

Meeting of the NMC Council

to be held from 09:30 to 14:30 on Thursday 18 July 2013
in the Council Chambers at 23 Portland Place, London W1B 1PZ

Agenda

Mark Addison CB
Chair of the Council

Matthew McClelland,
Secretary to the Council

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|---|--|------------|--------------|
| 1 | Welcome from the Chair | NMC/13/115 | 09:30 |
| 2 | Apologies for absence | NMC/13/116 | |
| 3 | Declarations of interest | NMC/13/117 | |
| 4 | Minutes of previous meetings | NMC/13/118 | |
| | Minutes of the public session of the Council held on 20 June 2013 | | |
| 5 | Summary of actions | NMC/13/119 | |
| | An action list detailing matters arising from the minutes of the public session of the Council held on 20 June 2013 and outstanding actions from previous meetings | | |

Corporate reporting

- | | | | |
|---|------------------------------------|------------|--------------|
| 6 | Performance and risk report | NMC/13/120 | 09:45 |
| | Chief Executive and Registrar | | |

Annual reports for decision

- | | | | |
|---|-----------------------------------|------------|--------------|
| 7 | Annual report and accounts | NMC/13/121 | 10:15 |
| | Director of Corporate Governance | | |

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|---|--|------------|--------------|
| 8 | Annual Fitness to Practise Report 2012-13 | NMC/13/122 | 10:30 |
| | Director of Corporate Governance | | |

Strategic matters

- | | | | |
|----|--|------------|--------------|
| 9 | Francis report – update and draft NMC response for approval | NMC/13/123 | 10:45 |
| | Chief Executive and Registrar | | |
| 10 | Health Select Committee report: stock take | NMC/13/124 | 11:15 |
| | Chief Executive and Registrar | | |
| | <i>The Council will receive a presentation on this item.</i> | | |
| 11 | PSA performance review report 2012-13 | NMC/13/125 | 11:30 |
| | Director of Corporate Governance | | |
| 12 | Governance review | NMC/13/127 | 12:00 |
| | Director of Corporate Governance | | |
| | Questions from observers | NMC/13/126 | 12:30 |

LUNCH: 12:45 – 13.45

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.

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|----|---|------------|
| 13 | Chair's report | NMC/13/128 |
| | Chair of the Council | |
| 14 | Chair's action taken since the last meeting of the Council | NMC/13/129 |
| | Chair of the Council | |

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|----|---|------------|
| 15 | Chief Executive's report
Chief Executive and Registrar | NMC/13/130 |
| 16 | Financial monitoring
Director of Corporate Services | NMC/13/131 |
| 17 | Report from Committees to Council

Audit Committee: to include updates on QA strategy and development of business assurance framework

Chair of Audit Committee | NMC/13/132 |
| 18 | Equality and diversity annual report
Director of Corporate Governance | NMC/13/133 |
| 19 | ICT strategy update
Director of Corporate Services | NMC/13/134 |
| 20 | Corporate complaints report
Chief Executive and Registrar | NMC/13/135 |
| 21 | Schedule of business
Director of Corporate Governance | NMC/13/136 |

The next public session of Council is scheduled to be held on Thursday 12 September 2013 at 9.30am at 23 Portland Place, London, W1B 1PZ.

Meeting of the Council
 Held at 09:30 on 20 June 2013
 at 23 Portland Place, London W1B 1PZ



Minutes

Present

Members:

Mark Addison	Chair
Professor Judith Ellis	Council Member
Maureen Morgan	Council Member
Nicki Patterson	Council Member
Quinton Quayle	Council Member
Louise Scull	Council Member
Carol Shillabeer	Council Member
Amerdeep Somal	Council Member
Stephen Thornton	Council Member
Lorna Tinsley	Council Member
Dr Anne Wright	Council Member

NMC officers:

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

Minutes

NMC/13/98 Welcome from the Chair

1. The Chair welcomed members and the public to the meeting of the Council.
2. Members of the Council congratulated Jackie Smith on her appointment on a permanent basis to the post of Chief Executive and Registrar.

NMC/13/99 Apologies for absence

1. Apologies were received from Elinor Smith.

NMC/13/100 Declarations of Interest

1. No declarations of interest were given.

NMC/13/101 Minutes of the previous meeting

1. The Council approved the minutes of the meeting held on 23 May 2013.

NMC/13/102 Summary of actions

1. The Council noted a summary of progress in completing actions arising from previous meetings of the Council.
2. It was noted that the Quality Assurance framework for nursing and midwifery education and Local Supervising Authorities had been published, and Mott MacDonald had been appointed as the provider to deliver operations.

NMC/13/103 Francis report – update

1. The Council received and noted an update from the Chief Executive on matters arising from the Report of the Mid Staffordshire NHS Foundation Trust Public Inquiry (the Francis Report) and actions taken by management in response to the report since the last meeting of the Council.
2. The following points were noted in discussion:
 - a. The employer liaison model was currently being scoped and it was anticipated that more information about the timetable for possible implementation would be available at the next meeting.
 - b. One of the key associated workstreams arising from the Francis

report recommendations was further engagement with stakeholders aimed at increasing the proportion of appropriate Fitness to Practise referrals. It was noted that the NMC collected aggregated data on where referrals were currently originating from, which was useful in identifying broad trends, but that there were further improvements to make in improving the quality and usefulness of this data.

- c. The Council would have the opportunity to review the NMC's approach to standards and the developing revalidation model and principles in September. It was important to ensure that such documentation retained its current simplicity and clarity.

- 3. It was agreed that the Council would review and approve the NMC's proposed formal response to the Francis report recommendations in July.

NMC/13/104 Risk register

- 1. The Council reviewed the Risk register, which had been revised since the last meeting of the Council. The register now included pre- and post-mitigation scoring, and risk management training had been rolled out for all managers at the NMC.
- 2. The following points were noted in discussion:
 - a. The risk on quality of information (CR7) remained at the same rating post-mitigation. This reflected the post-mitigation score at the time of submission of the papers and further work to mitigate the risk was planned.
 - b. A number of red risks remained on the register. These related to complex, often historic matters which would require some time before the outcomes of the mitigating and planned actions took effect.
 - c. The register needed to reflect the first date at which risks were identified and reported, rather than the date on which the revised register was created.
- 3. In summary, the Council welcomed the new format for its transparency and clarity and agreed that the date of origin, direction of travel and date when risks were expected to reduce should be included in future. The Council noted that it owned the risk register and its content and that the Audit Committee was responsible for assuring the process. The Council agreed that management should consider how the Council could gain in depth understanding of individual risks.

Action: Amend Risk Register to clearly reflect anticipated timescales for planned actions to materially reduce risks; and to reflect the

For:	initial date of origin of risks
By:	Director of Corporate Governance
	18 July 2013
Action:	Arrange a programme to ensure that the Council explored each risk on the register
For:	Secretary to the Council
By:	18 July 2013

NMC/13/105 Chair's report

1. The Council received and noted the Chair's report.

NMC/13/106 Chief Executive's report

1. The Council received and noted the Chief Executive's report regarding a) strategic context, b) regulatory priorities, c) the change programme, d) internal corporate business and e) key performance indicators (KPIs).
2. The following points were noted in discussion:
 - a. Behaviours would be discussed at the Council away day in October 2013.
 - b. Meetings of the Council in 2014 could be arranged outside London to promote the NMC's four-country remit and support wider engagement activity.
 - c. In respect of the KPIs, the Council briefly discussed progress on KPI1, noting the impact that the pause in overseas registrations would have had on timeliness of processing overseas applications. On KPI 4 (percentage of cases progressed through the adjudication stage to the first day of a hearing or meeting within six months), the Council requested further information on planning and timescales for achieving the KPI.
 - d. Staff turnover rate remained high and the year end (March 2014) target appeared high in comparison with industry averages. Turnover in some areas was likely to be consistently high. This could reflect the fact that staff benefitted from development opportunities and then progressed in their career in other organisations. A workforce planning report would be developed later in 2013.
3. In summary, the Council welcomed the report and the enhanced KPI information. The following themes for further improvement of KPIs were noted:
 - a. Providing a profile for each KPI to enable the Council to

monitor whether performance was on track.

- b. The red / amber / green rating should be linked to the end of year forecast.
- c. Clarity about targets and sufficient performance information to enable Council to assess whether targets would be met.

