensurate with public protection. Although there had been slower than anticipated throughput at Case examiner stage earlier in the year this was now improving and was expected to be maintained for the remainder of the year, as staffing levels in the investigation team stabilised. The volume of hearing activity had been increased to ensure achievement of the planned level of substantive adjudication decisions. This was driving an overspend against budget both year to date and forecast for year end.
- f) Additional information had been included in the dashboard to show the median age of cases at each stage of the process; clearing older cases remained a risk area. The clear and detailed verbal explanation was welcome. It would be helpful if this could be provided as a written guide in future. Further work on the performance data presented was also required.
- g) **Resources:** KPI 4 free reserves is on track, while KPI 5 staff turnover rate had slightly reduced in October. Work is ongoing in the area of recruitment, the induction process and the exit interviews. The employee forum has been re-launched and an employee survey is currently ongoing.
- h) **Education, standards and policy:** Work on the education programme is on track. There is a current underspend in the programme due to staff vacancies.
- i) **Business delivery and technology services:** The Datacentre transition was the major piece of work during this period. While overall it went well, IT issues had impacted on operational performance, as discussed. The issues had generated learning which will be used when going forward with the transformation programme. The IT service desk receives 3,000 calls a month, supporting the need for radical transformation. The budget does not reflect forecast overspend on ICT capital projects.
- j) **Transformation:** Work on the programme was ongoing developing at pace and strategic partners had been secured to ensure delivery of the full business case by March 2017.

### ***Corporate risk summary***

5. The Council considered the corporate risk register summary. As suggested by the Council the transformation risk (CR30) had now been split into two to distinguish the significant and different corporate risks - CR30a, *Transformation delivery* and CR30b, *Maintaining BAU and regulatory change*.

### **Conclusion**

6. The Council welcomed the changed format of the report and was content to continue with this. As previously indicated, it would be helpful to have a written guide to help members understand the FTP and other performance data/information and what this was telling the Council, rather than waiting for a verbal presentation on the day. In addition, further work on the FTP performance data should be pursued. It was also helpful if reports clearly explained what was going well, what needed attention and proposed future action.

**Action:** i. analysis of Registration customer service issues to be brought back to Council.

**For:** Director of Registration and Revalidation

**By:** 25 January 2017

**Action:** ii Consider more stretching KPIs for 2017-2018.

**For:** Director of Registration and Revalidation

**By:** 29 March 2017

**Action:** i. Provide written guide to interpretation of performance data/dashboard as part of the report. ii Take forward further work on FTP performance data.

**For:** Director of Fitness to Practise

**By:** 25 January 2017

### **NMC/16/93 Financial monitoring report**

1. The Council considered the report on financial performance to 31 October 2016. In discussion, the following points were noted:
- a) Performance and budget were broadly on track. There had been some minor fluctuations within directorate budgets.
  - b) The budget for next year is currently being developed with directorates, and the proposed budget will be presented to the Council for initial consideration in January 2017, prior to final sign off in March 2017.

### **NMC/16/94 Audit Committee Report**

1. The Council considered the report presented by the Chair of the Committee. In discussion, the following points were noted:

- a) As only two members were able to attend the October meeting this had been inquorate. As there had been no issues for decision, the Committee had been able to proceed.
- b) Committee members had held a private meeting with the internal auditors who had not had any significant issues to raise and were pleased with progress of the work and response from management.
- c) Committee members had pressed the Executive on the procurement improvement programme and would continue to do so.
- d) Committee members discussed the good progress made on clearing internal audit recommendations from previous audits and had expressed thanks to staff for achieving this.
- e) Committee members had also reviewed an initial revised draft assurance framework. This was a significant piece of work and there were different views of what might be useful. The Committee looked forward to further work on this.

- 2. The Chair underlined the importance of members attending meetings of Committees to which they were appointed.
- 3. The Chair reported that Derek Pretty had agreed to be a member of the Audit Committee, to replace Amerdeep Somal.

#### **NMC/16/95**

#### **Questions from observers**

- 1. The Chair invited questions from observers. The following points were raised:
  - a) The NMC has not yet seen any reduction in the number of EU or overseas applicants, as a result of either the IELTS requirements or Brexit. This is being monitored.
  - b) In relation to the increased number of referrals, nothing out of the ordinary has been identified. The public are ordinarily the largest source of referral to the NMC.
  - c) The NMC expected the Government to publish the response to the proposed midwifery regulation change soon and had been assured that the publication delay would not affect the legislative timetable. It was recognised that parliamentary time would be needed. Contingency planning is taking place within FtP and transition plans are in place.

- d) Changes have been made to improve online FTP referrals.
- e) In relation to the new nursing associate role, the NMC had been clear that implementation should not be funded by fees of existing registrants.

**NMC/16/96      Chair's action taken since the last meeting**

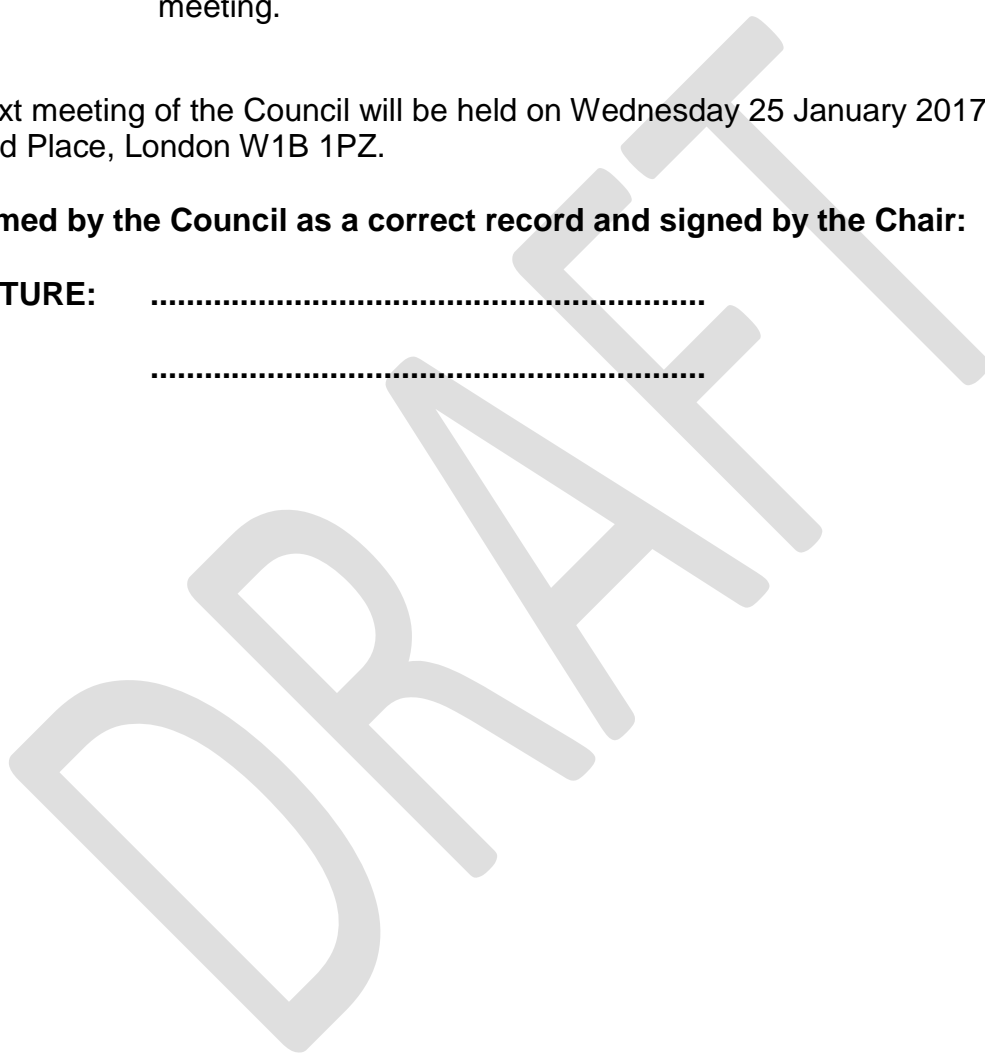
- 1.                    The Council noted the two Chair's actions taken since the last meeting.

The next meeting of the Council will be held on Wednesday 25 January 2017 at 23 Portland Place, London W1B 1PZ.

**Confirmed by the Council as a correct record and signed by the Chair:**

**SIGNATURE:** .....

**DATE:** .....





## Council

### Summary of actions

<b>Action:</b>	For information.
<b>Issue:</b>	Summarises progress on completing actions from previous Council meetings.
<b>Core regulatory function:</b>	Supporting functions.
<b>Strategic priority:</b>	Strategic priority 4: An effective organisation.
<b>Decision required:</b>	None.
<b>Annexes:</b>	None.
<b>Further information:</b>	If you require clarification about any point in the paper or would like further information please contact the author below.

Secretary: Fionnuala Gill  
Phone: 020 7681 5842  
[Fionnuala.gill@nmc-uk.org](mailto:Fionnuala.gill@nmc-uk.org)

## Summary of outstanding actions arising from the Council meeting on 30 November 2016

Minute	Action	Action owner	Report back to: Date:	Progress to date
<b>NMC/16/86</b>	<b>Education programme: progress update</b>  Schedule further updates on the Education programme at regular intervals.	Director of Education, Standards and Policy/Secretary	25 January 2017	Future updates are planned for the March 2017 Council seminar and the Open Council meeting in May 2017.
<b>NMC/16/87</b>	<b>Midwifery Committee Report</b>  Re-schedule Midwifery Committee Report for January 2017.	Secretary	25 January 2017	On the agenda for this meeting.
<b>NMC/16/88</b>	<b>Future advice to Council on Midwifery</b>  Re-schedule item on future advice to Council on midwifery for January 2017.	Secretary	25 January 2017	On the agenda for this meeting.
<b>NMC/16/89</b>	<b>Council allowances</b>  i. Implement the increase in Council allowances from 1 April 2016; and ii. arrange for the	Secretary	i. 21 December 2016  ii. 27	i Completed. The increase in Council allowances has been implemented and the backdated element was paid in December 2016.  ii Independent Panel members have

Minute	Action	Action owner	Report back to: Date:	Progress to date
	Independent Panel to conduct a further review in 12 months, taking account of the issues raised.		September 2017	indicated that, subject to availability and other commitments, they are willing to be involved in the further review in 2017.
<b>NMC/16/91</b>	<b>Appointment of panel members to Health Committee</b>  Ensure future recommendations on the appointment of FTP panel members and legal assessors are appropriately phrased.	Director of Fitness to Practise	29 March 2017	This will be adopted for the next round of FtP and legal assessor appointments.
<b>NMC/16/92</b>	<b>Performance and Risk Report</b>  Provide clearer narrative to explain ratings in future reports and in the case of red ratings, a plan 'b' for what would be achieved at year end.	Director of Resources	25 January 2017	Directors were asked to consider this action when providing the narrative for the Q3 report against the Corporate Plan within the Performance and Risk Report on the agenda for this meeting.
<b>NMC/16/92</b>	<b>Performance and Risk Report</b>  Present the external report on the development of a strategic approach to intelligence, together with a timetable for planned work on this commitment to Council.  Carried forward from 27 July	Chief Executive and Registrar/Secretary	25 January 2017	The external report has been completed and is being considered by the Executive. However this commitment will not be delivered in 2016-2017 (see Performance and Risk Q3 report).

Minute	Action	Action owner	Report back to: Date:	Progress to date
	<p>2016: <b>NMC/16/53 - Corporate Plan: Use of intelligence</b></p> <p>Develop a collective view of what approach the NMC needs in order to become an intelligent regulator.</p>			
<b>NMC/16/92</b>	<p><b>Performance and Risk Report</b></p> <p>Schedule time for wide ranging Council discussion on development of a public and patient engagement strategy developed and ensure a commitment around this is included in corporate plan 2017-2018.</p> <p>Carried forward from 27 July 2016: <b>NMC/16/53 - Corporate Plan: Communication and collaboration</b></p> <p>Produce a report on mechanisms used to ensure public/patient views inform development of policies/processes; how this can be done better in future; and available in-house capabilities.</p>	Chief Executive and Registrar	25 January 2017	<p>A commitment will be included in the proposed Corporate Plan for 2017–2018.</p> <p>A Council discussion will be scheduled as part of the 2017–2018 Seminar programme.</p>

Minute	Action	Action owner	Report back to: Date:	Progress to date
<b>NMC/16/92</b>	<b>Performance and Risk Report</b>  Clarify whether ELS is engaging with the Care Inspectorate in Scotland.	Director of Fitness to Practise	25 January 2017	Employer Link has a programme of engagement planned with all systems regulators in quarter four. This includes an introductory meeting with the Care Inspectorate Scotland.
<b>NMC/16/92</b>	<b>Performance and Risk Report</b>  i. Analysis of Registration customer service issues to be brought back to Council. ii. Consider more stretching KPIs for 2017-2018.	Director of Registration and Revalidation	i. 25 January 2017  ii. 29 March 2017	i. This action has been incorporated into the Performance and risk report on the agenda for this meeting.  ii. Not yet due.
<b>NMC/16/92</b>	<b>Performance and Risk Report</b>  i. Provide written guide to interpretation of performance data/dashboard as part of the report. ii. Take forward further work on FTP performance data.	Director of Fitness to Practise	25 January 2017	i. The FtP performance report on the agenda seeks to provide information to assist interpretation. Further work is ongoing to improve the information provided.  ii. Information about trend data is incorporated into the accompanying narrative to the dashboard from January 2017.

## Summary of outstanding actions arising from the Council meeting on 28 September 2016

Minute	Action	Action owner	Report back to: Date:	Progress to date
<b>NMC/16/74</b>	<b>Equality and Diversity Annual Report 2015-2016</b>  Provide data for registrants disaggregated by profession.	Director of Education, Standards and Policy	25 January 2017	We are currently investigating the feasibility of providing this data and will report back to Council in March 2017.
<b>NMC/16/74</b>	<b>Equality and Diversity Annual Report 2015-2016</b>  Consider the need for refresher equality and diversity training for Council and committee members.	Secretary	25 January 2017	This will be built into the Council Seminar programme for 2017-2018.
<b>NMC/16/74</b>	<b>Equality and Diversity Annual Report 2015-2016</b>  Provide a detailed plan setting out the specific actions and targets to progress the priorities set out in the report (paragraph 37).	Director of Education, Standards and Policy	25 January 2017	A framework and action plan has been developed for consideration by Directors, with a view to bringing this to March 2017 Council.
<b>NMC/16/75</b>	<b>Performance and Risk Report</b>  Provide further information on call abandonment.	Director of Registration and Revalidation	25 January 2017	This is addressed in the Registration and Revalidation Performance and risk report on the agenda for this meeting.

## Council

### Chief Executive's report

**Action:** For information.

**Issue:** The Council is invited to consider the Chief Executive's report on (a) key developments in the external environment and (b) key strategic engagement activity.

**Core regulatory function:** This paper covers all of our core regulatory functions.

**Strategic priorities:** Strategic priority 3: Collaboration and communication.

**Decision required:** None.

**Annexes:** None.

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

Author: Peter Pinto de Sa  
Phone: 020 7681 5426  
[Peter.pinto@nmc-uk.org](mailto:Peter.pinto@nmc-uk.org)

Chief Executive: Jackie Smith  
Phone: 020 7681 5871  
[jackie.smith@nmc-uk.org](mailto:jackie.smith@nmc-uk.org)

- Context:**
- 1 This is a standing item on the Council agenda and reports on (a) key developments in the external environment; and (b) key strategic engagement activity. Recent strategic engagement continues to focus on the development of the nursing associate role.
  - 2 Updates on the NMC's operating performance can be found in the Performance and risk report.

**Discussion: External developments**

**Section 60 legal changes**

- 3 On 24 October 2016 we issued our public consultation on the proposed changes to our fitness to practise rules, which will follow the changes to the Order. The consultation closed on 19 December 2016 and we are now analysing the comments made.
- 4 On 11 January 2017, the Department of Health publicly responded to its summer 2016 consultation on changes to the Order. We briefed our stakeholders and are now informing Parliamentarians on these changes, as they progress through the House of Commons and House of Lords.

**Nurse Apprenticeships**

- 5 The New Routes into Nursing Oversight Board met on 15 December 2016 and was chaired by the Chief Executive. The aim of the board is to oversee work on the development of the nursing degree apprenticeship.
- 6 We continue to be involved with the Department of Health, Health Education England (HEE) and the Department for Business, Energy and Investment Strategy. The Chief Executive has held regular discussions with HEE's Director of Nursing and the Senior Nurse Manager for Policy.

**Accountability and oversight**

**House of Lords evidence session**

- 7 On 6 December 2016 the Chief Executive gave evidence at the House of Lords Long-Term Sustainability of the NHS Committee alongside representatives from the Care Quality Commission (CQC), General Medical Council (GMC) and NHS Improvement. The session focused on system and professional regulation, but predominantly on system regulation and new models of care, and how regulation should operate in that domain. In particular, the Chief Executive discussed our forward-thinking work in setting standards for nurses and midwives.
- 8 The witnesses also responded to questions about working more

effectively together to reduce the burden of regulation and whether there could be a single regulator.