Action:	Amend the KPI information to reflect the points noted
For:	Director of Corporate Governance
By:	18 July 2013

NMC/13/107 Financial monitoring

1. The Council received and noted the monthly financial monitoring report.

NMC/13/108 Fitness to Practise

1. The Council received a presentation from the Director of Fitness to Practise outlining Fitness to Practise processes, performance and risks.
2. The following points were raised in discussion:
 - a. There had been an increase in referrals to Fitness to Practise in April 2013 that exceeded forecasts. The increase could have been attributable to the Francis report or increased media coverage. The Council would welcome further assurance that current forecasts remained viable, that resources were in place to meet any long-term increase in referrals and that there was effective contingency planning in place.
 - b. Modelling of anticipated Fitness to Practise caseloads was in place but effective forecasting was complicated by the large number of historic, complex caseloads. It would be helpful to review the model to ensure it provided the best possible forecasts.
 - c. The number of adjournments and “part-heard” hearings were a historic challenge for the NMC. It would be beneficial for trend analysis to be undertaken of common reasons why cases were only part-heard.
 - d. Cases with significant public protection implications could be ‘fast tracked’ and interim order processes were in place to protect the public.
 - e. It was important that thresholds were revised in the near future to ensure that only cases potentially regarding regulatory action were dealt with by the NMC. Cases would be referred to the

employer as appropriate.

3. In summary, the Council would welcome:
 - a. Regular information about key elements of Fitness to Practise workload, in addition to KPIs.
 - b. A briefing on the forecasting model.
 - c. An understanding of the plans developing a more sustainable approach to FtP, which would be achieved in part by the proposals regarding thresholds that would come before the Council in September 2013.
 - d. Further assurance about contingency planning in relation to the increase in referrals.

Action:	Provide further information to the Council on the forecasting and profile of FtP cases
For:	Director of Fitness to Practise
By:	18 July 2013

NMC/13/109 Governance review

1. The Council considered a report from the Director of Corporate Governance proposing a number of recommendations arising from the governance review. These related, in summary, to the constitution of the committees of the Council, the membership of these committees and the approach to agenda planning and reporting.
2. The Chair extended his thanks to all panel chairs and members, and to all partner members that had been involved in supporting the previous governance structures.
3. The Council **APPROVED** all recommendations within the report, subject to an amendment to appoint Amerdeep Somal as an additional member of the Remuneration Committee.

NMC/13/110 Corporate quality assurance strategy

1. The Council considered a report from the Director of Corporate Governance proposing a corporate quality assurance (QA) strategy, aimed at ensuring that the NMC had a more effective quality management system in place.
2. The following comments were noted in discussion:
 - a. There needed to be greater clarity on both the aims of the strategy and the current “quality gaps” that the strategy was aimed at filling. There needed to be further focus on whether

proposed resourcing for delivery of the strategy was appropriate.

- b. Internal audit providers would be proposing a business assurance framework to the Audit Committee and further information was required on how the corporate QA strategy would interact with the business assurance framework.
- c. Further clarity was required on how the Council would gain assurance on the deliverables being achieved through the QA strategy. It was important that it was evident that the strategy ensured that quality was embedded in day-to-day work across the organisation and that the Council could see tangible evidence of this.

3. The Council **AGREED** to refer the draft QA strategy to the Audit Committee for consideration alongside the Business Assurance Framework.

Action:	Add Corporate Quality Assurance strategy to Audit Committee agenda
For:	Secretary to the Council
By:	18 July 2013

NMC/13/111 Human Resources & Organisational Development Strategy – progress report

1. The Council received and noted a report from the Director of Corporate Services regarding the progress made in implementing the Human Resources and Organisational Development strategy.

NMC/13/112 Questions from observers

1. The Chair invited questions from observers regarding matters on the Council agenda and more broadly about the work of the NMC.
2. The following points were noted in discussion:
 - a. Registrants would be required to hold Professional Indemnity Insurance (PII) from October 2013 and work was ongoing within the NMC, in collaboration with other healthcare organisations, to share information with registrants about PII requirements.
 - b. The Council had now completed its reconstitution exercise following changes in legislation last year. Equality and diversity, both within the NMC and in the nursing and midwifery professions more widely, was an important area for the Council to monitor and the Council would consider the NMC equality and diversity annual report at the next meeting.
 - c. Staff turnover had historically impacted on the NMC's ability to

address FtP caseloads but the organisation now had the appropriate staffing and structure in place to deliver considerable improvements in this area.

- d. The Public and Patient engagement forum could be consulted as part of the review of FtP thresholds. It was important to engage with stakeholders more widely on this area, and a number of stakeholder events would be taking place to support this engagement.

NMC/13/113 Professional indemnity insurance

1. The Council received a presentation from the Director of Registration on EU-wide legislative changes that, from October 2013, would mandate practising nurses and midwives to hold Professional Indemnity Insurance.
2. The following points were raised in discussion:
 - a. All practising registrants, including those on a self-employed or contracted basis, would be required to hold insurance. Private providers would be entitled to provide such insurance where employers were unable to in this instance, and it would fall legally to the individual nurse or midwife to ensure that any insurance obtained through private providers accorded with necessary standards.
 - b. The NMC remains in discussion with the Department of Health on the issue of self employed nurses and midwives.
 - c. The NMC had put together a detailed communications plan in order to disseminate information on PII requirements to registrants. It was vital that the NMC communicated with employers in sharing information.
3. The Council thanked the Director of Registration for her presentation and it was noted that the Council would be kept apprised of progress on PII developments.

NMC/13/114 Schedule of business

1. The Council received and noted its schedule of business for July to November 2013.

Action:	Amend future Council agenda to provide for “for information” items to be discussed only by request
For:	Secretary to the Council
By:	18 July 2013

The date of the next meeting is to be 18 July 2013.

Council

Summary of actions

Action: For information.

Issue: A summary of the progress on completing actions agreed by the meeting of Council held on 20 June 2013 and progress on actions outstanding from previous Council meetings.

Core regulatory function: Supporting functions.

Corporate objectives: Corporate objective 7: "We will develop effective policies, efficient services and governance processes that support our staff to fulfil all our functions."

Decision required: To note the progress on completing the actions agreed by the Council held on 20 June 2013 and progress on actions outstanding from previous Council meetings.

Annexes: None.

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

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Summary of actions outstanding

Actions arising from the Council meeting on 20 June 2013

Minute	Action	For	Report back to: Date:	Progress
NMC/13/104	Amend Risk Register to clearly reflect anticipated timescales for planned actions to materially reduce risks; and to reflect the initial date of origin of risks	Director of Corporate Governance	Council 18 July 2013	Completed
	Arrange a programme to ensure that the Council explored each risk on the register	Secretary to the Council	Council 18 July 2013	This item has been added to the agenda of the confidential session of 18 July and will be incorporated in future work planning
NMC/13/106	Amend the KPI information to reflect the points noted	Director of Corporate Governance	Council 18 July 2013	Completed

NMC/13/108	Provide further information to the Council on the forecasting and profile of FtP cases	Director of Fitness to Practise	Council 18 July 2013	The Director of Fitness to Practise will provide an oral update to the Council on this item at the 18 July meeting. Further work is being developed on contingency planning and this will be presented to the Council at a subsequent meeting
NMC/13/110	Add Corporate Quality Assurance strategy to Audit Committee agenda	Secretary to the Council	Council 18 July 2013	This item was on the agenda for the 8 July Committee meeting. Discussions at Committee will be reported to Council on 18 July 2013
NMC/13/114	Amend future Council agenda to provide for "for information" items to be discussed only by request	Secretary to the Council	Council 18 July 2013	The agenda templates for Council have been amended to provide for this

Brought forward actions (Council meetings prior to 20 June 2013)

Minute	Action	For	Report back to: Date:	Progress
12/166	Review the effect of the revised guidance and criteria for making decisions on voluntary removal during fitness to	Director of Fitness to Practise	Council 12 September 2013	Qualitative and quantitative data is being gathered to assess the effect of this and a report

Minute	Action	For	Report back to: Date:	Progress
	practise investigations			will be prepared for September Council.
31 January 2013				
13/11	Report results of research and data analysis to Fitness to Practise Committee and Council in relation to the development of further guidance around the meaning of impaired fitness to practise	Director of Fitness to Practise	Council 12 September 2013	Initial analysis was considered by the Fitness to Practise Committee on 23 April 2013. This will be taken forward by Council The Midwifery Committee has also expressed an interest in this matter, with actions taken to be reported back to a future meeting
21 March 2013				
13/55	Reporting to reconstituted Council to include information on efficiency savings as a proportion of the total budget	Director of Corporate Services	Council 20 June 2013	This item has been added to the Council forward work plan (under the monthly "financial monitoring" report) and will be addressed in depth later in 2013

Council

Performance and risk report

Action: For discussion.