### **Meetings with parliamentarians**

- 9 On 31 October 2016, the Chief Executive met Baroness Watkins as part of a regular series of meetings to discuss regulatory issues. The Chief Executive has scheduled regular meetings with the Baroness throughout 2017.
- 10 The Chief Executive met with Dr Philippa Whitford MP on 7 December 2016. They discussed workforce issues including the request for the NMC to regulate nursing associates.
- 11 The Chief Executive and the Director of Fitness to Practise met with Rosie Cooper MP on 14 December 2016 to discuss ongoing fitness to practise matters in her constituency.
- 12 On 19 December 2016, the Chief Executive spoke with Baroness Emerton on a range of professional issues.
- 13 The Chief Executive met Sharon Hodgson MP on 11 January 2017. This meeting followed engagement with Ms Hodgson as part of the 2016 party conference season. Our Parliamentary and Stakeholder Relations team also met with Antoinette Sandbach MP. This was an introductory meeting setting out our role and functions with a focus on fitness to practise and our education programme.

## **Stakeholder Engagement and Communication**

### **Education programme**

- 14 On 2 November 2016, the Chief Executive spoke at a Policy UK forum event in London on healthcare education. The event was chaired by Sir David Amess MP.
- 15 In November and December 2016, we held stakeholder events in Edinburgh, Belfast, Cardiff, London and Manchester in support of our education work.
- 16 On 28 November 2016, the Chief Executive chaired the Future Nurse Sponsoring Board meeting which was attended by the Chief Executive of the Royal College of Nursing and representatives from the offices of the Chief Nursing Officers for Scotland, Wales and Northern Ireland. Lord Willis of Knaresborough and Dame Jill Macleod Clark, who is leading the work on developing the new pre-registration nursing standards, also attended the meeting.

### **Midwifery issues**

- 17 On 1 November 2016, the Chief Executive accompanied by her senior midwifery advisor met a team from the Department of Health's

rapid resolution and redress team to discuss clinical negligence in instances of brain injury.

- 18 The Chief Executive spoke at the European Midwives Association Education Conference in London on 2 December 2016 on the topic of 'Midwifery Education for the 21st century: Innovations in education, practice and regulation'.
- 19 We attended the Local Supervising Authority winter conference in York on 1 December 2016. This event focused on celebrating the history of midwifery supervision and looking forward to what supervision could look like in the future.
- 20 On 15 December 2016 the Chief Executive chaired the Midwifery Panel, which discussed the progress of the legislative changes to midwifery regulation, the terms of reference and membership of the Panel. Dr Bill Kirkup, who chaired the investigation into Morecambe Bay, has accepted an invitation to join future meetings of the Panel.
- 21 The Chief Executive met Professor Mary Renfrew on 15 December 2016 to discuss her work to review the pre-registration midwifery standards.
- 22 On 6 January 2017 we took part in the Midwifery Supervision Oversight Meeting by teleconference, where we received an update from the Department of Health on the progress of the legislative changes.
- 23 The Chief Executive met the Chief Executive of the Royal College of Midwives on 3 November 2016 and also spoke to her in advance of the Midwifery Panel meeting on 15 December 2016. A further meeting is planned for 18 January 2017.

#### **EU and international**

- 24 On 8 November 2016, the Chief Executive, accompanied by the Director of Registration and Revalidation met the Executive Director of Nursing at NHS Improvement to discuss the NMC's overseas registration process and wider recruitment issues.
- 25 On 14 November 2016, the Chief Executive met the NHS Employers Chief Executive to discuss the workforce implications post- Brexit. We are hosting a meeting including colleagues from the General Medical Council and the Health Care and Professions Council in early February 2017.
- 26 We hosted members of the Bangladesh Law Commission in a visit to our Stratford hearing centre on 13 December 2016. With the Commission working on legislation relating to professional regulation, we were able to discuss some of the strengths and drawbacks of our current legislative model.

### **Other engagement activity**

- 27 On 14 November 2016, the Chief Executive met the Department of Health's newly-appointed Deputy Director of the Professional Regulatory Branch for an initial discussion. We are arranging for the Deputy Director to spend time at the NMC in the early part of the year as part of her wider orientation programme.
- 28 On 14 November 2016, the Chief Executive attended the Queen's Nursing Institute awards ceremony.
- 29 On 16 November 2016, the Chief Executive attended the Nursing Times/Health Education England roundtable discussion on nursing associates.
- 30 On 18 November 2016, the Chief Executive, accompanied by the Assistant Director for Communications met with a range of stakeholders on Guernsey. Progress continues to be made since the NMC's extraordinary review in 2014.

### **Collaboration**

- 31 On 10 November 2016, the Chief Executive met the recently appointed Chief Executive of the General Medical Council for a catch-up discussion. Regular engagement will continue throughout 2017.
- 32 On 15 November 2016, the Chief Executive spoke with the Chief Inspector of Adult Social Care at the Care Quality Commission in relation to the broadcast of a BBC TV 'Panorama' programme which reported on poor care provided at two care homes in the south west of England.
- 33 The Deputy Director, Education Standards and Policy attended a meeting of the Chief Executives Steering Group in Belfast on 17 November 2016 on behalf of the Chief Executive. The regulatory bodies continue to work closely and exchange intelligence on regulatory reform issues.
- 34 The Chair and Chief Executive hosted their counterparts from the other professional regulators and the Professional Standards Authority on 15 December 2016. Attendees discussed how professional regulators could work together on a range of themes such as joint standards and shared fitness to practise services. Further work is planned in this area in 2017.

### **Media activity**

- 35 The Department of Health's announcement that it has asked the NMC to be the regulator for the new Nursing Associate role was covered widely in the trade press. There was also significant national

coverage regarding the introduction of the nursing degree apprenticeships.

- 36 The fitness to practise hearing of one of the nurses referred to us following her return from Sierra Leone, where she was treating Ebola patients, featured prominently in the national media.
- 37 On 14 December 2016, the Chief Executive gave an interview to the BBC TV 'Inside Out' programme on the impact of Brexit on the numbers of EU nurses and midwives working in the UK. We anticipate that the programme will be broadcast in January 2017.

**Public protection implications:**

- 38 No direct public protection implications.

**Resource implications:**

- 39 No direct resource implications.

**Equality and diversity implications:**

- 40 No direct equality and diversity implications.

**Stakeholder engagement:**

- 41 Stakeholder engagement is detailed in the body of this report.

**Risk implications:**

- 42 No direct risk implications.

**Legal implications:**

- 43 No direct legal implications.

## Council

### Midwifery Committee report

**Action:** For information.

**Issue:** This paper provides Council with an overview of the work of the Midwifery Committee since the last report in July 2016.

**Core regulatory function:** All regulatory functions

**Strategic priority:** Strategic priority 1: An effective regulator.

**Decision required:** No decision is required.

**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.

Secretary to the Midwifery  
Committee: Jennifer Turner  
Phone: 020 7681 5521  
[Jennifer.Turner@nmc-uk.org](mailto:Jennifer.Turner@nmc-uk.org)

Chair: Dr Anne Wright

- Context:**
- 1 Since the last report to Council, the Midwifery Committee met on 26 July and 26 October 2016. A summary of the discussions from those meetings is included below. Additionally, the Midwifery Committee held a joint seminar with Council on 26 July 2016.

### **Proposed midwifery regulation change**

- 2 A major focus for the Committee this year was to monitor the progress of those elements of the proposed regulation change relating to midwifery.
- 3 The Committee considered, very closely, the NMC's leading role in communicating and engaging with stakeholders, the profession and members of the public. The Committee remains concerned about the level of stakeholder engagement, but has confidence in the plan, and is cautiously optimistic that the plan will be fulfilled.
- 4 At its July 2016 meeting, the Committee considered a document intended for the use of midwives after the proposed regulatory change, called *Practising as a midwife in the UK: An overview of midwifery regulation*. Members and observers provided useful suggestions, and the document has now been finalised and will be distributed to registrants when appropriate.
- 5 The Committee continues to seek assurance on behalf of the Council on the full range of risks associated with the regulatory process through to the transition stage, and the management of those risks throughout the year.
- 6 The direction of the travel of the legislative risk was noted as increasing at both the July and October meetings. The Committee noted that two additional possibilities (continued delay and significant departure from the currently anticipated changes) should be reflected in the legislative risk. The operational risk was also considered to be increasing. The Committee was concerned about support and advocacy for service users, and has asked the Midwifery Panel to discuss service user advocacy at a future meeting.
- 7 Given that the findings of the Department of Health's consultation have not yet been published, the formal response is still unknown. The Chair may consider convening an extraordinary meeting of the Committee to discuss the findings if appropriate.
- 8 At its October meeting, the Committee was advised that a consequential amendment was being made to the Section 60 relating to the regulatory framework for midwives to supply certain drugs without a prescription. Only a small number of midwives fall into this category. The amendment is progressing through the relevant legislation processes.

## **FtP element of legislative change**

- 9 At its October 2016 meeting, the Committee received a presentation on the proposed regulation changes affecting Fitness to Practise. This was essentially the same presentation that the Council heard at its Seminar in July. Overall, the Committee considered the proposed changes to be a positive development designed to make the case process more effective and efficient. It appears that the NMC is being flexible in its approach and giving appropriate consideration to registrants.

## **Education strategic programme**

- 10 The Committee continues to receive updates on the education strategic programme. At its October meeting, the Committee had the opportunity to provide input to the areas in which the NMC could gather evidence to help inform the review of midwifery pre-registration standards. Along with areas for evidence-gathering, the committee provided suggestions for the NMC to be mindful of during the drafting phase of the standards, such as the use of appropriate midwifery terminology, and phrasing standards in an outcome-focused manner.
- 11 Suggestions for further evidence gathering made by the Committee included investigating the reasons for referrals of relatively new registrants, ensuring the quality of mentorship, looking at how to incorporate restorative clinical supervision, how to increase resilience, and how to improve research skills and promote the importance of evidence-based principles among midwives.
- 12 The Committee heard that mentors and employers sometimes felt pressure to sign off students even when concerns existed. It was agreed that strength of assessment should be a focus of the review.
- 13 Although competent, the skills of student midwives were varied as was their level of confidence in their own skills. Therefore, the reduction of unacceptable variability should be a further focus.
- 14 The Committee also recommended that the concept of continuous or lifelong education should also be a strong feature of the new standards.

## **Revalidation**

- 15 The Committee continues to receive updates on the uptake of revalidation at each meeting.
- 16 The Committee was provided with an update to the end of quarter two on revalidation, included disaggregated data on midwives where available.

- 17 The Committee was pleased to note that there was no evidence to suggest that revalidation was leading to a higher attrition rate. The NMC is planning to undertake qualitative interviews with lapsed registrants to determine whether revalidation requirements were a factor in their decision to lapse. The Committee is interested to learn the results of this research.

### **Midwifery Panel**

- 18 At each meeting, the Committee continues to receive an update from the Chief Executive on the activity of the Midwifery Panel. The Chair of the Committee recently joined the Midwifery Panel and attended the October meeting.

### **Future midwifery advice to Council**

- 19 As noted in the previous report to Council, the Committee had a discussion at its April meeting about its remit and the functions that would cease when the anticipated legislative change took effect. The Committee had a further discussion at its July meeting on avenues for Council to receive midwifery advice in the future.
- 20 The Committee agreed it provides input to the Council in the following areas:
- 20.1 Governance – the Committee was part of the structure of Council. It provides reports, gives advice, and has a direct relationship with Council. It distills the information received and provides a considered view.
  - 20.2 Regulatory – all instruments of regulation would remain but many would be changed. The Committee monitored current and previous legislative change, providing Council with information and assurance about the effects on the midwifery community.
  - 20.3 Communications and engagement – the voice of midwives was heard through the observers, whose expertise was valuable.
  - 20.4 Strategic oversight – the Committee considers and has oversight of reviews, reports and other midwifery-related issues.
- 21 The Committee members and observers agree that the Committee has added value, and brought a depth of knowledge and understanding of the midwifery community to its work.
- 22 Various midwifery incidents had affected public confidence in the profession. Restoration of that confidence needs to continue through an outward message of public and patient protection.

- 23 The Committee expressed concern about the level of communication and engagement on the Section 60 legislative change, at its October meeting, and emphasised the importance of having in place mechanisms to monitor the transition period after the change comes into effect.
- 24 Members of the Committee considered that there may be value in keeping the Committee through the transition phase to offer midwives reassurance that the needs of the profession were being brought to the Council's attention. Some also expressed a preference for Council to retain a registered midwife as a member, recognising, of course, that registrant members are not representatives for their professions.

### **Quality Assurance of Education and Local Supervising Authorities Annual Report**

- 25 The Committee noted that it would not have a chance to review the draft Quality Assurance of Education and Local Supervising Authorities Annual Report in committee, as it normally would, due to this year's timing of the publication. However, the draft report will be shared with members when it is available, and the Committee will discuss any actions arising at its February meeting.

**Public protection implications:**

- 26 No public protection implications.

**Resource implications:**

- 27 No resource implications.

**Equality and diversity implications:**

- 28 No direct equality and diversity implications.

**Stakeholder engagement:**

- 29 None.

**Risk implications:**

- 30 None.

**Legal implications:**

- 31 None identified.



## Council

### Future advice on midwifery regulation

- Action:** For decision.
- Issue:** Ensuring that the Council has effective arrangements in place to access advice relating to midwifery regulation.
- Core regulatory function:** All.
- Strategic priority:** Strategic priorities 1 and 4: Effective regulation and an effective organisation.
- Decision required:** The Council is recommended to endorse the proposed arrangements for ensuring future access to advice on matters relating to midwifery regulation (paragraph 21).
- Annexes:** None.
- Further information:** If you require clarification about any point in the paper or would like further information please contact the author or the director named below.

Author: Fionnuala Gill  
Phone: 020 7681 5842  
[Fionnuala.Gill@nmc-uk.org](mailto:Fionnuala.Gill@nmc-uk.org)

Chief Executive: Jackie Smith  
Phone: 020 7681 5871  
[Jackie.Smith@nmc-uk.org](mailto:Jackie.Smith@nmc-uk.org)

- Context:**
- 1 The Nursing and Midwifery Order 2001 currently contains a set of provisions relating to supervision which are unique to midwifery, including a statutory requirement to have a Midwifery Committee.
  - 2 In January 2015, the Council accepted the recommendation of an independent review by the King's Fund that public protection required direct control of regulatory decisions relating to midwifery. The Council asked the Government to amend our legislation to remove the additional provisions relating to statutory supervision. In doing so, the Council made a commitment to support safe and effective transition to the new supervision arrangements.
  - 3 Earlier this year, the Department of Health (DH) consulted on proposals to amend our legislation including to make the changes to midwifery supervision. In addition, the DH consultation proposed removal of the statutory Midwifery Committee, as this is inconsistent with a model of independent professional regulation.
  - 4 The DH published the outcomes of the consultation on 11 January 2017. The overwhelming majority of responses both from individuals and organisations opposed the proposed changes relating to midwifery, including removal of the Midwifery Committee. The DH response confirmed that it intends to proceed with the proposed changes.
  - 5 The Council will wish to assure itself that the NMC will have appropriate access to advice and expertise on matters affecting midwifery, following the removal of the statutory Midwifery Committee.

**Discussion: Current arrangements**

- 6 The role of the statutory Midwifery Committee's as set out in the Order (Article 41) is '*to advise the Council on any matters affecting midwifery*', including any rules made by the Council regulating the practice of midwifery. The Committee fulfils this role through regular meetings and reports to the Council. The Committee's composition ensures that there is four country, professional and lay perspectives. Additional valuable insight is provided to the Committee through input from invited observers.
- 7 The Committee has made an important and valuable contribution to the work of the Council, providing wise and timely advice over many years, including in relation to the management of the proposed legislative changes. Most recently, the Committee's major focus has been on the proposed legislative change, including ensuring that the Council is fulfilling the moral commitment it made to support a smooth transition to the new arrangements.
- 8 The importance of ensuring that arrangements were in place to

access the voice of the midwifery profession was recognised by the Council. In November 2015, the Chief Executive established a Midwifery Panel to advise on how this might be embedded in the organisation post-legislative change. The Panel benefits from the involvement and expertise of, amongst others, the Chief Executive, RCM, the four Chief Nursing Officers, senior midwifery academic input, and expert user lay input, as well as the Council members of the Midwifery Committee. As announced in November 2016, Dr Bill Kirkup has also now joined the Panel.

- 9 In considering the approach to future advice on midwifery matters, account has been taken of the discussions and views expressed by both the Midwifery Committee and the Midwifery Panel. Both recognise that the changes in legislation offer an opportunity to strengthen and improve the NMC's approach to future midwifery regulation by ensuring that:
- 9.1 the Council as a whole takes responsibility for matters affecting midwifery regulation; and
  - 9.2 that midwifery matters are mainstreamed within NMC business.

## **Proposed future arrangements**

### **Midwifery Panel**

- 10 It has always been intended that the Midwifery Panel would continue to exist post legislative change for a transitional period of 12 to 18 months. In the light of the Panel's discussions, it is now proposed that:
- 10.1 The Midwifery Panel's remit be reviewed and include:
    - providing advice on effectiveness of the transition to the new arrangements post the change; and
    - providing strategic input into policy or regulatory proposals affecting midwifery matters or satisfying itself that such input has been secured.
  - 10.2 Membership of the Panel to be reviewed to ensure that it includes senior midwifery professional representation from across the four countries. In addition, the terms of reference for the Panel will continue to provide for the ability to enlist additional input where required.

### **Hearing the 'midwifery voice'**

- 11 It is important to note that the legislative changes do not in any way affect the NMC's statutory obligations to consult midwives, and

those with an interest in midwifery, on relevant matters. This will continue as now.

- 12 In accordance with the approach the NMC is adopting more widely, it is proposed to make more use of expert task-focused groups, stakeholder events and workshops as part of specific projects to inform a more effective approach to development of regulatory standards and policy. Membership of expert groups would depend on subject matter, expertise and information requirements.
- 13 In relation to midwifery this will be profession specific, this means involving the right people at the right levels for example Heads of Midwifery and Lead Midwives for Education. There may be a range of expert groups contributing to a particular topic at different levels. This approach is likely to be adopted, for example, in relation to the review of midwifery pre-registration education standards.
- 14 Under our Midwifery communication and engagement plan we are adopting a new approach to engaging with midwives including:
  - 14.1 Two-way engagement that is targeted and segmented.
  - 14.2 Face-to-face engagement events.
  - 14.3 Dedicated midwifery section on the NMC website; home to a suite of new resources.
  - 14.4 Social media programme of engagement and awareness raising.
  - 14.5 Feedback loops to capture learning and to ensure we hear the voice of midwives.
  - 14.6 Dedicated work to capture the voices of pregnant women and new mothers.
- 15 It is also proposed to do more to raise awareness within the midwifery community, and more widely, of the role and work of the Midwifery Panel, such as:
  - 15.1 Enhanced website section on the role and purpose of the Midwifery Panel on **nmc.org.uk**.
  - 15.2 Features on the Panel's work in newsletters for example *NMC Nurses and Midwives* (Cir. 215,000) and *Patient and Public* (23,000).
  - 15.3 Inclusion of information on the Panel in email campaigns.
  - 15.4 Dedicated communications point of contact.

### **NMC hosted listening events for midwives**

- 16 It is proposed that the NMC host annual or twice yearly listening events to hear from midwives about the challenges and issues facing them and seek feedback on current and relevant matters.
- 17 This would build on the current meetings held with key professionals, such as Lead Midwives for Education and LSAMOs (or future supervisory roles). Invitees would be fluid, according to the level of input sought and the topic, for example, Education, FTP matters and revalidation.

### **Strategic intelligence**

- 18 As part of the ongoing wider work to develop the NMC's capability to gather and utilise intelligence, improved capability to collect and analyse information and intelligence on matters relating to midwifery practice and regulation will be developed. This will:
- 18.1 Build on the work already undertaken by the Chief Executive's senior midwifery advisor.
- 18.2 Include recruitment of a professional midwife to the Education, Standards, Policy directorate to provide expert support and advice on midwifery issues, including in relation to the work of the Strategic lead on Midwifery pre-registration standards.
- 18.3 Include a commitment to develop our capability to produce disaggregated midwifery data and information held across the organisation to inform regulatory policy and decision-making. Recent system improvements should make it possible to produce and make use of such data and more specific proposals will be developed and brought to the Council in March 2017.

### **Strengthening Council awareness and understanding of midwifery issues**

- 19 As part of further mainstreaming midwifery into the business of the Council, it is proposed that additional suitable opportunities are found for Council to be briefed in seminar on current midwifery and maternity services issues, such as the recent maternity reviews.

### **Focal point for advice on Midwifery matters**

- 20 It is proposed that there be a standing midwifery update on each public Council agenda (unless there are no material issues to report on) for the transitional period of 12 to 18 months. This will bring together all relevant regulatory and other issues on midwifery matters from all the various inputs, including from the Midwifery Panel.

- 21 **Recommendation: The Council is recommended to endorse the proposed arrangements for ensuring future access to advice on matters relating to midwifery regulation.**

**Public protection implications:**

- 22 None arising from this paper.

**Resource implications:**

- 23 None.

**Equality and diversity implications:**

- 24 None.

**Stakeholder engagement:**

- 25 A communication and engagement plan is in place for the legislative change programme. Communication of the Council's decision will be built into the plan and communicated to all midwifery stakeholders, including users of midwifery services.

**Risk implications:**

- 26 The arrangements set out above are designed to mitigate any risk that the Council does not have the information it needs for effective midwifery regulation.

**Legal implications:**

- 27 None arising from this paper.

## Council

### Review of Financial Regulations

**Action:** For decision.

**Issue:** Seeks approval of the revised Financial Regulations.

**Core regulatory function:** Supporting functions.

**Strategic priority:** Strategic priority 4: An effective organisation.

**Decision required:** The Council is asked to approve the draft Financial Regulations, subject to any comments (paragraph 10).

**Annexes:** The following annexe is attached to this paper:

- Annexe 1: Draft Financial Regulations.

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

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

Director: Adam Broome  
Phone: 020 7681 5964  
[adam.broome@nmc-uk.org](mailto:adam.broome@nmc-uk.org)

- Context:**
- 1 The Financial Regulations are the high level principles that guide planning and management of the NMC's finances and the proper use of resources and stewardship of assets.
  - 2 The Council re-approved the current Financial Regulations, with only minor changes, in March 2016. This was in the anticipation that they would be reviewed more thoroughly in the short term.
  - 3 The Financial Regulations have now been significantly redrafted following a thorough review and informed by learning, experience, Internal Audit comments and best practice.
  - 4 Audit Committee members and the Chief Executive and Registrar, as Accounting Officer, have seen the proposed Financial Regulations and were supportive of them.
- Discussion**
- 5 The draft Financial Regulations are attached at **annexe 1** to this paper. No changes have been proposed to the financial limits of the authority of the Council and the Chief Executive and Registrar.
  - 6 The Council's authorisation is still required for commitments of £500,000 and above. This is set out in annexe 1 of the draft Financial Regulations themselves.
  - 7 This level represents about 0.6% of annual spend, with some five to ten of such commitments likely in the next year. Delegations up to that amount within the NMC are for the Chief Executive, as Accounting Officer, to decide from time to time. Until the Accounting Officer changes them, existing levels of delegations will continue.
  - 8 Key changes reflected in the draft Financial Regulations are:
    - 8.1 More strategic and high level.
    - 8.2 Operational detail removed and captured in a new Operational Guide to Finance that is not part of these Financial Regulations.
    - 8.3 New structure reflected, namely the disestablishment of the Chief Operating Officer post and consequent additional responsibilities of the Director of Resources and the Executive team.
    - 8.4 An emphasis on the impact of following the correct purchasing processes on financial management; budgetary oversight and control; and value for money - and the obligations of staff and managers in this regard.
  - 9 Clear guidance on the responsibilities of staff at different levels of the organisation with respect to financial management, budget setting and control, risk management and financial procedures is

provided in the Operational Guide to Finance. This avoids the need for the Council to re-approve the Financial Regulations whenever minor operational changes are needed. Responsibility and accountability for the detail in the Operational Guide lies with the Executive team. Current operational guidance will continue to be effective until the Operational Guide to Finance is agreed by the Executive Board.

- 10 **Recommendation: The Council is asked to approve the draft Financial Regulations, subject to any comments by the Council.**
- 11 The new Regulations, if the Council approves, will be launched by internal communications to all staff, published on Trim and iNet, and promoted by Finance Business Partners.
- Public protection implications:** 12 None.
- Resource implications:** 13 None.
- Equality and diversity implications:** 14 None.
- Stakeholder engagement:** 15 The Financial Regulations were prepared with consideration of internal audit reports and feedback received from internal auditors Moore Stephens, as well as Directors and the AD, Governance.
- Risk implications:** 16 The Financial Regulations mitigate risks of reputational and financial loss due to misuse of assets, human error, waste, management override of controls, theft and fraud.
- Legal implications:** 17 None.



## **Financial regulations**

December 2016

**Last reviewed by Audit Committee 25 October 2016**  
**Approved by the Council xxxx 2017**

The previous version of the financial regulations was approved by the Council March 2016

DRAFT

## Contents

A. Introduction	3
B. Financial management and delegations	5
C. Financial planning	6
D. Risk management and control of resources	6
E. Ensuring value for money and efficiency	8
F. Financial systems and procedures	8
Authority for financial commitment	10

## A. Introduction

1. The Nursing and Midwifery Council (NMC) is a statutory body and a registered charity. It was established by the Nursing and Midwifery Order 2001 ('the Order') which sets out the powers and functions of the Council. The Council has ultimate responsibility for ensuring that the NMC is financially sound and that there is effective financial management in place.
2. The Chief Executive and Registrar was appointed as the NMC's Accounting Officer by the Privy Council and is accountable for the stewardship of the NMC's resources.
3. The purpose of the financial regulations is to:
  - 3.1. ensure that high standards of financial integrity are maintained at all times
  - 3.2. outline the financial responsibilities of Council members, non-Council committee members and all staff,<sup>1</sup> and the policies adopted by the NMC to fulfill its financial control and legal obligations
  - 3.3. provide high level principles that guide planning and managing the NMC's finances and the proper use of resources and stewardship of assets.
4. The financial regulations are part of our governance arrangements and are supported by a range of policies, procedures and guides, in particular the Operational Guide to Finance. If any instance of conflict or ambiguity arises between the financial regulations and supporting documents, the financial regulations take precedence.
5. The financial regulations are set and approved by the Council. They are reviewed by the Council every three years and more frequently should circumstances require. In line with good practice, the appropriate operational managers should regularly update the supporting documents.
6. The financial regulations apply to all Council members, non-Council committee members, and staff of the NMC. They are available on Trim and the intranet. Failure to comply with the financial regulations, or instructions issued under them, may result in disciplinary action for staff. It is the responsibility of managers and of staff themselves to ensure that staff recognise and understand their responsibilities under these regulations, that they receive appropriate training and that they comply with them.
7. On joining the NMC, Directors and Assistant Directors who report directly to the Chief Executive and Registrar must sign a budget delegation letter confirming that they have read the financial regulations, and understand and accept their responsibilities.

---

<sup>1</sup> 'Staff' should be interpreted, throughout this document, as referring to permanent and fixed term employees and temporary, interim, agency and contracted staff engaged as suppliers or via agencies.

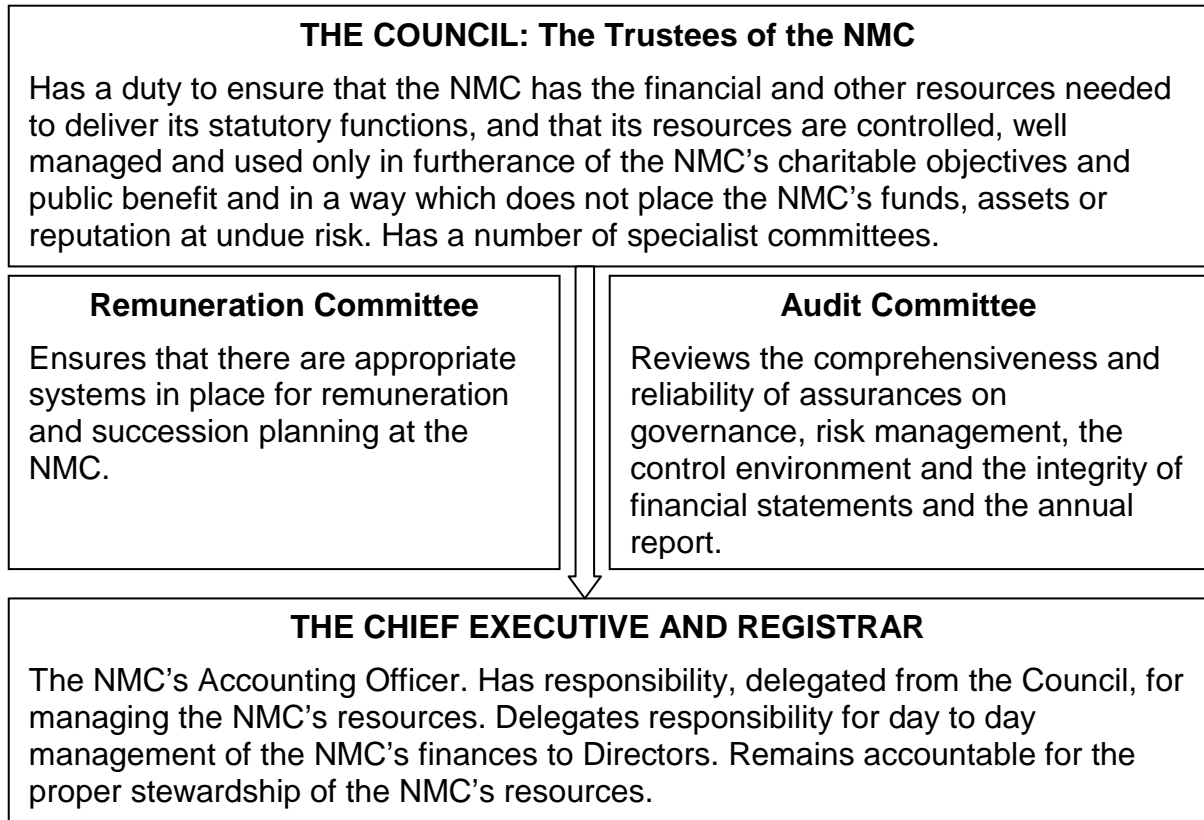
8. It is not possible to cover every eventuality within these regulations. Where a particular circumstance is not specifically referred to and there is any doubt as to the correct course of action, guidance should be sought in the first instance from the Assistant Director, Finance and Audit.

### **Codes of behaviour**

9. In addition to the financial regulations, the NMC's behaviours and the Nolan principles of public life apply to all staff. The NMC's behaviours are available on the intranet. The seven Nolan principles of public life are ethical standards that are expected of all those working in public services, such as the NMC, and are as follows:
  - 9.1. Selflessness - to act solely in terms of the public interest.
  - 9.2. Integrity – to avoid placing ourselves under any obligation to people or organisations that might try inappropriately to influence us in our work. Not to act or take decisions in order to gain financial or other material benefits for ourselves, our family, or our friends. To declare and resolve any interests and relationships.
  - 9.3. Objectivity – to act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
  - 9.4. Accountability – to be accountable to the public for our decisions and actions and to submit ourselves to the scrutiny necessary to ensure this.
  - 9.5. Openness - to act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
  - 9.6. Honesty - to be truthful.
  - 9.7. Leadership - to exhibit these principles in our own behaviour. To actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

## B. Financial management and delegations

10. The scheme of financial delegation is represented in the diagram below.



11. The Order, Standing Orders and scheme of delegation that set out the powers and functions of the Council and the terms of reference of committees are available on the website and from the Governance Team.
12. Staff throughout the organisation have responsibilities that contribute to sound financial management and day to day operational effectiveness and efficiency. The Operational Guide to Finance includes a matrix of financial responsibilities that sets out the roles and responsibilities delegated down from the levels represented in the diagram above.
13. Delegated authority to commit the NMC to expenditure operates within set financial limits. Annexe 1 sets out the authority of the Council and Chief Executive and Registrar to commit the NMC to expenditure. The Operational Guide to Finance includes a framework of financial limits within which authority is delegated subsequently. No purchase order must be placed nor any other contractual or financial commitment made between the NMC and a supplier without the prior approval of those with appropriate delegated authority.
14. Financial delegation does not include the authority to borrow or lend money on behalf of the NMC.
15. The Operational Guide to Finance sets out the process for making changes to staff establishment.

16. A database of signatures of staff with delegated authority is maintained by Finance.
17. Staff with delegated authority are required to be users of the electronic finance and purchasing system in order to approve financial commitments.

## **C. Financial planning**

18. The corporate plan, the financial strategy and annual budgets are set and monitored so that the NMC has the resources required to deliver its regulatory activity to the standard required, whilst maintaining its long term financial sustainability.
19. The Council approves the organisational strategy, financial strategy, investment policy, reserves policy and fee strategy, and the budget and corporate plan by March each year.

### **Budgeting**

20. Three year budgets, with a strong focus on year one, are set as part of the annual business planning and budget setting process.
21. The annual budget sets out overall income, revenue and capital expenditure, allocations to directorates and projects, the annual registration fee and the impact on reserves.
22. The Council scrutinises the budget during the budget setting period and the budget takes formal effect only after it has been approved by the Council.
23. Monthly management accounts are prepared for all areas of activity, with forecasts updated quarterly. The Council requests additional reports as required.
24. If a budget holder wishes to make a commitment that would lead to their directorate's bottom line budget being exceeded, the budget holder must follow the process set out in the Operational Guide to Finance.
25. Staff must not commit the NMC to expenditure for goods and services without the prior scrutiny and authorisation of an appropriate budget holder. Before goods and services are ordered, a requisition must be raised and approved within the electronic finance and purchasing system. There are recognised exceptional circumstances in which this regulation cannot be met. Staff should refer to the procurement guidance for the exceptions and the alternative processes to follow.
26. The Operational Guide to Finance provides detailed guidance on budgets, including the responsibilities of executive team members,<sup>2</sup> the Director of Resources and budget holders with respect to budget setting and budget monitoring and control.

## **D. Risk management and control of resources**

27. The Council has a risk management policy and framework. All staff must comply. Financial risks are managed and monitored in accordance with the framework.

---

<sup>2</sup> Executive team members are the Chief Executive and Registrar and Directors

### **Audit requirements**

28. Access to the NMC's premises and to all assets, records, documents and correspondence relating to financial and other transactions must be provided and explanations given when required, to external auditors for the purpose of examining the NMC's accounts and to the internal auditor concerning any matter under examination.