Issue: Embedding performance and risk management across the NMC.

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

Corporate objectives: The NMC corporate objectives provide the context for performance and risk management.

Decision required: No decision is required but the Council is invited to note and discuss:

- Progress against our Key Performance Indicators for 2013-2014.
- Fitness to Practise performance dashboard – April to June 2013.
- The assessment and management of risks on our corporate risk register.

Annexes: The following annexes are attached to this paper:

- Annexe 1: Progress against our Key Performance Indicators.
- Annexe 2: Fitness to Practise performance dashboard – April to June 2013.
- Annexe 3: Corporate risk register.

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

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Context:

- 1 This paper reports on progress against our Key Performance Indicators (KPIs) and the assessment and management of risks on our corporate risk register.
- 2 This is the first time we have presented our KPIs and risk register together. These two controls have been brought together to enable the Council to take stock of our current position in achieving outcomes and the actions we are taking to mitigate key risks.

Key Performance Indicators

- 3 As part of our work to refresh performance reporting, we have developed a high level set of six KPIs. The KPIs focus predominantly on our 'business as usual' activities and aim to capture the critical success factors with regard to discharging the NMC's role to protect the patients and the public.
- 4 Work is ongoing to develop a small number of supporting performance indicators which will be considered by directors on a regular basis. At future meetings of the Council, this report will include, by exception, any significant matters arising from the supporting indicators.

FTP management information

- 5 A dashboard is attached at Annexe 2 showing Fitness to Practise performance key stages between April and June 2013, a forecast to December 2014 and an update on the progression of historic cases.

Corporate risk register

- 6 A refreshed approach to how the NMC identifies and manages risk was approved in its final version by the Audit Committee in April 2013. The refreshed approach has been rolled out across the NMC, with training sessions being used to identify any new risks. The risk register was presented to the Council in the new format for the first time at its June 2013 meeting.
- 7 Since the June Council meeting, directorates have built their respective risk registers in the refreshed format. Corporate Governance undertook the first of its monthly scrutiny exercises to review all the risk registers on 26 June and a report was submitted to Directors' Group on 28 June.
- 8 Directors' Group agreed a number of changes to the Corporate risk register at its meeting on 28 June. These are summarised below.
- 9 Risks are scored on a 5 x 5 matrix on the basis of impact and likelihood, and a traffic light system is used for reporting. Risks scored at eight or below are green rated. Risks scored between nine and 15 are amber rated. Risks scored at 16 and above are red rated.

Discussion and options appraisal:

Key performance indicators (KPIs)

- 10 The following paragraphs provide a short overview of each KPI for the month of May. Looking across the KPIs, there has been mixed performance.
- 11 KPI 1 (Registration applications): performance in May was the same as for April, remaining at 88% which is 2% below the target. The information in the report at Annexe 1 now includes a graphical breakdown for the UK and EU/Overseas workstreams.
- 12 KPI 2 (Interim orders imposed): there has been an improvement in performance upon the previous month. The percentage of interim orders (IOs) imposed within 28 days rose to 86% for May, up 6.5% from April. This is above our target of 80%.
- 13 KPI 3 (Investigations): our performance dipped marginally in May, with a percentage of 86% compared to 87% for the previous month.
- 14 KPI 4 (Adjudications): there was a dip in performance for May, down 10% from a figure of 50% for April.
- 15 KPI 5 (Available free reserves): although our overall level of available free reserves was lower in May than it was in April, we met the target for May and so our performance is meeting expectation.
- 16 KPI 6 (Staff turnover rate): the target for May was marginally missed. The staff turnover rate slightly increased in May as a result of three leavers and the average size of the workforce decreasing by 3.5.

Corporate risk register

New risk

- 17 Risk CR1 (Integrity of the register) has been expanded into two parts. Risk CR1A focuses on current registration activity. Risk CR1B (new) focuses on historical risk.

Increased risk

- 18 Risk CR5 (Financial resources) is up by five to a red rating of 20. This reflects a recent increase in Fitness to Practise referrals.

Reducing risks

- 19 Risk CR1 (Integrity of the register – current) is down by four to 16, reflecting the strengthening of procedures and improved training.
- 20 Risk CR7 (Quality of information) is down by five to an amber rating of 15 (both inherent and post-mitigation scoring). Having reviewed the risk scoring, directors have concluded that it was previously

rated too high.

- 21 Risk CR8 (Leadership, governance and management) is down by five to an amber rating of five. In this case, due to its 'critical' impact rating (five) this risk is amber rated.
- 22 Risk CR10 (Profile and proactivity) is down by three to a green rating of six.

No change

- 23 There is no change to the rating of the following risks, although mitigating and planned actions have been updated where relevant:
 - 23.1 CR2 Fitness to Practise.
 - 23.2 CR3 Revalidation.
 - 23.3 CR4 Professional Indemnity Insurance.
 - 23.4 CR6 Information security.
 - 23.5 CR9 Staffing.

Public protection implications:

- 24 Public protection implications are considered when rating the impact of risks and determining action required to mitigate risks.

Resource implications:

- 25 Internal staff time has been accommodated as business as usual.

Equality and diversity implications:

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

Stakeholder engagement:

- 27 The KPI information and the risk register are in the public domain.

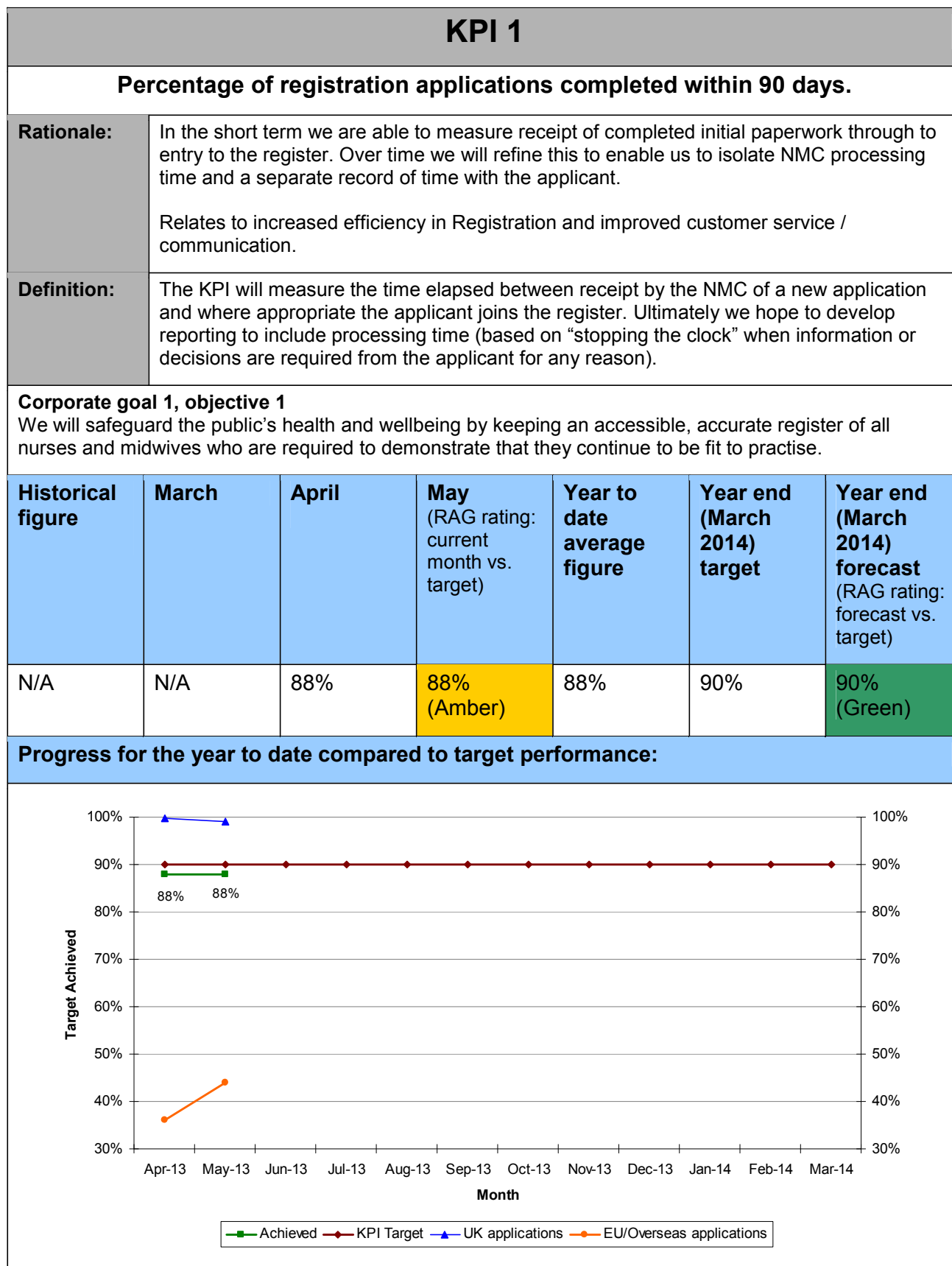
Risk implications:

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

Legal implications:

- 29 Failure to identify and effectively manage risks potentially exposes the NMC to legal action.

Progress against our key performance indicators (KPIs)



Commentary:

May is the second month for reporting on this new KPI. The current time period of 90 days includes all NMC processing time as well as time that the application is with the applicant. We have been able to refine our reporting for EU and Overseas applications. We are now able to measure from receipt of application through to the NMC decision on whether further adaptation/training is required by the applicant. Applicants have up to two years to complete further training and this time period is therefore beyond the control of the NMC.

KPI 1 is comprised of two work streams, UK and EU/Overseas. Guideline processing figures for May 2013 are as follows:

UK - 99% within seven days.
EU/Overseas - 44% within 90 days.

The implementation of the Registration Improvement Plan will enhance and increase the efficiency of the registration process in 2013-2014. This will generally improve processing times. Additionally, the pause in Overseas applications in early 2013 has impacted on the timeliness of Overseas decisions in recent months. Following the recommencement of processing on 2 April, processing times for Overseas applications are expected to improve as the new process is embedded. Going forward, the directorate's forecast is to achieve the combined target of 90% within 90 days on a monthly basis. As such our forecast is the stated target each month.

Red/Amber/Green rating:

Based on 10% variance threshold:
Green = current month figure matches or is higher than the target figure of 90%.
Amber = current month figure is between 80-89%.
Red = current month figure is 79% or lower.

KPI 2

Percentage of interim orders (IOs) imposed within 28 days of receipt of referral.

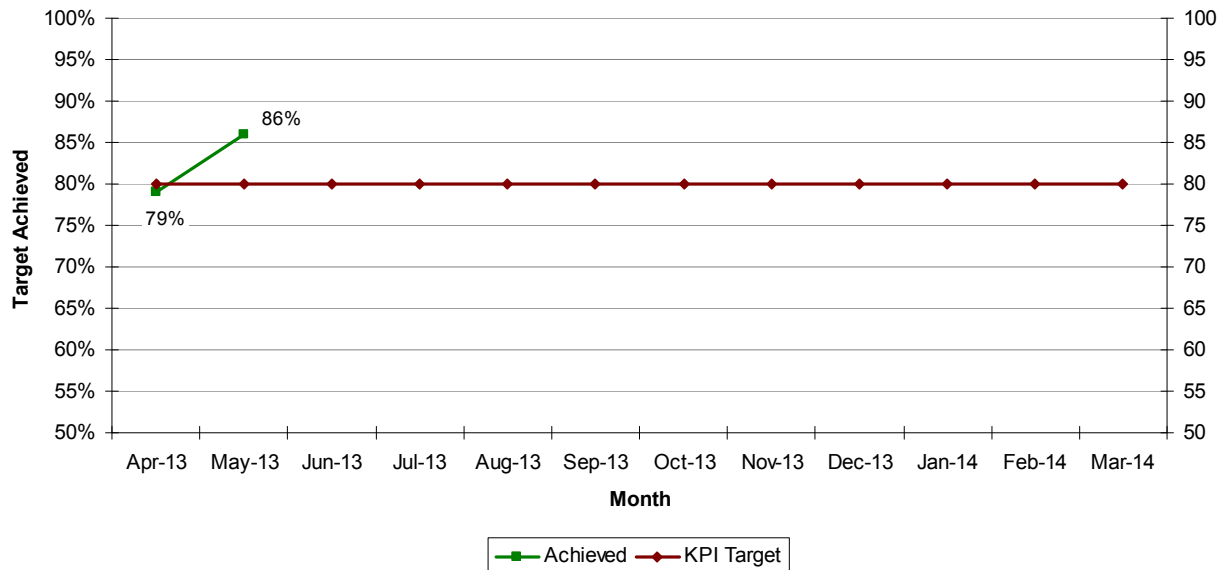
Rationale:	We aim to protect the public in the most serious cases by applying restrictions to a nurse or midwife's practice as quickly as possible after the need is identified.
Definition:	Percentage of interim orders imposed within 28 days of the referral received date.

Corporate goal 1, objective 3

We will take swift and fair action to deal with individuals whose integrity or ability to provide safe care is questioned, so that the public can have confidence in the quality and standards of care provided by nurses and midwives.

Historical figure (Average for the previous year 2012-13)	March	April	May (RAG rating: current month vs. target)	Year to date average figure	Year end (March 2014) target	Year end (March 2014) forecast (RAG rating: forecast vs. target)
64%	83%	79.5%	86% (Green)	83%	80%	80% (Green)

Actual performance compared to the target:



The actual percentage of IOs imposed within 28 days may change slightly from month to month but this KPI is expected to be consistently met.

Commentary:

Performance against this KPI was marginally under the target in April but improved significantly in May. There has been a marked improvement in this measure over the last quarter even though the positive impact of the new IO review process is only just starting to take effect.

Red/Amber/Green rating:

Based on 10% variance threshold:

Green = current month figure matches or is higher than the target figure of 80%.

Amber = current month figure is between 70-79.9%.

Red = current month figure is 69.9% or lower.

KPI 3

Percentage of cases progressed through the investigation stage within 12 months.

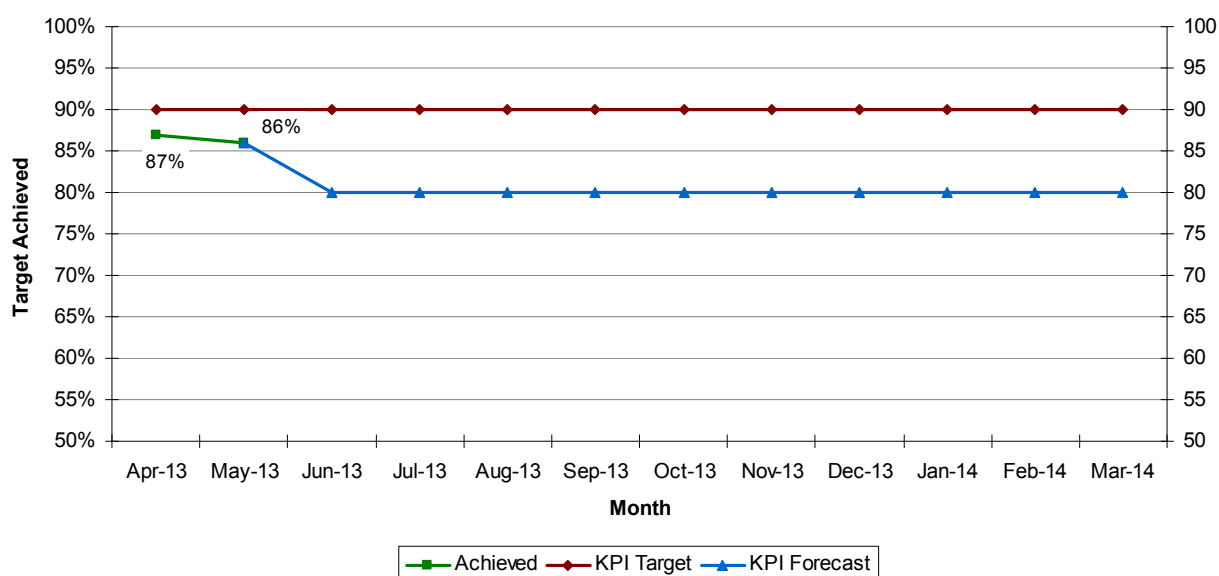
Rationale:	We aim to screen and investigate referrals within 12 months. We have a responsibility to balance the need for a swift decision on whether to refer the case for a substantive decision with the need for a proportionately thorough investigation.
Definition:	The percentage of investigations which have been completed within 12 months of the referral received date.