### **Disclosure of interests and gifts**

29. The NMC is committed to transparency and openness in the conduct of its affairs.

30. Disclosure requirements for Council and non-Council committee members are specified in the NMC's code of conduct for members. The Assistant Director, Governance maintains the register of interests of Council and Committee members and the Executive team.

31. Staff must declare any interests they may have in matters they are dealing with in the course of their work at the NMC to their Assistant Director or Director and, where appropriate, not be involved in matters in which they have an interest.

32. Staff taking part in tendering panels are required to make a declaration of interest to the Assistant Director, Procurement and Commercial.

33. Staff must report all gifts and significant hospitality offered to them in the course of their duties, including those that they decline. Gifts and hospitality are recorded on the gift and hospitality register held by Governance.

### **Fraud, bribery, corruption and whistleblowing**

34. Council members, non-Council committee members and staff must report any suspicions they might have of fraudulent or corrupt behaviour to the Assistant Director, Governance, Director of Resources, Chief Executive and Registrar or senior manager as appropriate.

35. The anti-fraud, bribery and corruption policy and the whistleblowing policy (public interest disclosure policy) are available on Trim and the intranet.

### **Insurance**

36. Staff should promptly notify the Assistant Director, Finance and Audit of new or changing insurance requirements and of loss, liability, damage or an event that is likely to lead to an insurance claim.

### **Fixed assets, capital expenditure and disposal of assets**

37. The definition of a fixed asset is set out in the accounting policies reviewed annually by the Audit Committee. Such assets, including equipment, furniture and property are recorded in the fixed asset register.

38. The Director of Resources is responsible for maintaining the fixed asset register.

39. The disposal of obsolete or surplus stock, equipment or furniture requires the prior approval of the Assistant Director, Finance and Audit if the net book value is less than £10,000 (collective value of items) and the prior approval of the Director of Resources or Chief Executive and Registrar if the net book value exceeds £10,000.

## E. Ensuring value for money and efficiency

40. Value for money (VfM) is defined by the National Audit Office as the optimal use of resources to achieve the intended outcomes, and uses three criteria – that must be optimally balanced - to assess VfM:
- 40.1. **Economy:** minimising the cost of resources used or required (inputs) – **spending less.**
  - 40.2. **Efficiency:** the relationship between the output from goods or services and the resources to produce them – **spending well.**
  - 40.3. **Effectiveness:** the relationship between the intended and actual results of public spending (outcomes) – **spending wisely.**
41. The NMC must be able to demonstrate that it achieves value for money in all its purchases. Timely involvement of Procurement in supplier selection enables us to achieve better value for money. Budget holders should review requests for goods and services **before** an order or commitment is made to engage a particular supplier at a given cost and should challenge requests that do not demonstrate value for money.
42. The executive team members are responsible for ensuring that all procurement exercises in their directorates are undertaken in accordance with the procurement guidance, and in conjunction with the Procurement department.
43. The executive team members must ensure that they are operating their directorates as efficiently as possible. This involves working with the finance team and other teams to ensure that delivering cash savings where relevant and demonstrating efficiency savings are at the core of decision-making.

## F. Financial systems and procedures

44. The Director of Resources is responsible for providing financial training to all relevant staff and ensuring that guides to financial procedures are available to staff.
45. Managers are responsible, within their areas, for the proper operation of financial procedures, and the effective operation of the matrix of financial responsibilities contained within the Operational Guide to Finance.

### Expenditure

46. The authority to commit the NMC to financial expenditure via contracts with external suppliers, including via purchase orders, is held by the post holders identified in

Annexe 1. Subsequent delegations of this authority are set out in the Operational Guide to Finance.

47. The NMC is committed to expenditure by purchasing card transactions and, more usually, by orders placed with suppliers who will invoice the NMC for payment.
48. Staff must not place orders with suppliers who will invoice the NMC until they have first ensured that a requisition detailing the proposed order has been created and approved in the electronic finance and purchasing system. Staff in breach of this financial regulation must be able to provide a sound justification. Procurement will advise staff how to avoid a breach of this key financial and budgetary control.
49. A member of staff must not both raise a requisition and approve that requisition.
50. All contracts should be in accordance with the NMC's terms and conditions where possible and appropriate. Where this is not possible the contract should be signed by the Assistant Director, Procurement and Commercial to evidence approval of the non-standard contract terms. The NMC's standard terms and conditions are stated within the NMC's purchase orders.
51. The procurement guidance sets out the tendering process financial thresholds, Government procurement regulations, EU Directives and our procurement policies and procedures. The guidance is available on Trim and the intranet.
52. Purchasing cards are issued to staff on the instruction of the relevant Assistant Director, Deputy or Director and with the agreement of Finance. Cardholders are responsible for the correct use of the cards as specified in the Purchasing Card policy available on Trim, the intranet and from Finance.
53. The Director of Resources ensures that appropriate controls and guidance are in place to ensure the proper use of purchasing cards.

#### **Expenses reimbursement and allowances**

54. The Director of Resources is responsible for ensuring appropriate policies and procedures are in place for reimbursement of expenses to staff and suppliers of services, including legal assessors and panel members, and witnesses. Guidance is provided within the expenses policies available on Trim and the intranet.

#### **Banking and credit finance arrangements**

55. The Director of Resources is responsible for overseeing the banking arrangements of the NMC.
56. Any contract or transaction which binds the NMC to loans and other credit finance commitments must be approved by the Director of Resources or Chief Executive and Registrar and by the Council.

## Authority for financial commitment

Item	Council	Chief Executive and Registrar
	Aggregate Value (aggregate value means the cost over the life of the item or contract including any VAT)	
<ul style="list-style-type: none"> <li>• contract award recommendation</li> <li>• contract variation or extension</li> <li>• form of agreement that would bind the NMC to a financial commitment</li> <li>• purchase requisition approval (a requisition is a request to order goods or services)</li> </ul>	<b>≥500,000</b>	<b>&lt;500,000</b>

The values indicate thresholds below which the post holders' authorisation is sufficient to commit the NMC to expenditure.

The Council must give prior approval for any commitment of sums of an aggregate value over £500,000 at a meeting. Exceptionally, approval of expenditure of sums of an aggregate value over £500,000 but less than £1million may be given by the Chief Executive and Registrar together with two Council members one of whom must be the Chair. Any such commitments must be reported to the next meeting of the Council.

Where an urgent decision is required, approval can be provided by correspondence as provided for in the Council's Standing Orders.

Where the Council has made the decision, the Chair will sign on behalf of the Council.

## Council

### Professional Standards Authority Annual Performance Review 2015-2016

**Action:** For discussion.

**Issue:** To consider the report of the performance review undertaken by the Professional Standards Authority (PSA) and to note actions we are taking to address learning contained in the report.

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

**Strategic priority:** Strategic priority 4: An effective organisation.

**Decision required:** The Council is asked to consider the PSA performance review report (**annexe 1**) and note how we intend to address learning from the report (paragraph 10).

**Annexe:** The following annexe is provided separately:

- Annexe 1: PSA performance review report 2015-2016.

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

Author: Michael Andrews  
Phone: 020 7681 5925  
[Michael.andrews@nmc-uk.org](mailto:Michael.andrews@nmc-uk.org)

Director: Emma Broadbent  
Phone: 020 7681 5903  
[Emma.broadbent@nmc-uk.org](mailto:Emma.broadbent@nmc-uk.org)

- Context:**
- 1 The PSA oversees the nine healthcare professional regulatory bodies and undertake a review of the performance of each of these bodies on an annual basis. The reviews are based on an agreed set of 24 standards of good regulation (SOGR).
  - 2 The report at **annexe 1**, which covers our performance over the period 2015-2016, was published by the PSA on 9 December 2016.
- Discussion:**
- 3 The PSA has judged that we met all apart from one of the SOGR. The standard that we failed to meet related to timeliness in dealing with fitness to practise cases. This is a considerable improvement on previous years. Last year we failed to meet five of the standards and were judged to meet a further one only inconsistently.
  - 4 In summary the PSA said:
 

“This represents a significant improvement in the NMC’s performance against the *Standards of Good Regulation* by comparison to previous years and reflects considerable, sustained work by the NMC.”
  - 5 It is also notable that the PSA praised our preparation for the introduction of revalidation, particularly the way key stakeholders were engaged and their views taken on board.
  - 6 The PSA has said that there are issues it will be keeping a close eye on going forward. We have analysed the report in detail and developed an action plan to address all areas identified by PSA.
  - 7 The action plan will be managed closely by the directors, with progress reviewed formally at the Executive Board. We will provide a formal written update to the Council on a quarterly basis. At this stage, we highlight the following progress:
    - 8.1 **Quality:** we have a number of mechanisms in place for managing and assuring quality, and are in the process of reviewing these in anticipation of the Section 60 changes. We will address the specific points the PSA have raised regarding investigations, consensual panel disposal, and case preparation in workshops for relevant staff and decision-makers.
    - 8.2 **Policy and guidance:** we are reviewing policies and guidance in anticipation of the Section 60 changes and will take account of the PSA's feedback as part of that process. We have appointed a senior lawyer to lead on delegated decision-making for Rule 7A and voluntary

removal.

8.3 **Timeliness:** we are currently focusing on clearing older cases. Our business plan for 2017-2018 is predicated on us achieving our optimal caseloads and a smooth flow of cases through the process in 15 months from end to end (unless they are held up by third parties) by March 2018.

8.4 **Customer service:** We are developing a customer strategy under which we will coordinate our work to improve our customer and stakeholder focus.

8 We will also review PSA's reports on the other regulators as they are completed to consider whether there is any learning in those which could apply to us and, if so, this will be added to the action plan referred to in paragraphs 6 and 7 above.

9 **Recommendation: Council is asked to consider the PSA performance review report (annexe 1) and note how we intend to address learning from the report.**

**Public protection implications:** 10 Taking appropriate measures to respond to learning from the PSA report will increase the level of public protection that we provide through improved regulation.

**Resource implications:** 11 Necessary changes will be met from existing resources.

**Equality and diversity implications:** 12 There are no direct equality and diversity implications resulting from this paper.

**Stakeholder engagement:** 13 We are committed to engage constructively with the PSA and to maximise opportunities to improve from the feedback we receive.

**Risk implications:** 14 None identified.

**Legal implications:** 15 None.



## Council

### Performance and Risk Report

- Action:** For discussion.
- Issue:** Reports on performance and risk management since the November 2016 Council meeting.
- Core regulatory function:** All regulatory functions.
- Strategic priority:** Strategic priority 1: Effective regulation.  
Strategic priority 2: Use of intelligence.  
Strategic priority 3: Collaboration and communication.  
Strategic priority 4: An effective organisation.
- Decision required:** The Council is recommended to:
- Discuss the performance information for December 2016 (paragraph 10).
  - Note the corporate risk summary and risk heat map (paragraph 14).
- Annexes:** The following annexes are attached to this paper:
- Annexe 1: Performance reports including Q3 update on the corporate plan commitments.
  - Annexe 2a: Corporate risk summary.
  - Annexe 2b: Risk heat map.
- Further information:** If you require clarification about any point in the paper or would like further information please contact the author or the director named below.

Author: Janice Cheong  
Phone: 020 7681 5765  
[Janice.cheong@nmc-uk.org](mailto:Janice.cheong@nmc-uk.org)

Director: Adam Broome  
Phone: 020 7681 5964  
[adam.broome@nmc-uk.org](mailto:adam.broome@nmc-uk.org)

- Context:**
- 1 This report, formerly titled the Chief Operating Officer's Report, provides an overview of performance and risk management across the organisation, focusing on developments since the last Council meeting in November 2016.
  - 2 A new format had been adopted and presented to the Council in November. This was received positively and we are now continuing with the format, although we will continue to improve and refine it to ensure reports clearly explain what is going well, what needs attention and proposed future action.
  - 3 We would continue to welcome Council's views on the format of this report and whether there are any other aspects of performance which it would expect to see and monitor on a regular basis.

**Discussion: Executive summary of performance**

**Corporate plan commitments update at Quarter 3 (annexes 1a & 1b)**

- 4 In addition to the regular report on performance, an update against all corporate plan commitments at the end of quarter 3 is included. We are on track to achieve 11 of the 14 commitments in the corporate plan 2016-2017 by year end, March 2017. Details about the three commitments where achievement is not on track for year-end (forecast red) are at **annexe 1b**. An overview is provided here:
  - 4.1 **Commitment 1b**, our people. We will make as much progress as we can but will not have fully developed our people strategy by March. This will be a priority commitment for 2017-2018.
  - 4.2 **Commitment 10**, develop our strategic capability to enable us to articulate our data and intelligence requirements; and determine what research we should invest in, and use the outcomes to inform our work. We will not achieve this commitment by the end of the year. This is also reflected as a We will not achieve this commitment by the end of the year. This is also reflected as corporate risk CR29, see paragraph 12.1 below. This will be a priority commitment for 2017-2018 and we will bring back explicit objectives and clear plans for what we will deliver as part of the corporate plan.
  - 4.3 **Commitment 12**, improve our access to the views of patients and the public through new public and patient networks in each of the four countries and use this to shape and inform our work. We did not have a clear plan for how we would deliver this commitment and will not achieve it by March. This will be a priority commitment for 2017-2018. We will bring back clear proposals for what we will deliver next year as part

of our corporate plan.

### **Overview and individual directorate performance and KPIs (annexes 1c to 1g)**

- 5 The individual directorate reports present key developments since November, together with relevant financial information and relevant KPIs/dashboards. This section outlines key developments impacting on performance for each directorate, with reference to the corporate key performance indicators (KPIs).
- 6 Overall, performance has been maintained across the organisation. Highlights are provided below.

#### **Registration and Revalidation**

- 7 Performance against KPIs has been maintained above targets. Following the IT and communication issues in September and October, which affected our call centre and customer satisfaction performance, performance in these areas improved over November and December. Further analysis of Registration customer service and the call abandonment rate is provided at **annexe 1c**. It outlines issues we have identified and steps we are taking to make improvements.

#### **Fitness to Practise**

- 8 Performance against the interim order KPI continues to be above target. We have seen a slight dip over the past quarter to 76% against the 15 month end-to-end KPI, as more older cases are dealt with by Case Examiners and at the Adjudication stage. We expect this trend to continue in line with our commitment to reducing the aged caseload by September 2017.
- 9 Narrative within the Operational Summary at **annexe 1d** seeks to explain the FtP performance dashboard at **annexe 1e**.
- 10 **Recommendation: The Council is invited to discuss the performance information for December 2016.**

### **Corporate risk**

- 11 A corporate risk summary is attached at **annexe 2a**, listing our corporate risks alongside the current post-mitigation rating for each risk, any risk movement since the last Council meeting and a status update.
- 12 Corporate risks have been recently reviewed. Key points are:
  - 12.1 CR29 *Intelligence and insight*: the risk remains red as we do not have the strategic capability we need to make progress at present. We are reviewing the outcomes of external work and

considering other options for how we might make progress in this area. At an operational level, we know that fundamental work is required on our underpinning systems and data. We have procured specialist support to help us start to address this. This work is ongoing and will form part of the transformation programme.

12.2 Risks CR30a and CR30b relating to our transformation work remain red-rated whilst we are still at the early stages of the programme. There is proactive management of these risks to ensure we continue to maintain core business and regulatory change delivery in parallel with achieving the required progress on transformation.

13 A heat map of corporate and directorate level risks is at **annexe 2b**.

14 **Recommendation: The Council is invited to note the corporate risk summary and risk heat map.**

**Public protection implications:**

15 Public protection implications are considered when reviewing performance and the factors behind poor or good performance.

**Resource implications:**

16 Resource implications will be captured in the financial monitoring report.

**Equality and diversity implications:**

17 Equality and diversity implications are considered when rating the impact of risks and determining the action required to mitigate risks.

**Stakeholder engagement:**

18 KPI information, risk summary and risk heat map are in the public domain.

**Risk implications:**

19 The impact of risks is assessed and rated on the risk register. Future action to mitigate risks is also described.

**Legal implications:**

20 No direct legal implications.

## **Directorate performance information and key performance indicators**

### **Contents of Annexe 1**

- 1a High level summary report
- 1b Q3 report of progress against corporate plan 2016-2017
- 1c Registration and Revalidation performance report
- 1d Fitness to Practise performance report
- 1e Fitness to Practise dashboard
- 1f Education, Standards and Policy performance report
- 1g KPI summary table 2016-2017 year to date



**This cover page provides an overarching summary status for the corporate plan commitments and budget.**

The detail can be found in the accompanying directorate reports at annexes 1b to 1g.

## Overview of corporate plan commitments: forecast status for year end (as at Q3)

### Commentary:

Following a midyear change to the *Value for Money* corporate plan commitment, there are now 14 commitments.

Three commitments are rated red (not on track to be fully achieved at year end) and this relates to the people strategy, to our data, intelligence and research and around using the views of patients and the public to inform our work. More detail is at annexe **1b**, commitments **1b**, **10** and **12**.

	Red	Amber	Green
<b>Transforming the NMC (strategic priorities 3 and 4)</b>	1		3
<b>Effective regulation (strategic priorities 1 and 3)</b>			7
<b>Use of intelligence (strategic priority 2)</b>	1		1
<b>Communication and collaboration (strategic priority 3)</b>	1		
<b>Commitment RAG totals (14 in total)</b>	<b>3</b>		<b>11</b>

## Financial highlights for the organisation as at December 2016

### Overall picture

Whilst the difference between income and expenditure is slightly higher than budgeted as at the end of December 2016 at £2.9 million (4% of income) it is forecast to be slightly lower than budget by the year end, with forecast year end positive difference of £1.1 million. This is mainly due to accommodating for significant increases in activity within Fitness to Practise (FtP). Overall expenditure, including capital, is expected to be £1.3 million (1%) above budget by year end.

### Income

At £64.3 million year to date, with a forecast of £85.5 million by year end, income is expected to be £0.7 million above that planned in the budget. This is mainly due to receiving more fee income than planned.

### Expenditure

Overall revenue spend to date is £0.6 million below budget, but is currently forecast to be about £1.2 million over budget at the year end.

### Efficiencies

Embedded efficiencies of £4.6 million were built into the 2016-2017 budget. These efficiencies are expected to be delivered to the extent we achieve core activity whilst remaining within budget. FtP is forecast to achieve £1.3 million of the £2.9 million of embedded efficiencies in its budget.

### Budgeted spend status – 31 December

£'000

Figures in ( ) represent an overspend

Budget YTD	Variance YTD £	Variance YTD %	Budget year end	Forecast variance £	Forecast variance %	Narrative
61,944	618	1%	83,223	(1,165)	1.4%	Increased hearing activity in FtP and higher depreciation driving overspend

### Workforce status – 31 December

	Budgeted posts	Breakdown of filled total				Variance (overall filled total vs approved posts)	Narrative
		Perm and FTC employees	Agency	Contractor	OVERALL filled total		
FTE	809.7	666.9	116.4	54.5	837.8	(28.1)	Increased staff across FtP to accommodate increased activity.



## Quarter 3 summary of progress against the corporate plan 2016–2017

### 1 October – 31 December 2016

Our corporate plan sets out our commitments for 2016-2017 towards achieving the corporate strategy 2015-2020. This report presents:

- An update and assessment of our performance and progress to date in these areas.
- An assessment of whether we expect to deliver the commitment by year end 31 March 2017.

Definitions of table headings		
<b>Commitment for 2016–2017</b>	Work we are undertaking in 2016–2017 as stated in the corporate plan.	
<b>Q3 update (October - December 2016)</b>	Explanation of progress during quarter 3. The Q3 narrative references (a) the work we should have done in Q3; (b) whether we have done that work; (c) if not, why not, and an explanation of whether we are taking any recovery action to get us back on track to achieving the commitment by year end (and what this work is).	
<b>Red/amber/green (RAG) rating</b>	<b>Current status</b> This reflects an assessment of our current progress and performance.	<b>Forecast status (year end)</b> This reflects our anticipated position at 31 March 2017.
<b>Red</b>	Significant work has not been progressed.	We do not expect to fully meet this commitment by year end.
<b>Amber</b>	Work is still at early stages or we have not met planned milestones.	It is not yet clear whether the commitment will be met at the year end.
<b>Green</b>	Most, if not all work has been progressed to date.	We are on track to meet all areas of this commitment.

	Corporate plan commitment 2016-17	Current status (31 Dec)	Forecast status (Mar 2017)	Q3 update (October-December 2016)
<b>Transforming the NMC (strategic priorities 3 and 4)</b>				
1	Plan, resource and initiate our transformation programme. The programme will cover all aspects of our organisation, people and location, as well as improving the experience of our customers.	Amber	Green	This is currently rated amber given the scope, scale and challenges in a major transformation programme. There are still transitional/enabling elements to be put in place particularly around accommodation and people. We have considerable work planned to finalise on the location aspect and to ensure we can present a coherent business case in March 2017.
1a	<b>Our organisation</b> By October 2016, have defined what the organisation shape, size and business processes should be, and have published our transformation roadmap.	Amber	Green	The high level transformation roadmap has been shared with the Leadership Team. The rollout sequence and technology roadmap are progressing, and due for completion in February – these will further detail the roadmap. The high level end-to-end processes will be defined prior to the end of the initial 'Mobilise and Model' Transformation Phase, and form the Transformation Business Architecture.
1b	<b>Our people</b> Develop a People Strategy that sets out the skills, capabilities and culture that the organisation will need now and for the future. This will address how we will attract, retain, support and reward people to meet our priorities.  Produce a detailed plan to drive the achievement of the People Strategy and deliver outputs in accordance with that plan once agreed.  Complete a pilot management training programme to build management capability in our first level managers. We will then evaluate its effectiveness and the potential for full roll out.	Red	Red	A paper was presented at the Council Seminar in December on developing the People Strategy. Considerable further work is needed and whilst we will aim to make as much progress as possible before March 2017, we do not expect to fully deliver the commitment. This will be a priority commitment for 2017-2018.  The specific work ensuring the HR implications of the potential transformation programme and location decision is underway.  The pilot management training programme was successfully completed and the subsequent evaluation showed it had been effective in achieving its objectives. A full roll out has been recommended for consideration by the Directors.

	Corporate plan commitment 2016-17	Current status (31 Dec)	Forecast status (Mar 2017)	Q3 update (October-December 2016)
1c	<p><b>Our location</b> Develop a full accommodation business case setting out costed options to enable us to make decisions on future accommodation and location by March 2017.</p> <p>In parallel, produce a transition plan to implement the recommended option in the accommodation business case.</p>	Amber	Green	<p>We are in the information gathering and development stage of the business case and whilst timescales are challenging, we are on track to submit by the planned date.</p> <p>The transition plan will be developed as the business case and location options are further developed and agreed.</p>
2	<p><b>Value for money</b> Deliver a stretch target of five percent against the approved budget (excluding funds allocated for transformation) to drive value for money, which we will monitor and report against.</p>	It was agreed at the November 2016 Council meeting that this commitment would be removed from reporting in the second half of the year. Instead, we will continue to report progress against the embedded efficiencies, as set out in the Financial Monitoring report.		
<b>Effective regulation (strategic priorities 1 and 3)</b>				
3	<p><b>Education</b> Draft new standards setting out the skills and competencies required of the future nurse, ready for consultation which will complete in 2017–2018.</p> <p>Engage with stakeholders through the work we are doing to develop new standards.</p>	Green	Green	<p>An independent research company has been appointed to undertake user testing of the draft future nurse competencies and they have received a copy of these draft competencies.</p> <p>A series of UK wide engagements events successfully concluded in December 2016. Stakeholder engagement and their feedback will continue to shape our thinking during this pre consultation stage. Additional events will take place during Q4.</p>
4	<p><b>Education</b> Commission an independent fundamental review of how nursing and midwifery education could be quality assured in the future, resulting in a set of options by</p>	Green	Green	Independent consultants are currently finalising their report and findings. Proposed options will be discussed by the Council in March 2017.

	Corporate plan commitment 2016-17	Current status (31 Dec)	Forecast status (Mar 2017)	Q3 update (October-December 2016)
	March 2017. This review will take into account the changing arrangements for quality assurance in the higher education sector more generally.			
5	<p><b>Midwifery regulation</b></p> <p>Continue to support successful transition of midwifery supervision in all four countries of the UK.</p> <p>Develop and implement a comprehensive communication plan to ensure that stakeholders have a clear understanding of regulation after the legislative change</p> <p>Update our own policies, systems and processes to ensure we are ready for the consequences of legislative change in midwifery regulation.</p>	Amber	Green	<p>Our own work in support of this legislative change is on track and to quality. The Department of Health published its response to the section 60 consultation on 11 January, enabling the proposals to progress to parliamentary scrutiny. The current rating remains at amber as if there is delay in scheduling the parliamentary timetable and securing approval, the timetable for implementation by the end of March may still be affected. We have contingency plans in place to address immediate risks arising.</p> <p>We have written to all midwives about intention to practise forms, and also informed all midwives of the government publication of its conclusions following consultation, in order to keep them up to date with the progress of change.</p> <p>We are actively involved with the four country leads for midwifery change and their plans for transition, and the future of supervision decoupled from regulation.</p>
6	<p><b>FtP</b></p> <p>Prepare a detailed plan so that we are ready to implement the significant changes to our legislation to ensure that we can resolve fitness to practise cases in the right way at the right time. This will include developing policy and process for additional powers for Case Examiners and the Investigating Committee, and the development of systems and processes to support the changes.</p>	Green	Green	<p>Following external engagement events with representative bodies in July and August, the public consultation in respect of the changes to the FTP Rules was launched on 24 October 2016 and ran until 19 December. Analysis of the responses received will be undertaken in January and will form the basis of a report to be published in the Spring.</p> <p>Further work has also been undertaken on the policy questions relating to the move to one single Fitness to Practise Committee. This will be the subject of further discussions with stakeholders in Q4.</p>

	Corporate plan commitment 2016-17	Current status (31 Dec)	Forecast status (Mar 2017)	Q3 update (October-December 2016)
7	<p><b>Registration</b></p> <p>Monitor the operational effectiveness of revalidation in its first full year of implementation and ensure continuous improvement to the process and our systems.</p>	Green	Green	<p>43,446 nurses and midwives revalidated between October and December 2016. This means that over 154,000 nurses and midwives have now completed revalidation. Revalidation rates across the four UK countries remain extremely positive at 92%. The proportion of nurses and midwives renewing their registration is in line with previous years and the pattern of revalidation is consistent between UK countries and between registration types.</p> <p>Recommendations for ongoing improvement, made by our internal auditors as part of an internal audit review, are now being implemented.</p>
8	<p><b>Registration</b></p> <p>Make it easier for nurses and midwives to pay their registration fee by rolling out the facility to make payments in quarterly instalments.</p>	Green	Green	<p>The ability for registrant to make quarterly phased payments was introduced in June 2016. Since then 40,921 registrants have signed up to pay by quarterly instalments (this equates to 5.9% of our total registrant base).</p> <p>Phased payments have been successfully implemented and registrants have the ability to pay by instalments for all quarters. The project has now closed.</p>
9	<p><b>FtP and Registration</b></p> <p>Maintain and continue to improve our regulatory performance (as measured by corporate KPIs) throughout transformation.</p>	Green	Green	<p>Our performance against the Registration KPIs was strong throughout the quarter, with all KPIs being met.</p> <p>Our performance in FtP against the Interim Orders KPI has remained consistently above 90% this quarter, which is above our target of 80%.</p> <p>Our 15 month FtP KPI performance has dipped slightly this month. However this is indicative of adjudication closing more cases and our focus on our aged caseload.</p>

Corporate plan commitment 2016-17		Current status (31 Dec)	Forecast status (Mar 2017)	Q3 update (October-December 2016)
<b>Use of intelligence (strategic priority 2)</b>				
10	<p>Develop our strategic capability to enable us to articulate our data and intelligence requirements.</p> <p>Determine what research we should invest in, and use the outcomes to inform our work.</p>	Red	Red	<p>We will not achieve this commitment in 2016-2017. A meeting with a reputable external provider is planned for February 2017 to discuss how we can secure this strategic capability.</p>
11	<p>Be in a position by March 2017, for our Employer Link Service to begin to analyse data from FtP referrals and employer settings to enable wider risk based interventions at an earlier stage to enhance public protection.</p>	Green	Green	<p>The operational model and implementation plan was signed off by the risk intelligence project board at the beginning of the quarter.</p> <p>A coding update for our case management system (CMS) was undertaken in December and the coding of live referrals is now in operation across the directorate, which will give us greater intelligence on employers, settings and allegations.</p> <p>The next step is completing the risk assessment project which will move the current process onto CMS, helping drive efficiencies within the directorate around risk assessment. Risk assessment workshops have taken place with key members across the FtP directorate.</p>
<b>Communication and collaboration (strategic priority 3)</b>				
12	<p>Improve our access to the views of patients and the public through new public and patient networks in each of the four countries and use this to shape and inform our work.</p>	Red	Red	<p>We will not meet this commitment in 2016-2017. We were not clear at the outset how we would meet this commitment. This will be a priority for 2017-2018 and we will bring back clear proposals for what we will deliver.</p>

## Operational performance summary

Performance against our KPIs is strong and improved in most areas throughout the period. Overall the year to date position remains strong. We have seen significant improvement against our call centre performance measure, exceeding the target over the period, and performance against our customer experience indicators have improved.

Over the period we continued to clear work that had accumulated in September and October 2016 due to unanticipated demand and IT issues.

## Budget status – 31 December

£'000 Figures in ( ) represent an overspend

Budget YTD	Variance YTD £	Variance YTD %	Budget year end	Forecast variance £	Forecast variance %	Narrative
4,628	(181)	(4%)	6,145	(336)	(5%)	Overspend due to unexpected legal costs, and variance against the forecast for peak period staffing. Costs continue to rise because of ongoing legal costs and staffing required for the March peak. Work is underway to reduce the overspend where possible and it is hoped this figure will reduce.

## Corporate plan commitment for 2016-17

(see detailed updates at annexe 1b)

	Current status (31 Dec)	Forecast status (year end)
Monitor the operational effectiveness of revalidation in its first full year of implementation and ensure continuous improvement to the process and our systems.	Green	Green
Make it easier for nurses and midwives to pay their registration fee by rolling out the facility to make payments in quarterly instalments.	Green	Green
Maintain and continue to improve our regulatory performance (as measured by corporate KPIs) throughout transformation.	Green	Green

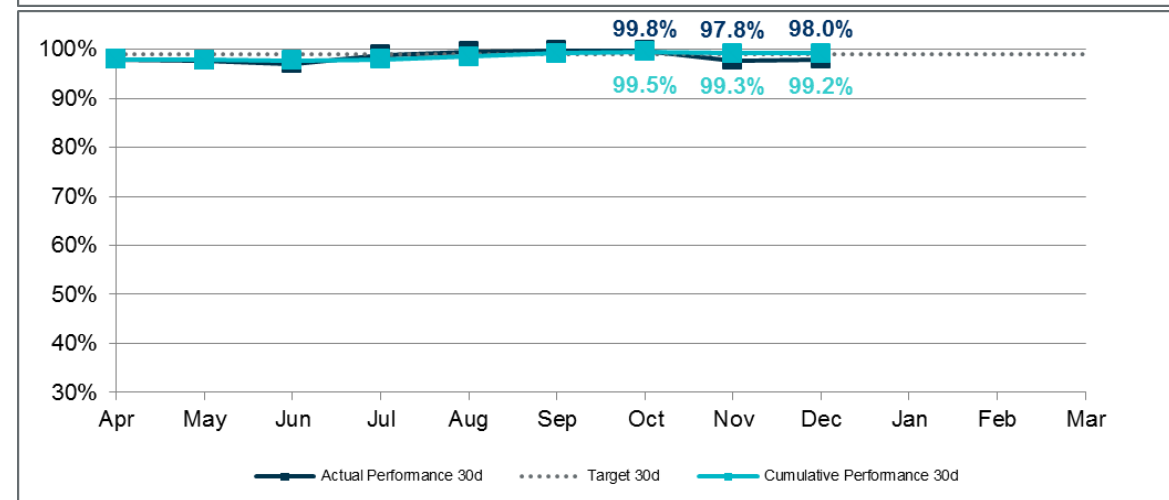
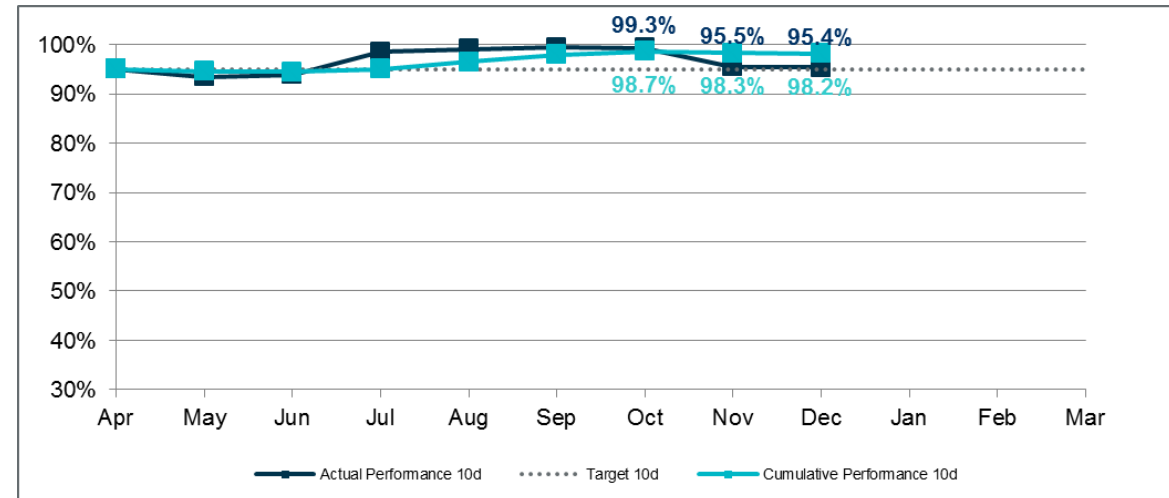


KPI 1a - Percentage of UK initial registration applications completed within 10 days									
Average for 2015–16	October 2016		November 2016		December 2016		Year to date avg	Year end average target	
	No.	As a %	No.	As a %	No.	As a %			
97.4%	7,753	99.3%	2,082	95.5%	376	95.4%	98.2% Green	95% within 10 days	Primary target
98.7%	7,787	99.8%	2,130	97.8%	386	98.0%	99.2% Green	99% within 30 days	Secondary target

**Commentary:**  
The improvements and efficiencies implemented to the processes by the operational teams have had a positive impact on the primary and secondary target. Additional monitoring of this KPI is also now in place.