Corporate goal 1, objective 3

We will take swift and fair action to deal with individuals whose integrity or ability to provide safe care is questioned, so that the public can have confidence in the quality and standards of care provided by nurses and midwives.

Historical figure (Average for the previous year 2012-13)	March	April	May (RAG rating: current month vs. target)	Year to date average figure	Year end (March 2014) target	Year end (March 2014) forecast (RAG rating: forecast vs. target)
68%	86%	87%	86% (Amber)	87%	90%	80% (Amber)

Actual and forecasted performance compared to the target:



Commentary:

Performance against this KPI in May continued the recent trend of tracking marginally short of the 90% KPI. The measure is taken when a case reaches the Investigating Committee (IC) decision point. Monthly performance is simply a percentage representation of how many of the over 200 cases passing that point in a month were over 12 months old when they did so. We list cases for an IC decision as soon as we can so performance against the KPI can fluctuate, with a dependency on the age profile of cases listed in a month. We have forecast performance at below 90% because we know that we have a number of cases which have or are about to miss

the 12 month KPI. We are in the process of using predicted IC decision dates to try to model month by month performance in greater detail.

Additional FtP performance data will be presented which helps to put the above performance and forecast into some context.

Red/Amber/Green rating:

Based on 10% variance threshold:

Green = current month figure matches or is higher than the target figure of 90%.

Amber = current month figure is between 80-89%.

Red = current month figure is 79% or lower.

KPI 4

Percentage of cases progressed through the adjudication stage to the first day of a hearing or meeting within six months.

Rationale: When the investigating committee decides that there is a case to answer we have a responsibility to put it to a substantive committee as swiftly as possible.

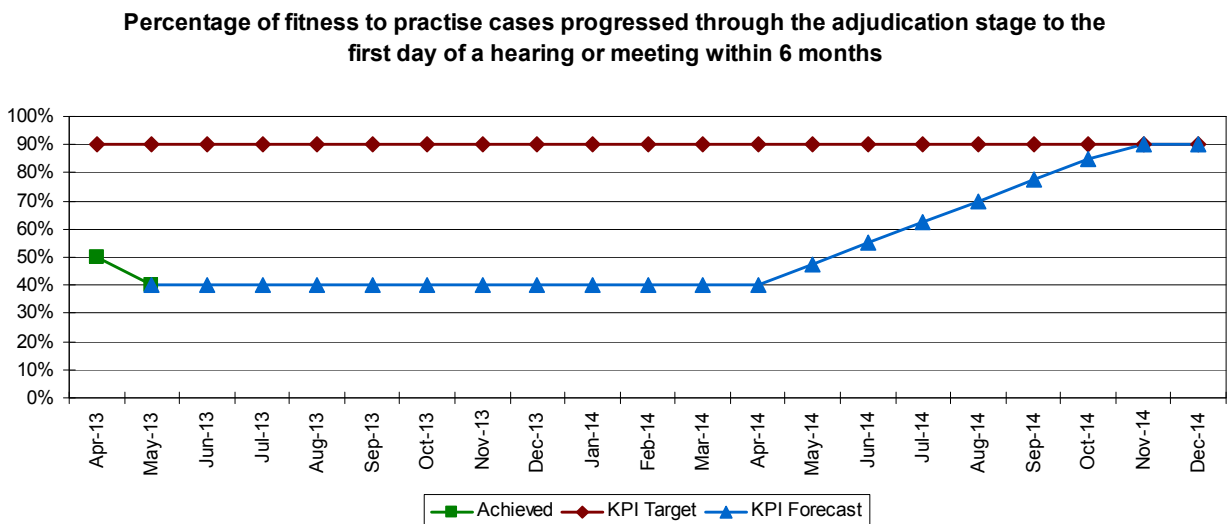
Definition: The percentage of cases which have reached their first day of a hearing or meeting within six months of referral from the investigating committee.

Corporate goal 1, objective 3

We will take swift and fair action to deal with individuals whose integrity or ability to provide safe care is questioned, so that the public can have confidence in the quality and standards of care provided by nurses and midwives.

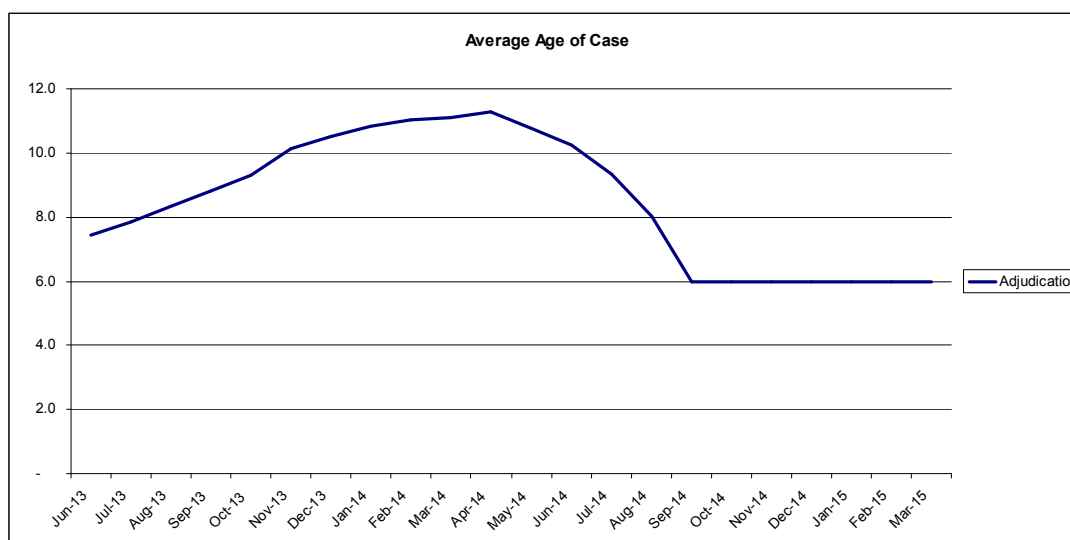
Historical figure (Average for the previous year 2012-13)	March	April	May (RAG rating: current month vs. target)	Year to date average figure	December 2014 target	Year end (March 2014) forecast (RAG rating: forecast vs. target)
39%	24%	50%	40% (Red)	45%	90%	40% (Red)

Actual and forecasted performance compared to the target:



Forecast:

A forecast of the average age of cases in adjudication is shown below. The profile shows that average age of cases in adjudication is expected to peak in early 2014, and then improve until it reaches the KPI age of six months later in the year. The peak in adjudication is a result of us concentrating our hearing room capacity on historic cases between now and September, which means that non-historic cases are being held back and will be older by the time they are heard. Non-historic cases are currently concluding within fewer hearing days than historic ones so we anticipate them concluding at a faster rate once we do hear them, and there being a quick reduction in average case age as a result.

**Commentary:**

This measure is calculated in the same way as KPI 3 and performance is dependent on which cases have their first hearing day during the month. There is currently a focus on historic cases which means that a large proportion of the data set has missed the six month target and the impact on the KPI is evident. The forecast of KPI performance above reflects that we don't expect to achieve the target until late 2014, but we should expect some fluctuation in monthly results rather than the smooth profile which has been used to indicate the general direction of travel.

Additional FtP performance data will be presented which helps to put the above performance and forecast into some context.

The target date of December 2014 for this KPI is a condition attached to the Department of Health's £20m grant.

Red/Amber/Green rating:

Based on 10% variance threshold:

Green = current month figure matches or is higher than the target figure of 90%.

Amber = current month figure is between 80-89%.

Red = current month figure is 79% or lower.