**Primary target Red/Amber/Green rating:**  
Green – figure is greater than or equal to 95% target, Amber – between 90% and 94.9%, Red – 89.9% or lower.

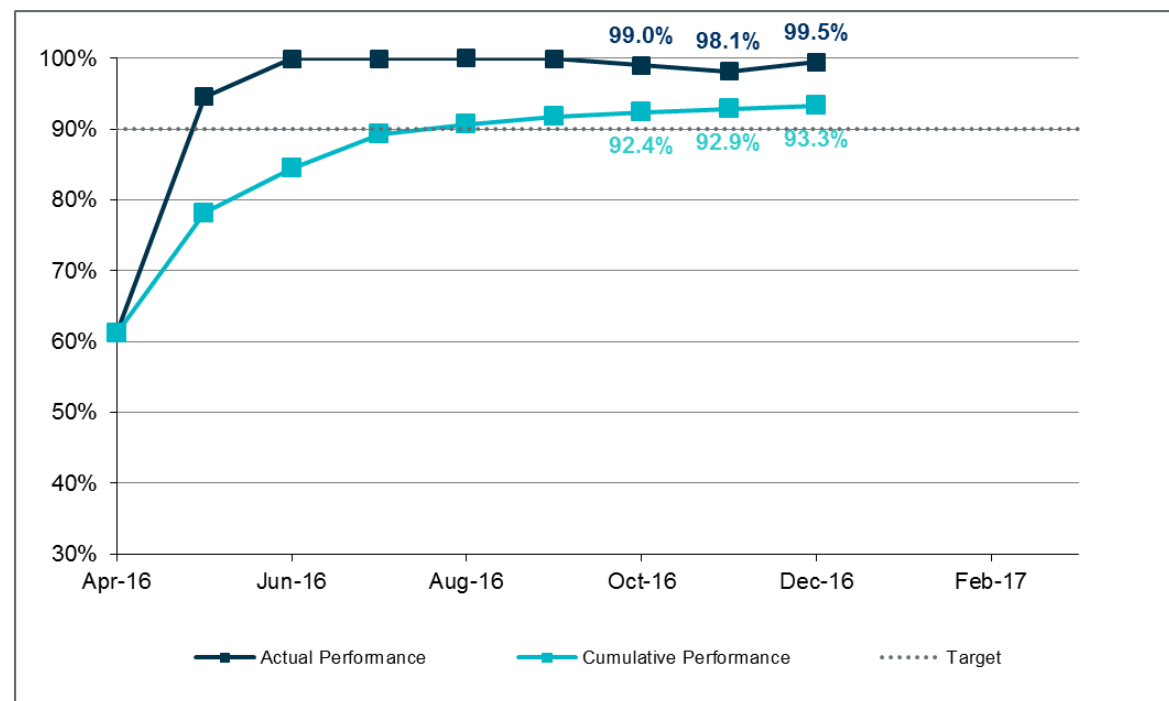
**Secondary target Red/Amber/Green rating:**  
Green – figure is greater than or equal to 99% target, Amber – between 94% and 98.9%, Red - 93.9% or lower.



KPI 1b - Percentage of EU/overseas registration applications assessed within 68 days							
October 2016		November 2016		December 2016		Year to date avg	Year end average target
No.	As a %	No.	As a %	No.	As a %		
1,254	99.0%	1,212	98.1%	1,111	99.5%	93.3% Green	90%

**Commentary:**  
Team performance against SLA remains high and consistent overall.

**Red/Amber/Green rating:**  
Green - figure is greater than or equal to 90% target, Amber - between 85 and 89.9%, Red - 84.9% or lower.





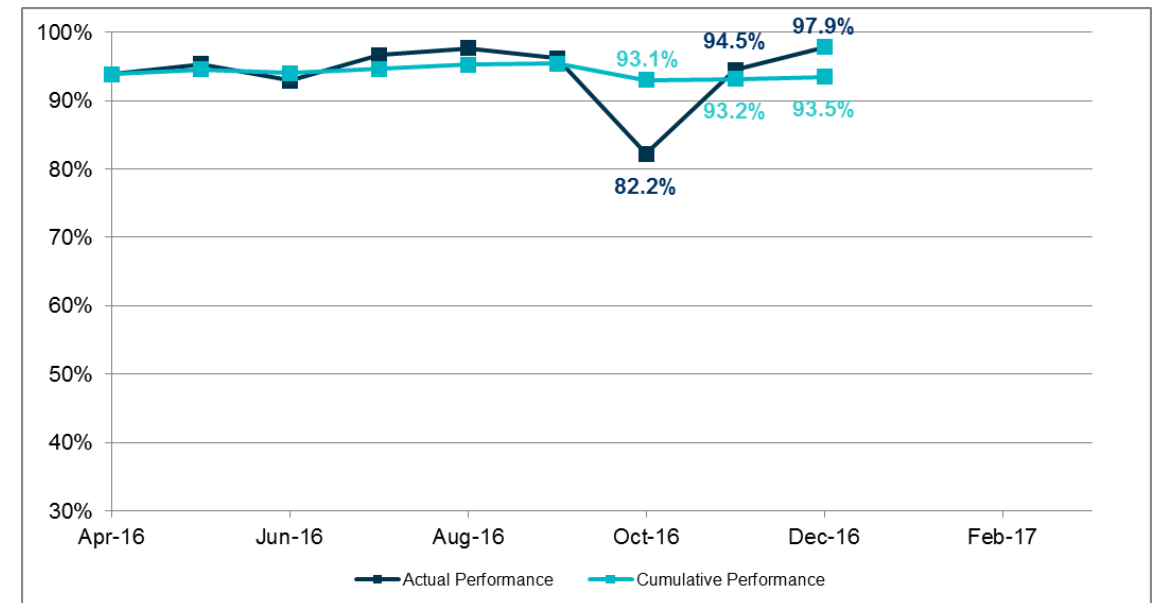
Figures for October to December 2016 are provided here. Further analysis of these areas is provided over the next few pages.

## Percentage of calls answered

Full year 2015–16	October 2016	November 2016	December 2016	Year to date
86.4%	82.2%	94.5%	97.9%	93.5%
	38,089/8,237 answered/abandoned	27,921/1,615 answered/abandoned	19,051/405 answered/abandoned	

### Commentary:

We delivered a strong performance during December.



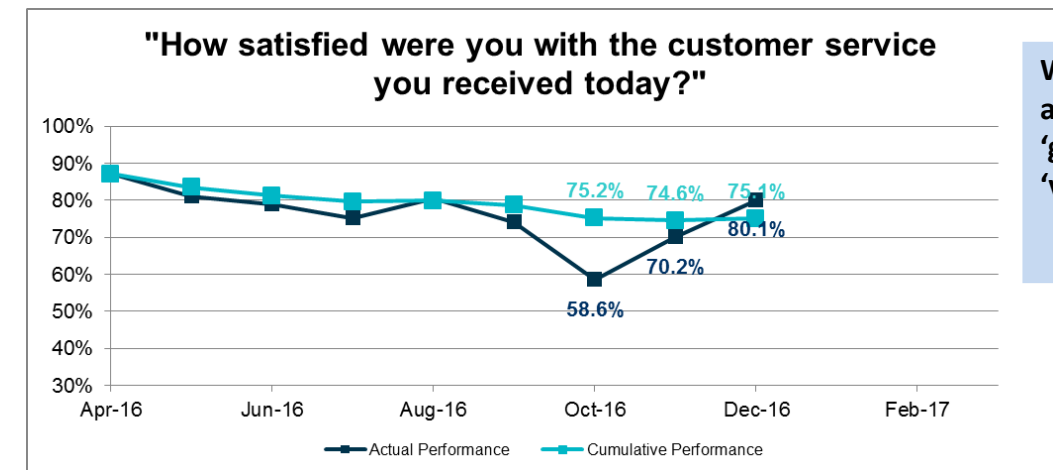
## Percentage of customers rating their overall experience as 'good' or 'very good', and percentage of customers who felt we had answered their query

Measure	October 2016	November 2016	December 2016	Year to date
Overall experience	58.6%	70.2%	80.1%	75.1%
Query resolution	62.6%	68.7%	78.4%	76.7%

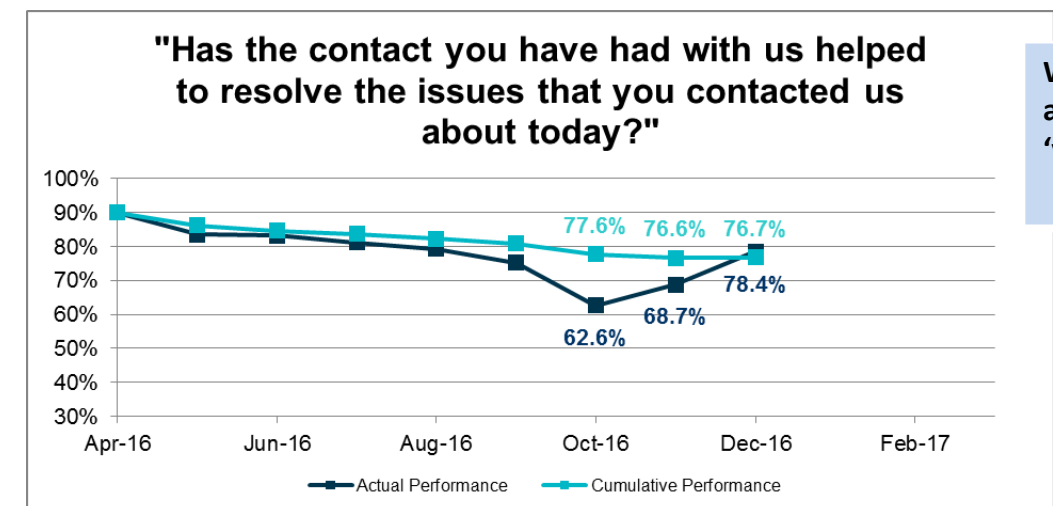
### Commentary:

Both of our customer service metrics improved during December.

During the month, we trained staff on how to handle difficult callers, and we have further customer service training planned for the new year.



Where answer was 'good' or 'very good'



Where answer was 'yes'



# Registration and Revalidation performance report

93

Further analysis around the call abandonment rate and customer satisfaction is provided here.

## Call abandonment update – January 2017

### Context

An acceptable abandonment rate across the call centre sector is generally seen as an average of 5% to 8%. Some customers hang up naturally because for example they change their mind or realise they are missing some information needed for the call. It is also important to note that some abandonment is a good thing - for example when automated messages are successfully directing customers to the website to carry out certain transactions. Additionally, anything under 2% abandonment can suggest an over-resourced call centre.

### The factors that affect abandonment in the NMC

We are not clear why callers are abandoning. This is largely because our system does not enable analysis at a low enough level. We do of course see high abandonment when we are busy and customers cannot get through to us quickly enough.

### Our abandonment rates

This year to date we have had only one month where our abandonment rate was higher than the 8% - which was October 2016. In the previous three years, this happened on multiple occasions each year.

### Measurement and our plans for the future

We know our overall call centre performance is key to maintaining low abandonment levels and we will continue to focus on our service levels.

Our current ability to measure abandonment rates is not sufficiently granular. For example we cannot at present say when a customer abandons a call. Our requirements for our post-Transformation telephony system include an industry standard reporting system that gives a much improved level of performance data and will allow us to analyse and respond to abandonment.

## Customer satisfaction update – January 2017

### Overview

Over the last six months, we have focused on gaining greater insight into our customer experience and identifying ways in which we can improve that experience. These activities have resulted in an increase of more than 50% in feedback received from customers, thus enabling us to undertake greater analysis, across a more statistically significant sample.

We have also revisited the measures we use and introduced a 'customer effort score' (CES), alongside our customer satisfaction measure. The CES score measures how easy it is for customers to interact and transact with us. Colleagues in Fitness to Practise are adopting this score from December 2016. The Customer Effort Score, in conjunction with our Customer Satisfaction scores, will allow us to implement continuous improvement, and to track the impact of our transformation activities on customer experience, over the coming years.

### Q3 results

In the period October – December 2016 we saw a decline in the level of customer satisfaction we have achieved, with our lowest score of 58.6% in October. We know that this was in part due to increasing the overall number of responses and we also know that technical issues and a larger number of lapses than usual – as previously reported to Council – contributed to the particularly low figure in October.

However we have now begun to use our improved data to undertake further analysis and action. Customer satisfaction results are currently on the rise. In November we achieved a satisfaction score of just over 70% increasing to 80% in December.

### Next steps

The feedback we are receiving is being fed into the Contact Centre transformation workstream to ensure improvement suggestions for all contact channels are considered. In 2017 areas of the website that have been described as confusing will be reviewed, with a view to making content changes. As other process comments and potential quick wins are identified they will either be incorporated into transformation planning or picked up with the relevant directorate to implement.

We are expanding from Registration and Revalidation directorate into Fitness to Practise and will produce monthly reports on the feedback we receive and the actions we are taking as a result. As our data gathering continues we will begin to produce trend analysis to help us track customer satisfaction.



## Operational performance summary

### Overall caseload

Our caseload has decreased from 4,113 at the beginning of November to 3,941 at the end of December. This is a reduction of more than 600 cases since this time last year.

The year to date increase in referrals on last year is just under 2% and we have seen a significant reduction in the screening and investigation caseload. We are holding a higher number of cases in the adjudications caseload than we had forecast and have planned increased adjudication activity in Q4 to address this. There does, as always, remain a risk that we will not realise the anticipated number of closures resulting in a knock on impact on our starting position in April 2017 and the resources required for the next financial year.

### Activity

The performance dashboard illustrates how we are performing at the key decision points. It is important to remember that within these static numbers there is a great deal of dynamic activity. Over the reporting period we received in excess of 850 referrals and closed over 1,000 cases at the different FtP stages. In addition, over 1,100 case progression decisions were made between Screening, Investigation and Adjudications.

One of the areas of risk that Council has discussed before is the progress of older cases. The performance dashboard shows the median ages of cases progressing through the key decision points compared to the age of those in the caseload at each stage. The fact that the median age of cases progressing from the Case Examiner and Adjudication is older than the age of cases remaining in the caseloads provides some assurance that we are focusing on the older cases.

### Key Performance Indicators

Performance against the interim order KPI (KPI 2) remained strong at 92% which indicates that we are taking prompt action to protect the public where necessary. Performance against KPI3, which covers the 15 month timeframe for reaching final decisions on cases, has dipped slightly in the past quarter to 76% as more older cases are dealt with by Case Examiners and at the Adjudication stage. We expect this trend to continue in line with our commitment to reducing the aged caseload by September 2017.

We are pleased to have met all of the PSA standards of good regulation with the exception of the timeliness standard, which we continue to work towards achieving.

## Budget status – 31 December

£'000

Figures in ( ) represent an overspend

Budget YTD	Variance YTD	Variance YTD %	Budget year end	Forecast variance	Forecast variance %	Narrative
<b>29,315</b>	<b>(730)</b>	<b>2.5%</b>	<b>39,051</b>	<b>(1,574)</b>	<b>4%</b>	We carried out a further detailed review of our plans at the end of Q3. The increased forecast outturn reflects the cost of using all available capacity to conclude as many cases as possible to enable us to go into the new financial year with a manageable caseload. This will have an impact on the level of efficiencies we are able to deliver. More detail is included in the financial monitoring report.

## Corporate plan commitment for 2016-17

(see detailed updates at annexe 1b)

Prepare a detailed plan so that we are ready to implement the significant changes to our legislation to ensure that we can resolve fitness to practise cases in the right way at the right time. This will include developing policy and process for additional powers for Case Examiners and the Investigating Committee, and the development of systems and processes to support the changes.

Maintain and continue to improve our regulatory performance (as measured by corporate KPIs) throughout transformation.

Be in a position by March 2017, for our Employer Link Service to begin to analyse data from FtP referrals and employer settings to enable wider risk based interventions at an earlier stage to enhance public protection.

	Current status (31 Dec)	Forecast status (year end)
Prepare a detailed plan so that we are ready to implement the significant changes to our legislation to ensure that we can resolve fitness to practise cases in the right way at the right time. This will include developing policy and process for additional powers for Case Examiners and the Investigating Committee, and the development of systems and processes to support the changes.	<b>Green</b>	<b>Green</b>
Maintain and continue to improve our regulatory performance (as measured by corporate KPIs) throughout transformation.	<b>Green</b>	<b>Green</b>
Be in a position by March 2017, for our Employer Link Service to begin to analyse data from FtP referrals and employer settings to enable wider risk based interventions at an earlier stage to enhance public protection.	<b>Green</b>	<b>Green</b>



## KPI 2 – Percentage of interim orders (IO) imposed within 28 days of opening the case

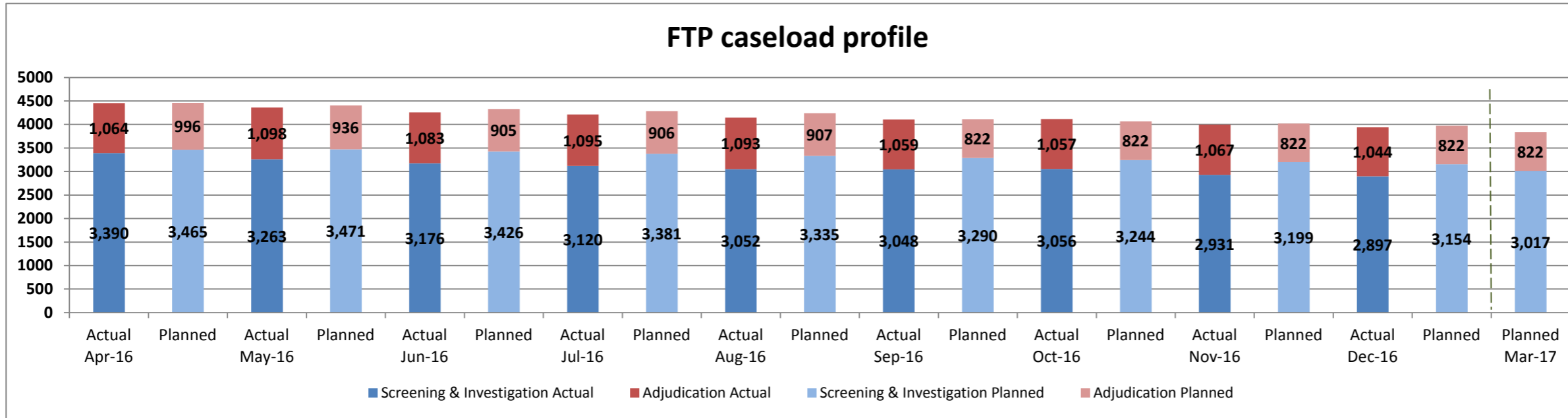
Average for 2015–16 (March 2016)	October 2016	November 2016	December 2016	Year end average target
89%	92%	92%	92%	80%

## KPI 3 - Percentage of FtP cases concluded within 15 months of being opened

Average for 2015–16 (March 2016)	October 2016	November 2016	December 2016	Year end average target
78%	77%	76%	76%	80%

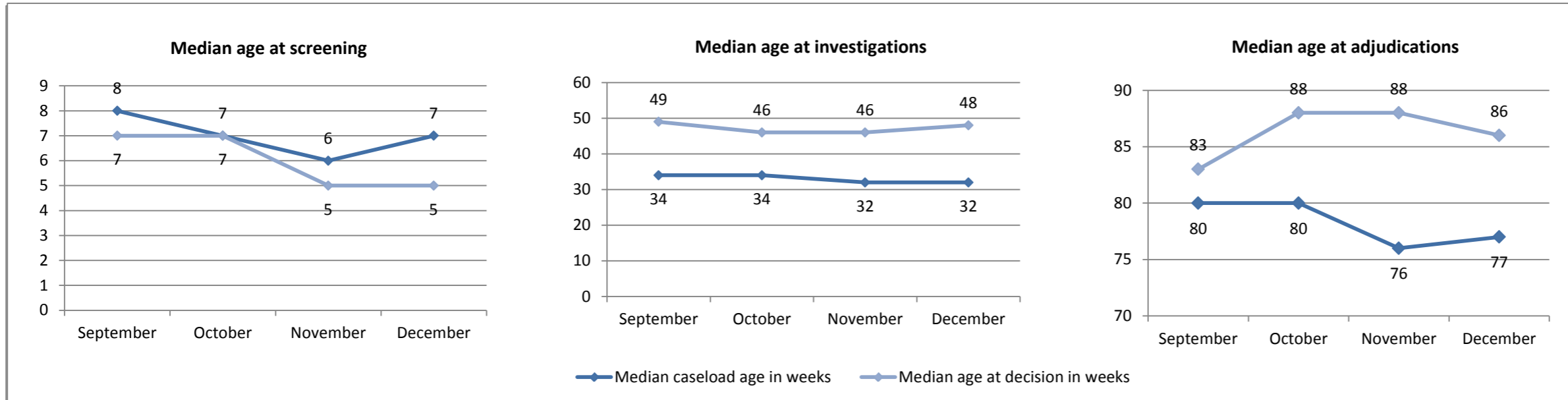
**Red/Amber/Green rating:** Red - cumulative average for previous 12 months is less than 72%, Amber - between 72% and 80%, Green - greater than or equal to 80%

# FtP Performance Dashboard - December 2016



**FtP Caseload Profile**

This graph shows our overall FtP caseload since the beginning of the financial year and how this has tracked against our planned caseload month by month. It also shows our expected caseload at the end of March 2017, with the breakdown of the caseload between screening /investigations and adjudications.



**Median age of progressing and remaining caseloads**

These graphs illustrate the median age in weeks of cases at the point at which they progress from the key stages in the FtP process, alongside the median age of cases that remain in the caseload at each stage.

**Caseload Movement Summary 2016**

Opening caseload 4,454

4,079 cases received

4,536 cases closed

Closing caseload 3,941



## Operational performance summary

### Education and standards

Draft competency standards have been developed for the future nurse and continue to be revised prior to user testing in Q4 2016/17.

Draft standards have been developed for the education framework and continue to be revised prior to user testing in Q4 2016/17.

A series of UK wide engagement activity was successfully concluded and the feedback has informed the development of the draft standards. Further engagement events are planned for Q4.

### Policy and legislation

The Department of Health published its response to the section 60 consultation on 11 January, allowing the proposed changes to progress through to parliamentary scrutiny. This is later than had been planned by the Department and has had an impact on the delivery of our midwifery change communications and engagement plan because our planned communications coincide with milestones in the legislative change. We have written to all midwives about intention to practise (ItP) forms, and also informed all midwives of the government publication of its conclusions following consultation, in order to keep them up to date with the progress of change.

If there is a delay in scheduling parliamentary time to bring about legislative change by the end of March, we will seek to find a short term solution that does not extend the need for issuing ItPs for a full year but manages the risk during the transition.

Our work to provide guidance to local supervising authorities (LSAs) on case management and data transfer for the transition period has gone well. We collaborated with LSAMOs to developing guidance which has also been sense checked by the midwifery change leads in the four countries prior to being disseminated.

### Budget status – 31 December

£'000

Figures in ( ) represent an overspend

Budget YTD	Variance YTD £	Variance YTD %	Budget year end	Forecast variance £	Forecast variance %	Narrative
3,624	573	16%	4,697	290	6%	YTD underspend is expected to reduce by year end as Education Programme work continues to progress.

### Corporate plan commitment for 2016-17

(see detailed updates at annexe 1b)

Draft new standards setting out the skills and competencies required of the future nurse, ready for consultation which will complete in 2017–2018.

Engage with stakeholders through the work we are doing to develop new standards.

Commission an independent fundamental review of how nursing and midwifery education could be quality assured in the future, resulting in a set of options by March 2017. This review will take into account the changing arrangements for quality assurance in the higher education sector more generally.

Continue to support successful transition of midwifery supervision in all four countries of the UK.

Develop and implement a comprehensive communication plan to ensure that stakeholders have a clear understanding of regulation after the legislative change.

Update our own policies, systems and processes to ensure we are ready for the consequences of legislative change in midwifery regulation.

Current status (31 Dec)	Forecast status (year end)
Green	Green
Green	Green
Amber	Green



**Corporate KPI figures: Summary table for year to date 2016-2017**

This information is provided for reference.

KPI	2015-2016			2015-2016 Average	2016-2017									Target
	Jan	Feb	Mar		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
1a % of UK reg applications completed within 10 days	92.8%	96.3%	98.4%	97.4%	95.1%	93.5%	93.9%	98.5%	99.1%	99.4%	99.3%	95.5%	95.4%	95%
1a % of UK reg applications completed within 30 days	96.5%	97.6%	99.5%	98.7%	98.0%	97.8%	97.1%	98.9%	99.5%	99.8%	99.8%	97.8%	98.0%	99%
1b % of EU/OS reg applications assessed within 68 days^	53.4%	64.8%	63.7%	87.5%	61.2%	94.6%	99.9%	100%	100%	99.9%	99%	98.1%	99.5%	90%
2 % of interim orders imposed within 28 days of opening the case	88%	89%	89%	89%	89%	90%	90%	91%	91%	91%	92%	92%	92%	80%
3 Proportion of FtP cases concluded within 15 months of being opened	78%	78%	78%	78%	78%	78%	78%	78%	79%	78%	78%	77%	76%	80%
4 Free reserves ^	£21.4m	£22.8m	£22.7m*	£22.7m*	£23.7m	£24.4m	£24.5m	£25.4m	£26.6m	£26.9m	£25.6m	£27.6m	£26.1m	£26.4m
5 Staff turnover	21.6%	22.8%	23.5%	23.5%	23.6%	22.6%	22.7%	22.1%	23.5%	26.0%	25.1%	24.4%	25.2%	n/a





\*spot figure not an average




^ calculated using existing cash commitments, to ensure consistency across the whole period. Please refer to annexe 1f for figures based on actuarial estimate of pension deficit from April 2016 onwards. RAG ratings are based on that month's year end forecast vs the March 2017 budget/target





## Corporate risk summary

Ref	Date of entry	Corporate risks	Risk rating	Movement Since Nov Council	Status <i>Recent developments, planned mitigations</i>
CR26	April 2016	Education – training must provide nurses and midwives with the right skills and competencies to meet the needs of patients and the public now and in the future.	A		This risk will be mitigated by the delivery of our Education Strategic Plan. It is likely to remain amber for some time.  The midwifery aspect of this risk is to be addressed in line with the agreed timetable for the development of midwifery standards (agreed by the Council in September 2016).
CR27	April 2016	We may register, or we may have registered, people who do not meet our requirements or standards.	A		The Registration and Revalidation directorate is undertaking a series of process reviews to enhance and improve internal processes, to help mitigate this risk.
CR28	April 2016	FtP outcomes – we must take appropriate action to protect the public in relation to a nurse or midwife's fitness to practise. We must also engage with stakeholders to improve understanding of our FtP work and prevent misconceptions.	A		There is ongoing engagement and communications to convey key messages to stakeholders about the purpose of our FtP processes. Longer term, the implementation of Section 60 legislative changes will improve our FtP function and reduce this risk.
CR29	April 2016	We must effectively gather and use intelligence, including the insight we have into the external environment, to enable us to identify and respond to risks and to anticipate, influence and respond appropriately to external changes that impact our regulatory	R		The rating for this risk remains red: it reflects the considerable work to be done and the potential impact on the achievement of our strategic aims. We have procured specialist support, as part of tactical improvements to help us make the best use of the data.

Ref	Date of entry	Corporate risks	Risk rating	Movement Since Nov Council	Status Recent developments, planned mitigations
		work.			
CR25	Feb 2016	Midwifery transition and strategic communication - we must engage and communicate effectively with the sector about the changes.	A		We continue to implement our communications plan covering all stakeholders, and to undertake work in conjunction with midwifery stakeholders to shape and clarify new processes. The Department of Health published its response to the section 60 consultation on 11 January 2017, enabling the proposals to progress to parliamentary scrutiny. The risk rating remains at amber for now as if there is delay in scheduling the parliamentary timetable and securing approval, the timetable for implementation may still be affected. We have contingency plans in place to address immediate risks arising.
CR30 a	Oct 2016	In undertaking our major multi-year programme of change, we may not be sufficiently responsive, flexible or alert to external impacts and the need to respond accordingly in order to deliver the desired benefits of transformation leading to better regulation.	R		This risk focuses specifically on delivery of transformation and its benefits. The red rating reflects the early stage of the transformation programme and the scale and complexity of the work involved.
CR30 b	Oct 2016	The impact of the transformation programme may adversely affect our delivery of business as usual and regulatory change.	R		This risk focuses on the potential impact of transformation on business as usual and regulatory change (such as our section 60 work). It is being actively monitored and managed via the development of the transformation programme and as part of business planning. A

Ref	Date of entry	Corporate risks	Risk rating	Movement Since Nov Council	Status Recent developments, planned mitigations
					'dependency and management of change' approach is being developed to ensure the core change initiatives are being managed across the NMC, with their interdependencies and internal / external impacts being viewed as a whole. The red rating reflects that the bulk of transformation is yet to occur.
CR31	April 2016	We may not have the right organisational structure, culture and capabilities in place to deliver the corporate strategy, which includes transformation, core business and regulatory change.	A	↔	The development of a People Strategy is a key mitigation that will address this risk, alongside reviews of roles and skills and training.
CR32	April 2016	We must manage our financial resources in the most efficient and sustainable way and communicate our approach in a transparent and articulate manner.	A	↔	A financial strategy was discussed by Council in July and September 2016 and is being reviewed on an ongoing basis, given the change programmes happening. Our transformation programme is being put in place to deliver longer term efficiencies.
CR23	July 2015	We must ensure we are prepared in the event of actions giving rise to a loss of business continuity.	A	↔	Key planned mitigations for Q4 are completion of a business continuity policy, framework and further training.

## Key to the risk ratings

The rating table below provides a summary of what the red / amber / green ratings mean. The following scoring tables demonstrate how the scores and therefore ratings are determined. Each risk is assessed and given a likelihood and an impact score.

### Rating definitions

<b>Red</b>	A high likelihood that the risk could happen and a huge impact on public protection and the
------------	---

	achievement of our objectives if the risk happened.
<b>Amber</b>	A medium to high likelihood that the risk could happen and/or moderate to major impact on public protection and the achievement of our objectives if the risk happened.
<b>Green</b>	A low likelihood that the risk could happen and a low impact on public protection and the achievement of our objectives if the risk happened.

### Key to arrows



No movement of risk rating since previous Council meeting.



Risk rating has increased since previous Council meeting.



Risk rating has reduced since previous Council meeting.

## Risk scoring

### 1. Rating the likelihood

Likelihood of risk occurring			
Term	Score	Guidance	Evidence
Very high	5	There is <b>strong evidence (or belief)</b> to suggest that the risk <b>will</b> occur during the timescale concerned. <b>Typical likelihood of 81-100%</b>	A history of it happening at the NMC. Expected to occur in most circumstances.
High	4	There is <b>some evidence (or belief)</b> to suggest that the risk <b>will</b> occur during the timescale concerned. <b>Typical likelihood of 51-80%</b>	Has happened at the NMC in the recent past. Expected to occur at some time soon.
Medium	3	There is <b>some evidence (or belief)</b> to suggest that the risk <b>may</b> occur during the timescale concerned. <b>Typical likelihood of 21-50%</b>	Has happened at the NMC in the past. Can see it happening at some point in the future.
Low	2	There is <b>little evidence (or belief)</b> to suggest that the risk <b>may</b> occur during the timescale concerned. <b>Typical likelihood of 6-20%</b>	May have happened at the NMC in the distant past. Not expected to occur for years.
Very low	1	There is <b>no evidence (or belief)</b> to suggest that the risk <b>may</b> occur at all during the timescale concerned. <b>Typical likelihood of 0-5%</b>	No history of it happening at the NMC. Not expected to occur.

### 2. Rating the impact (consequence)

Impact if risk occurs		
Term	Score	Guidance
Critical	5	Critical impact on the achievement of business, project and public protection objectives, and overall performance. Huge impact on public protection, costs and/or reputation. Very difficult to recover from and long term consequences.
Major	4	Major impact on costs and achievement of objectives. Affects a significant part of the business or project. Serious impact on output, quality, reputation and public protection. Difficult and expensive to recover from and medium to long term consequences.
Moderate	3	Significant waste of time and resources. Impact on operational efficiency, output and quality, hindering effective progress against objectives. Adverse impact on public protection, costs and/or reputation. Not easy to recover from and medium term consequences.
Minor	2	Minor loss, delay, inconvenience or interruption. Objectives not compromised. Low impact on public protection and/or reputation. Easy to recover from and mostly short term consequences.
Insignificant	1	Minimal loss, delay, inconvenience or interruption. Very low or no impact on public protection, costs and/or reputation. Very easy to recover from and no lasting consequences.

### 3. Scoring likelihood against impact

Impact	CRITICAL	5	5	10	15	20	25
	MAJOR	4	4	8	12	16	20
	MODERATE	3	3	6	9	12	15
	MINOR	2	2	4	6	8	10
	INSIGNIFICANT	1	1	2	3	4	5
	Score		1	2	3	4	5
			VERY LOW	LOW	MEDIUM	HIGH	VERY HIGH
			Likelihood				

Risk scores: 1-8 Green 9-15\* Amber 16-25 Red

\* due to their 'Critical' impact, an amber rating is also given to risks which score 5 for Impact and 1 for Likelihood

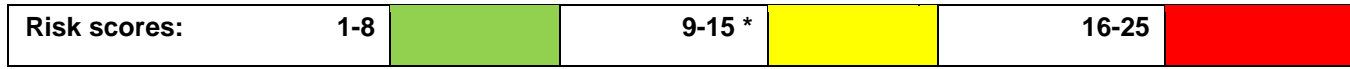


**Risk heat map of corporate and directorate risks as at 12 January 2017**

This map presents changes in post-mitigation scores for corporate and directorate risks. It is not a comprehensive map of all our risks. We are continuing to review which risks would be useful for the Council to have sight of and should appear on future risk heat maps within corporate reporting.

The direction of travel reflects changes since 14 November 2016 (preparation of November 2016 Council papers).