KPI 5

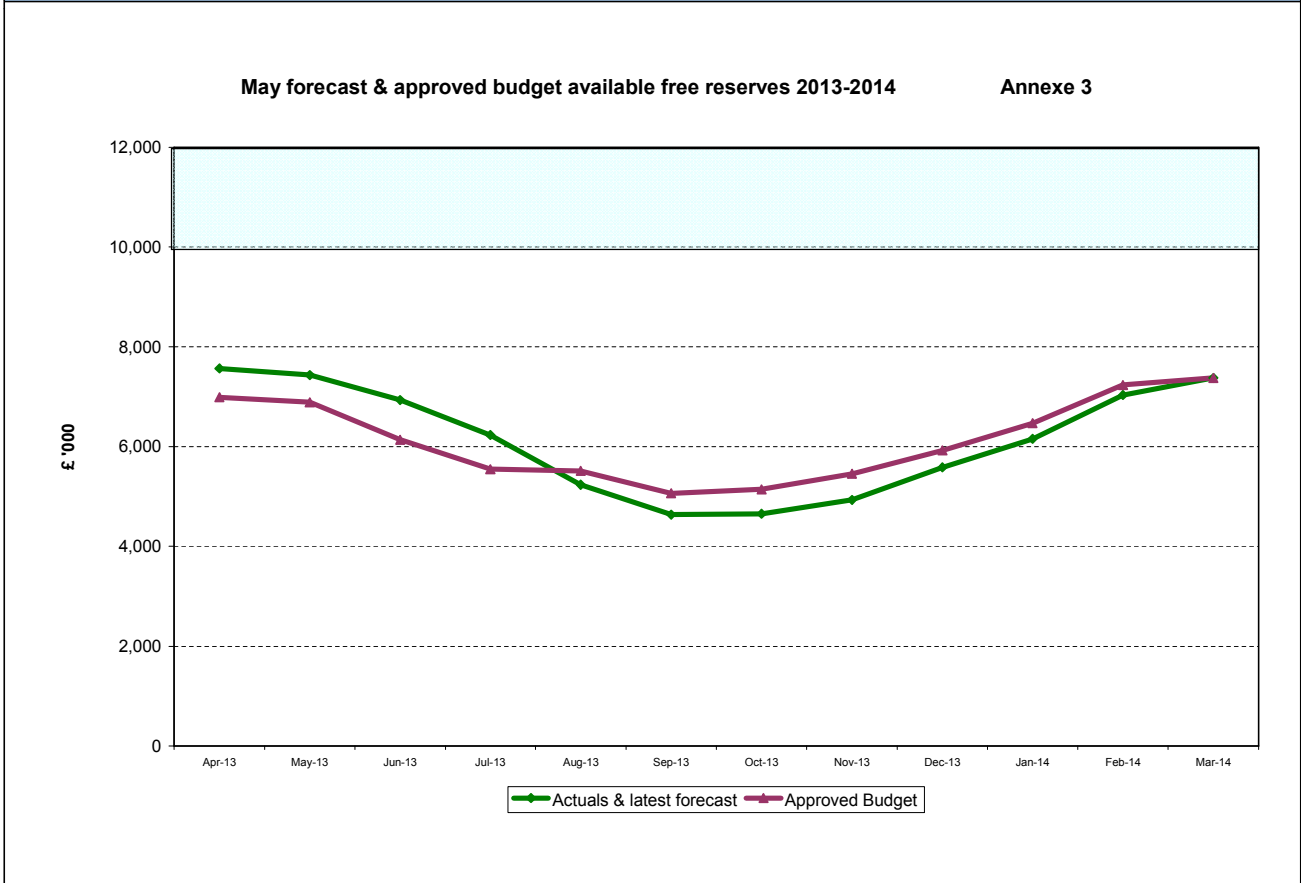
Available free reserves.

Rationale:	<p>The NMC's budget and financial strategy is predicated on a gradual restoration of minimum available free reserves to a minimum target level of £10 million by January 2016. This KPI measures how close we are to our plan for achieving this target.</p> <p>This KPI also demonstrates delivery against meeting the target for available free reserves as agreed with the Department of Health.</p>
Definition:	The level of available free reserves at month end compared with budgeted available free reserves at that month end.

Corporate goal 3, objective 7
 We will develop effective policies, efficient services and governance processes that support our staff to fulfil all our functions.

Historical figure (March 2013)	March 2013	April 2013	May 2013 (RAG rating: current month vs. May target)	May 2013 target	Year end (March 2014) target	Year end (March 2014) forecast (RAG rating: forecast vs. target)
£7.4m	£7.4m	£7.6m	£7.4m (Green)	£6.9m	£7.4m	£7.4m (Green)

Actual and forecasted figures compared to approved budget for available free reserves:



Commentary:

The target figure for March 2014 is similar to that of March 2013 and will fluctuate each month based on the pattern of budgetary expenditure. Based on the financial plan, more progress towards restoring the minimum reserves level of £10 million will be made in 2014-2015.

The actual available free reserves level at the end of May 2013 was £7.4m compared to a planned level of £6.9m. It is too early in the year to determine whether this is indicative of a trend, and the latest full year forecast projects that available free reserves at March 2014 will be on target. The financial results and forecasts are reviewed monthly by the Directors' Group, and corrective action would be taken if necessary to ensure we maintain progress to plan.

Red/Amber/Green rating:

Green = the current month figure matches or is above the May target figure.

Amber = within 5% of the May target figure.

Red = greater than 5% of the May target figure.

KPI 6

Staff turnover rate.

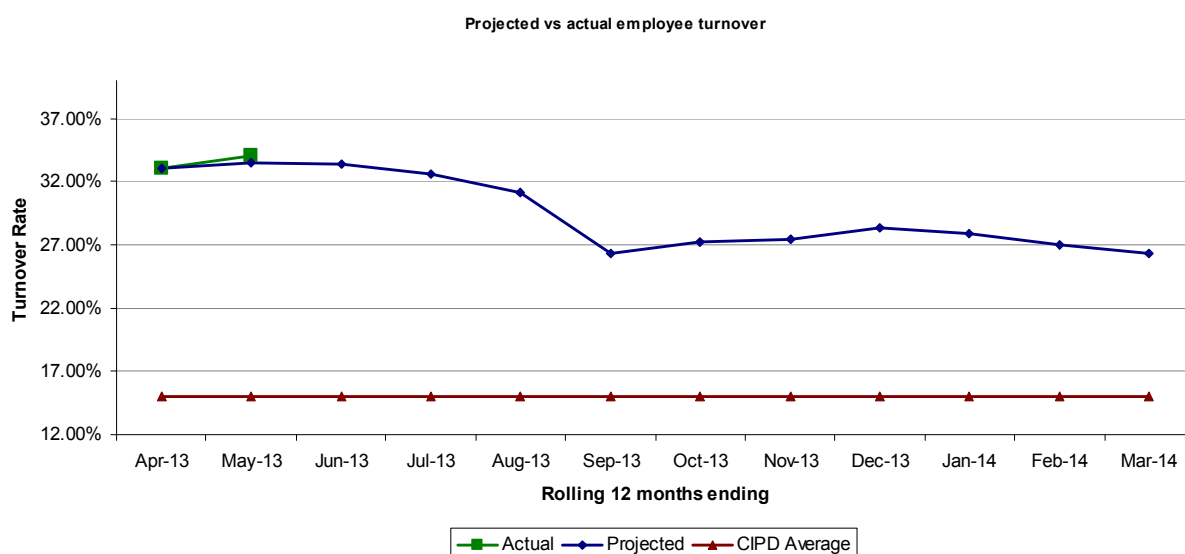
Rationale:	<p>The level of staff turnover has been consistently high and represents a high risk and cost to the NMC and an indicator of a sub-optimal organisational culture.</p> <p>A number of initiatives included within the Human Resources and Organisational Development Strategy are aimed at retaining staff, hence this KPI being a key measure of the effectiveness of that strategy.</p>
Definition:	<p>The number of employees leaving in the previous 12 months as a percentage of the average number of employees over that period, excluding end of fixed term contracts.</p> <p>The rate is impacted by the number of leavers and size of workforce, the latter being based on budgeted headcount.</p>

Corporate goal 3, objective 8

We will build a culture of excellence by attracting, retaining and developing high quality staff to deliver our services.

Historical figure (Year end - March 2013)	March 2013	April 2013	May 2013 (RAG rating: current month vs. May target)	May 2013 target	Year end (March 2014) target	Year end (March 2014) forecast (RAG rating: forecast vs. target)
32.7%	32.7%	33.1%	34.09% (Amber)	33.47%	26.3%	26.4% (Amber)

Performance for the year to date compared to projected performance:



CIPD: The Chartered Institute of Personnel and Development.

Commentary:

The target figure for March 2014 is based on projected staffing levels as set out in the budget for the year. As the figure is a rolling 12 month average, depending on the prior year pattern of leavers, it will increase in some months, as in May 2013, and decrease in others.

The actual figure for May was 34.09%, 0.94% up on the previous month and 0.62% higher than the May 2013 target.

The number of leavers over the 12 month period to May 2013 increased by 3 compared to the 12 months to April 2013. At the same time the average size of the workforce over that period fell by 3.5. The combination of these two factors gave rise to the increased turnover rate in May.

The Human Resources (HR) team are working across directorates to understand staff turnover, using exit interviews to review the rational behind why staff leave the organisation and take appropriate action. HR is developing and piloting workforce planning in Corporate Services which is a strategic planning tool to enable resource management and improve workforce information for business planning, and this will be implemented organisation wide. In time HR will develop further policies around career, succession and talent management principles as part of retaining and developing our people. The Learning and Organisational Development team is implementing the organisational Learning Plan to support and implement development interventions to build skills, knowledge and capability at all levels across the organisation and to help develop career management approaches to assist with the retention of staff.

Red/Amber/Green rating:

Green = the current month figure matches or is below the May target figure.

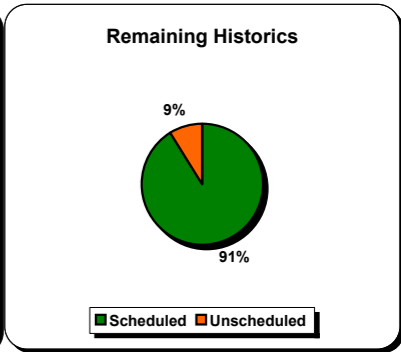
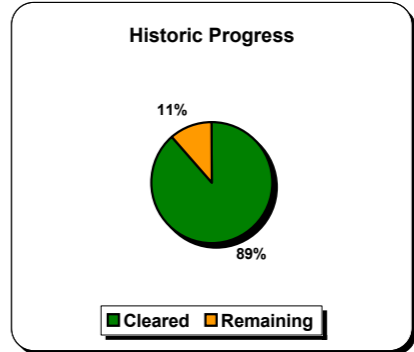
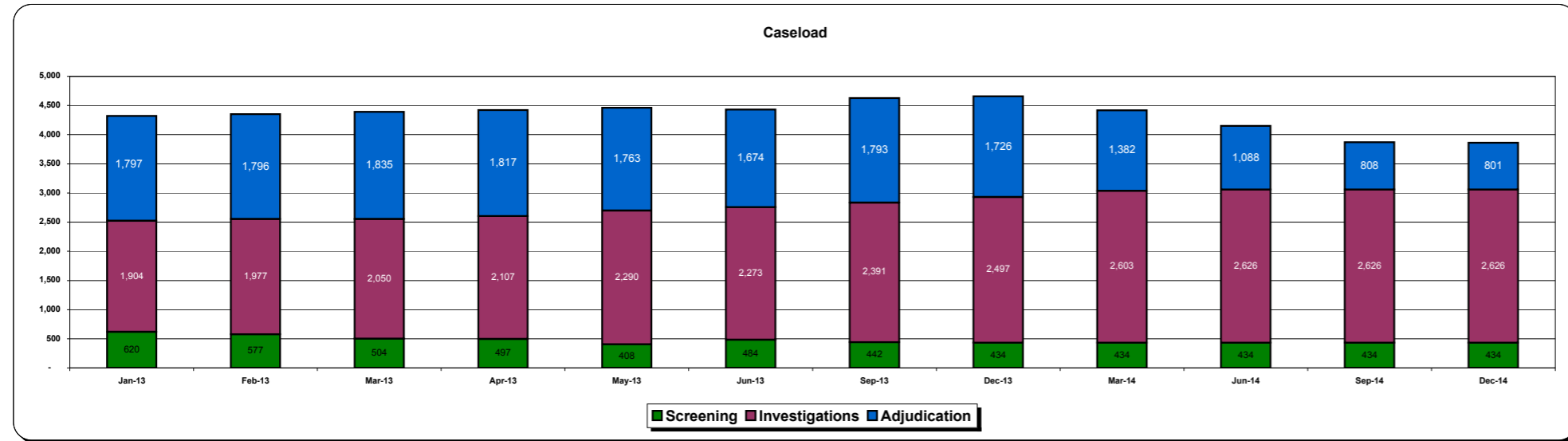
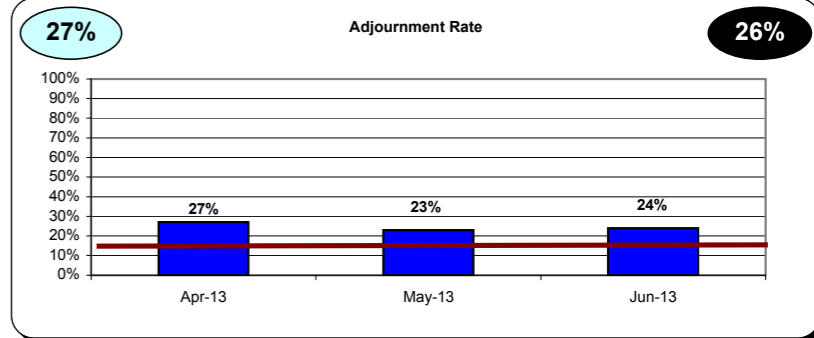
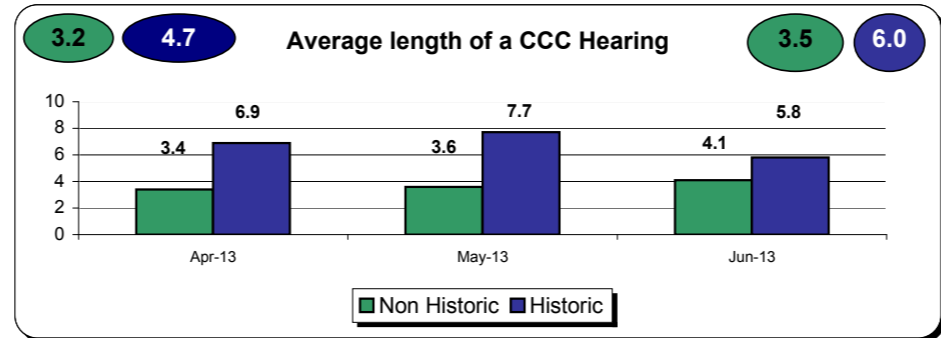
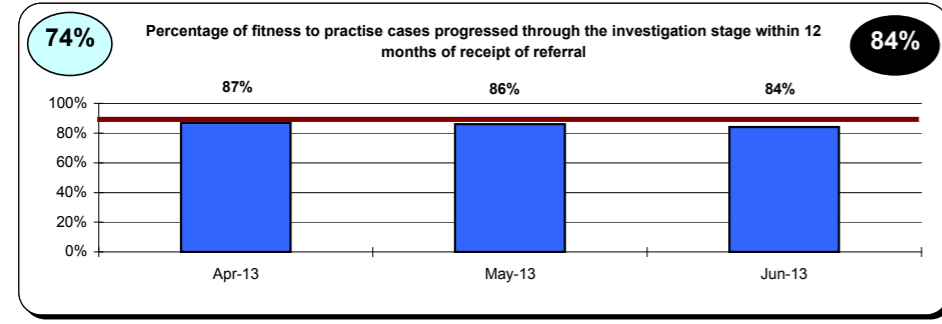
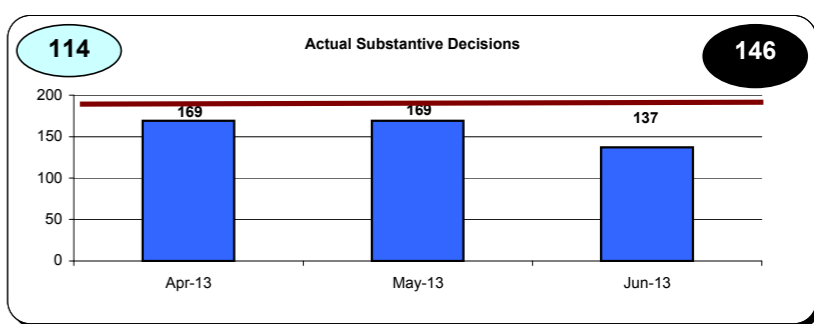
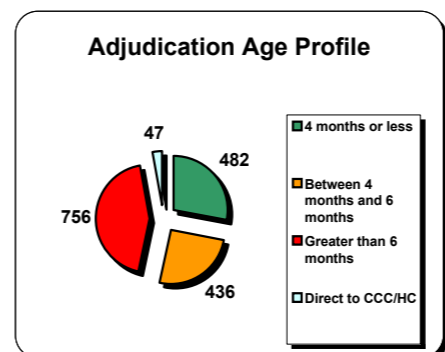
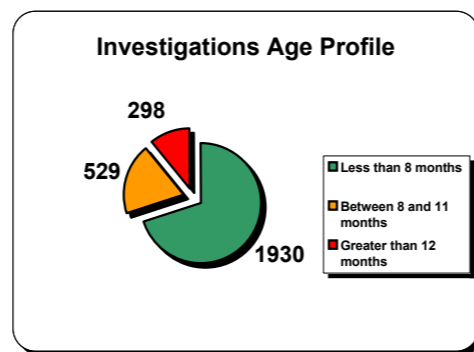
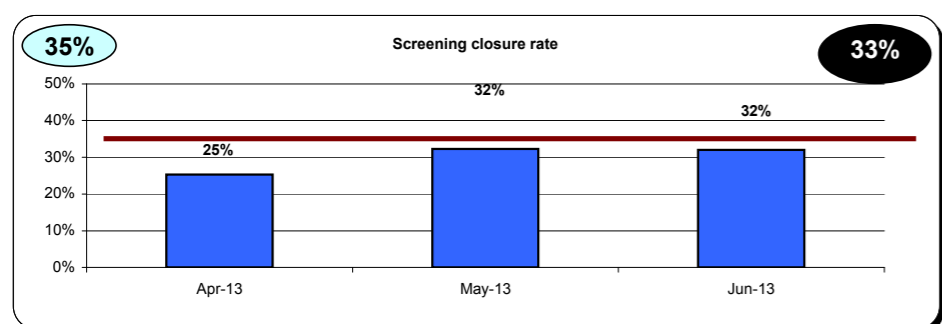
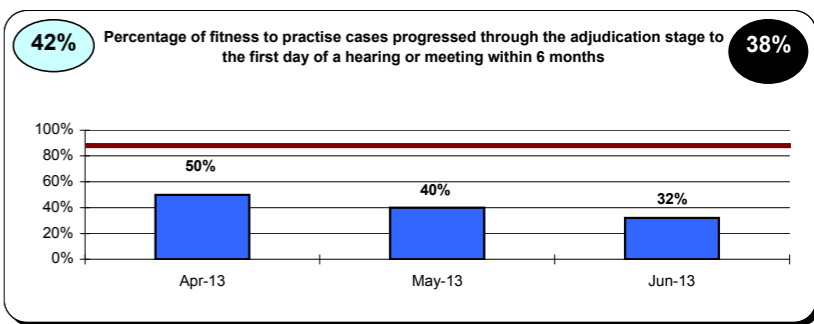
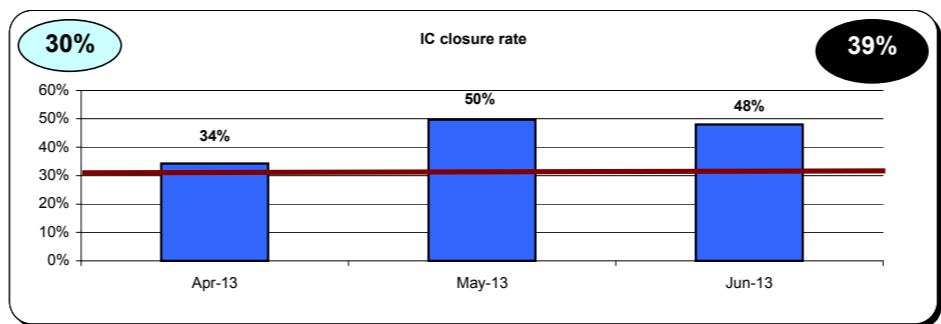
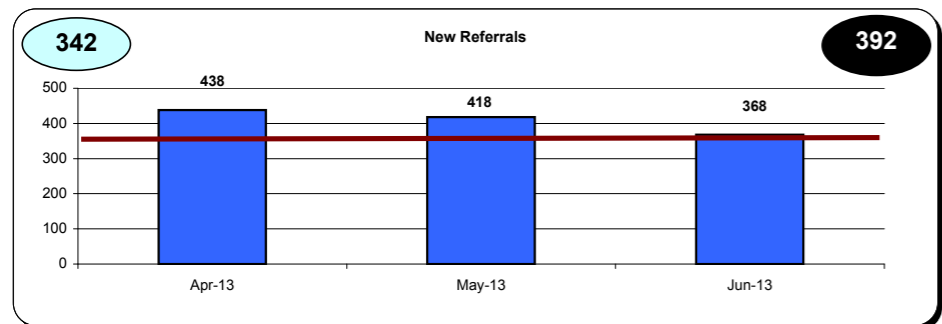
Amber = within 1% of the May target figure.