<b>IMPACT</b>	<b>Critical (5)</b>		R (Lack of capacity in Registrations for undertaking improvement activities) R (Infrastructure in Registrations and capabilities for improvement activity)	R18 (New business programmes and success) R (Integrity of register – current) R19 (Transformation & impact on Registration staff)			
	<b>Major (4)</b>	R (BAU delivery of Revalidation and impact on Registrations)	ESP4 (NMC Equality and diversity compliance) FTP8 (FtP projects fail to deliver benefits) FTP10 (Fraud, bribery & corruption in FtP) OCCE (NMC fulfilling its accountability commitments) R14 (Fraud and bribery in Registrations) R (Insufficient third party resources and delivery of OSCE) Res4 (Fraud and bribery)	CR23 (NMC Business continuity) CR25 (Strategic comms and midwifery transition) CR27 (Registration outcomes) CR28 (FtP outcomes) ESP1 (Education strategic programme delivery) ESP5 (Welsh language standards compliance) ESP8 (Modernising midwifery regulation) ESP9 (New roles and routes) Res3 (Organisational procurement risks) Res1 (Staff turnover across organisation) FTP1 (Regulatory failure in FtP) FTP5 (FtP performance - staffing) FTP6 (Incomplete or unreliable data in FtP) FTP7 (FtP data management, security & breaches) FTP12 (Contracted suppliers' service) FTP13 (Customer service delivery in FtP) OCCE01 (External stakeholder management) R (Integrity of register – historic) R7 (Maintenance of WISER) IR6 (Availability of adaptation programmes & aptitude tests for EU applicants) R (Raising quality across organisation) R (Financial impact from EU registration changes) TBI03 (IT business interruption / info security incidents) TBI04 (Compliance with payment card industry standard) FTP4 (Downtime: ICT and print)	CR29 (Strategic intelligence and insight) CR30a (Transformation delivery) CR30b (Maintaining BAU throughout transformation)		
	<b>Moderate (3)</b>		ESP2 (Delivery of QA of education framework) FTP3 (Referrals up beyond forecasts) Res2 (HR Policies requiring review) Res5 (Policies in Estates, Finance, Procurement) R16 (Supplier/contractor risk for Registration directorate)	ESP6 (Evidence base for regulatory policy) FTP (Operational use of intelligence in FtP) R15 (Business continuity in Registrations) Res6 (Resources processes review) TBI01 (IT service provision for organisation) TBI02 (Effective project governance) TBI06 (IT suppliers and interruptions to operations) TBI07 (IT asset management)	CR31 (Organisation's workforce) CR32 (Financial resources) ESP3 (Legislative changes and impact on NMC) FTP2 (FtP performance – legislative framework) R13 (External workforce planning impact on Registrations) R (Learning from SERs/complaints) Res7 (NMC Accommodation) TBI05 (NMC records management)	CR26 (Education regulatory risk)	
	<b>Minor (2)</b>						
	<b>Insignificant (1)</b>						
		<b>LIKELIHOOD</b>	Very low (1)	Low (2)	Medium (3)	High (4)	Very high (5)



**Arrows indicate the direction of travel:**  
 ↑ Risk score has increased since 14 Nov 2016  
 ↓ Risk score has decreased since 14 Nov 2016  
 ↔ Risk score has stayed the same since 14 Nov 2016

**Risk references:**  
 CR: Corporate risk  
 FTP: Fitness to Practise risk  
 IR: Registration risk (International Reg)  
 R: Registration & Revalidation risk

TBI: Technology and Business Innovation risk  
 Res: Resources risk  
 ESP: Education, Standards and Policy risk  
 OCCE: OCCE risk

\* due to their 'Critical' impact, an amber rating is also given to risks which score 5 for Impact and 1 for Likelihood



## Council

### Financial monitoring report to 31 December 2016

**Action:** For discussion.

**Issue:** Provides financial performance information for the nine months to 31 December 2016 and forecasts for the year end.

**Core regulatory function:** Supporting functions.

**Strategic priorities:** Strategic priority 4: An effective organisation.

**Decision required:** None.

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

- Annexe 1: December 2016 summary financial results.
- Annexe 2: Balance sheet position including cash holdings.

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

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

Director: Adam Broome  
Phone: 020 7681 5964  
[Adam.Broome@nmc-uk.org](mailto:Adam.Broome@nmc-uk.org)

- Context:**
- 1 A financial monitoring report is presented to the Council at each meeting.
  - 2 Over the past four years the NMC has been moving from a position of financial insecurity to one of greater stability. This progress is continuing.
  - 3 Greater financial stability will allow us to fulfil our responsibilities as a dynamic regulator in accordance with the NMC Strategy, whilst at the same time giving excellent value for our registrants. It will also enable the NMC to support the transformation programme with the objective of further improving effectiveness and efficiency.

**Discussion: Year to date (YTD) results and full year forecast**

**Overall picture**

- 4 Whilst the actual net surplus of income over spend to the end of December 2016 is slightly higher than budgeted at £2.9 million (4% of income) it is forecast to be slightly lower than budget by the year end, with forecast surplus of £1.1 million. This is mainly due to accommodating for significant increases in activity within Fitness to Practise (FtP). Overall expenditure, including capital, is expected to be £1.3 million (1%) above budget by year end. Full details are set out in **Annexe 1**.

**Income**

- 5 At £64.3 million year to date, with a forecast of £85.5 million by year end, income is expected to be £0.7 million above that planned in the budget. This is mainly due to receiving more fee income than planned.

**Revenue expenditure**

- 6 Overall revenue spend to date is £0.6 million below budget, but is currently forecast to be about £1.2 million over budget at the year end. In particular:
  - 6.1 The Office of the Chair and Chief Executive (OCCE) is £0.1 million below budget year to date. This is forecast to be £0.3 million below budget by year end.
  - 6.2 Registration and Revalidation is £0.2 million above budget year to date and is forecast to be £0.3 million above budget by year end due to factors including an increase in legal costs and unplanned additional staffing requirements to accommodate core activity during peak periods.
  - 6.3 The FtP expenditure forecast has increased by £1m since

the last update. This is largely because we have not realised the number of substantive decisions we anticipated we would achieve from the hearing activity undertaken. We carried out a further detailed review of our spend and plans at the end of Q3 and the forecast outturn reflects the cost of the level of activity we expect to undertake. We intend to use all available capacity to reach decisions on as many cases as possible to enable us to go in to the new financial year with a manageable caseload. Our current forecast means that we expect to realise around £1.3 million of the £2.8 million efficiencies which were embedded in our budget for the year.

- 6.4 Education Standards and Policy (ESP) is £0.6 million below budget year to date due to the slower than planned recruitment to new roles to support the Education Strategic programme. By year end ESP is forecast to be £0.3 million below budget due to engaging contractors to expedite this work alongside ESP staff.
- 6.5 Technology and Business Innovation (TBI) is £0.5 million below budget year to date, but is forecast to be only £0.1 million below budget by year end. This is due to a higher proportion of project work being capital in nature than planned. The current programme of work has been reviewed and the forecast has been updated to reflect this. This is offset by IT capital works which is forecast to be £0.6 million over budget by year end, as reflected in the discussion of capital in paragraphs 7 and 8 below.
- 6.6 Transformation spend is £0.4 million below budget year to date but is forecast to be in line with budget by year end as work increases in quarter four.
- 6.7 Resources Directorate spend is £0.4 million below budget year to date and is forecast to be £0.8 million below budget by year end due to procuring cheaper temporary accommodation than planned and due to forecasting lower repairs and maintenance than budgeted.
- 6.8 Corporate spend is £0.5 million above budget year to date and is forecast to be £0.7 million above budget by year end. This reflects higher than budgeted depreciation of NMC software which follows a review of projects completed in 2015-2016 identifying that a higher amount of assets were created and need to be depreciated.

## Capital

- 7 Capital spend is £0.2 million above budget year to date. This is as a result of IT capital projects being delivered ahead of schedule and, as reflected in paragraph 6.5 above, because a higher proportion of project work year to date has been capital in nature than budgeted.
- 8 By year end it is anticipated that capital spend will be £0.1 million above budget as work on core systems draws to a close. The forecast overspend of £0.6 million on IT capital projects is offset by not spending a budgeted capital provision of £0.5 million for works on 23 Portland Place due to the majority of works completed being non-capital spend. A planned maintenance programme for Portland Place will be reflected in the budget for 2017–2018.

## Cash

- 9 Cash is broadly in line with budget. Between June and December 2016, 40,712 (6%) of registrants had opted to pay by phased payments. The impact on cash flow to date is, therefore limited, however will be continued to be monitored together with the number of registrants opting to pay quarterly.
- 10 Cash holdings of £86 million are detailed in **Annexe 2** along with available free reserves that are separately reported as part of KPI4. Cash holdings meet the requirement of the agreed investment strategy that no more than 40% of cash should be held in one institution. Deposit accounts are being set up at two further institutions – Santander and Nationwide - to enable us to spread the risk better across five, rather than three, institutions.

## Efficiencies 2016-2017

- 11 Embedded efficiencies of £4.6 million were built into the 2016-2017 budget. These efficiencies are expected to be delivered to the extent we achieve core activity whilst remaining within budget. FtP is forecast to achieve £1.3 million of the £2.9 million of embedded efficiencies in its budget. As discussed at September 2016 Council meeting, the 5% stretch target will not be achieved in full.

## Efficiencies 2017-2018 and later

- 12 The focus of our current effort is to develop NMC's approach to delivering and demonstrating efficiency in 2017-2018 and beyond. As part of the current planning and budgeting process we are taking a more systematic and robust approach to measuring efficiencies. Directorates are identifying directorate performance indicators (DPIs) which will help to inform their efficiency of performance. Measures will include a variety of appropriate

indicators, for example unit cost of core activity.

<b>Public protection implications:</b>	13	The monitoring of financial results and forecasts enables the NMC to ensure it has sufficient resources to deliver continued public protection.
<b>Resource implications:</b>	14	The key financial indicators for current and projected levels are discussed in this paper.
<b>Equality and diversity implications:</b>	15	None.
<b>Stakeholder engagement:</b>	16	None.
<b>Risk implications:</b>	17	Risks in relation to forecasting and financial resourcing are set out in directorate and corporate risk registers.
<b>Legal implications:</b>	18	None.



**Actual, budget & forecast 2016-2017**

£000

INCOME AND EXPENDITURE (£'000s)	April to December			Full Year		
	2016/2017	Actual	Budget	Variance	Forecast	Budget
<b>Total Income</b>	<b>64,274</b>	<b>63,825</b>	<b>449</b>	<b>85,532</b>	<b>84,875</b>	<b>657</b>
OCCE	2,796	2,945	149	3,704	3,999	295
Registration & Revalidation	4,809	4,628	(181)	6,481	6,145	(336)
Fitness to Practise	30,045	29,315	(730)	40,625	39,051	(1,574)
Education Standards & Policy	3,051	3,624	573	4,407	4,697	290
Technology Business Innovation	6,413	6,919	506	8,910	9,005	95
Transformation	1,687	2,101	414	2,845	2,849	4
Resources	8,254	8,652	397	11,655	12,464	809
Corporate (see note 1)	4,271	3,760	(510)	5,760	5,014	(746)
<b>Total Expenditure</b>	<b>61,326</b>	<b>61,944</b>	<b>618</b>	<b>84,388</b>	<b>83,223</b>	<b>(1,165)</b>
<b>Income less Expenditure</b>	<b>2,947</b>	<b>1,881</b>	<b>1,066</b>	<b>1,144</b>	<b>1,652</b>	<b>(508)</b>
Business Delivery & Technology Services	1,884	1,688	(197)	2,355	1,750	(605)
Estates	0	0	0	0	500	500
<b>Capital</b>	<b>1,884</b>	<b>1,688</b>	<b>(197)</b>	<b>2,355</b>	<b>2,250</b>	<b>(105)</b>

1. Corporate current budget includes depreciation (£3,214k); PSA levy (£1,743k)

**Explanatory note** on total full year forecast spend variance to budget, including capital, of £1.3 million:  
 From above table "full year variance" column this is £1,165k + £105k = £1,270k rounded to £1.3 million over spend.



**Actual, budget & forecast 2016-2017**

BALANCE SHEET INDICATORS		Dec-16			31 March 2017		
		Actual	Budget	Variance	Forecast	Budget	Variance
<b>Available free reserves</b>							
A	Net assets	56,683	55,617	1,067	54,880	55,388	(507)
B	less: Fixed assets	22,202	22,476	(274)	21,634	22,235	(601)
C = A - B	<b>Total free reserves before pensions deficit</b>	34,481	33,141	1,340	33,246	33,153	93
D	less: Pension deficit (latest actuarial basis)	11,861	11,861	0	11,606	11,606	0
E = C - D	<b>Available free reserves (latest actuarial basis)</b>	<b>22,620</b>	<b>21,280</b>	<b>1,340</b>	<b>21,640</b>	<b>21,546</b>	<b>93</b>
F	less: Pension deficit (cash committed basis)	6,997	6,997	0	6,743	6,743	0
G = C - F	<b>Available free reserves (cash committed basis)</b>	<b>27,484</b>	<b>26,144</b>	<b>1,340</b>	<b>26,503</b>	<b>26,410</b>	<b>93</b>

Cash summary	Dec 2016
Investments (up to 12 month depositis)	62,500
Current account	23,365
<b>Total cash</b>	<b>85,865</b>

Investments	Dec 2016	Lloyds	Barclays	HSBC
Less than 12 month deposits	16,500	4,000	12,500	0
12 month deposits	46,000	29,000	17,000	0
<b>Total Investments</b>	<b>62,500</b>	<b>33,000</b>	<b>29,500</b>	<b>0</b>
<b>Current Account</b>				
	23,365	0	0	23,365
<b>Total Cash</b>	<b>85,865</b>	<b>33,000</b>	<b>29,500</b>	<b>23,365</b>
<b>% Split</b>		38%	34%	27%



## Council

### Chair's action taken since the last meeting of the Council

**Action:** For information.

**Issue:** Reports actions taken by the Chair of the Council since 30 November 2016 under delegated powers in accordance with Standing Orders.

There have been two Chair's actions:

1. Reappointment to the Midwifery Committee.
2. Approval of Annual Returns 2015–2016.

**Core regulatory function:** Supporting functions.

**Strategic priority:** Strategic priority 4: An effective organisation.

**Decision required:** None.

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

- Annex 1: Chair's action – Reappointment of Dr Tina Harris as a member of the Midwifery Committee from 1 January 2017 until the Midwifery Committee is disestablished by legislation or for a maximum of 12 months, whichever is the shorter period.
- Annex 2: Chair's action – Approval of Annual Returns 2015–2016 to the Charity Commission and the Office of the Scottish Charity Regulator.

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

Secretary: Fionnuala Gill  
Phone: 020 7681 5842  
[fionnuala.gill@nmc-uk.org](mailto:fionnuala.gill@nmc-uk.org)



### Chair's Action

Under NMC Standing Orders, the Chair of the Council has power to authorise action on minor, non-contentious or urgent matters falling under the authority of the Council (Scheme of Delegation, paragraph 4.6). Such actions shall be recorded in writing and passed to the Secretary who maintains a record of all authorisations made under this paragraph. The Chair is required to report in writing, for information, to each Council meeting the authorisations which have been made since the preceding Council meeting.

Each Chair's action must set out full details of the action that the Chair is requested to authorise on behalf of the Council.

<b>Requested by:</b>	<b>Date:</b>
Secretary to the Council	20 December 2016

#### Reappointment to Midwifery Committee

Under Standing Order 4.2.5, the Chair of Council has the power to appoint the members of the Midwifery Committee.

Dr Tina Harris, partner member of the Midwifery Committee, is due to complete her first term of office on 31 December 2016 (two years) and is eligible for reappointment.

Dr Harris has completed the normal reappointments process, including assessment of performance, the skills and expertise needed by the Committee, due diligence and a discussion with the Chair of the Midwifery Committee. The Chair of the Midwifery Committee recommends that she be reappointed to the Committee.

The Chair is requested to reappoint Dr Harris to the Midwifery Committee from 1 January 2017 until the Committee ceases to exist or for a maximum of 12 months, whichever is the shorter.

Signed:

*Janet Finch*

(Chair)

Date: 21 December 2016



### Chair's Action

Under NMC Standing Orders, the Chair of the Council has power to authorise action on minor, non-contentious or urgent matters falling under the authority of the Council (Scheme of Delegation, paragraph 4.6). Such actions shall be recorded in writing and passed to the Secretary who maintains a record of all authorisations made under this paragraph. The Chair is required to report in writing, for information, to each Council meeting the authorisations which have been made since the preceding Council meeting.

Each Chair's action must set out full details of the action that the Chair is requested to authorise on behalf of the Council.

<b>Requested by:</b> Fionnuala Gill AD Governance (x5842)	<b>Date:</b> 15 December 2016
---	----------------------------------

#### **Approval of Annual Returns 2015–2016 to the Charity Commission and the Office of the Scottish Charity Regulator (OSCR)**

1. As a registered charity with income in excess of £10,000 a year, the NMC is required to submit annual returns to the Charity Commission and OSCR, together with copies of the audited annual report (Trustees annual report) and accounts. Charity Commission guidance requires that the annual returns be reviewed and approved by a Trustee of the charity. The Audit Committee confirmed in June 2015 that review and approval by the Chair is appropriate.
2. The proposed 2015–2016 annual returns are attached for review:
  - 2.1. Annexe 1: Charity Commission
  - 2.2. Annexe 2: OSCR
3. The returns have been populated using information already produced in the audited annual report and accounts 2015–2016, which have been laid in Parliament and published.
4. The Chair is requested to review and approve the returns.
5. Once approved, the returns will be submitted by the Secretary online by the deadline of 31 December 2016 (OSCR) and 31 January 2017 (Charity Commission).

Signed: Janet Fisher (Chair)

Date: 15.12.16