Red = where there is a difference of greater than 1% of the May target.

FtP Performance - April 2013 to June 2013

Longer Term Trend

Average over last 6 months



Historic Caseload	
Historics	1589
Remaining	181
Scheduled	165
Unscheduled	16
% of cases progressed	89%

Corporate risk register

		Date: 18 July 2013			Issue No: 3 (following 20 June Council)												
No.	Date of origin	Risk Scenario			Inherent risk scoring			Mitigation in place / Planned action			Post-mitigation scoring			Risk Owner (and Sponsor)	Dates updated (log of dates for when risk was updated)	Status (open / closed plus clear indication of whether and when on track / not on track to reduce scoring)	Direction (of risk score from the previous issue)
		Root cause(s)	Potential situation	Consequences	Likelihood	Impact	Score	Likelihood	Impact	Score							
CR1 A	May-13 (previously risk T23)	Integrity of the register - Current			5	5	25	Mitigation in place: (1) Standard operating procedures and improved training. (2) Daily reconciliation reports and manual processes to address system anomalies. (3) Overseas registration procedures strengthened following pause and review. Planned action: (1) Implement Registration Improvement Programme (September 2013-September 2014). (2) Address prioritised system defects (September 2013). (3) Implement recommendations of independent audit as reported to Audit Committee in January 2013. (4) Further process refinements and alignment of FtP and Registration data (ongoing). (5) Establish longer term strengthened overseas process (April 2014).			4	4	16	Director, Registrations	Directors' group meeting 28.06.2013 - reviewed impact, reduced it by 1.	Open - on track. Risk reviewed monthly. Focused on current registration activity and therefore is more controllable through mitigation actions than the historic risk below. Risk reduction expected Oct 2013	Reducing
		(1) Wiser and Case Management System (CMS) not fully integrated. (2) Current policies, processes and procedures may be ineffective or inconsistently applied.	The online register may be inaccurate.	(1) Public protection compromised. (2) Negative impact on registrants. (3) Reputation damaged.													
CR1 B	May-13 (previously risk T23)	Integrity of the register - Historic			5	5	25	Mitigation in place: (1) Standard operating procedures and improved training. Planned action: (1) Analysis of specific cohorts where potential issues are identified - to provide assurance or scope any issues (on-going). (2) Introduction of a Revalidation model to confirm currency of information held and to establish actions for dealing with registrants who do not meet the standards for registration (2015).			4	5	20	Director, Registrations	Directors' group meeting 28.06.2013 - reviewed wording of risk.	Open - on track. Risk reviewed monthly. Involves a long lead time for any action to play forward and impact the risk scoring. Very marginal improvement predicted until after revalidation in place from 2015	No change
		(1) Policies and procedures may have been absent, ineffective or inconsistently applied in the past. (2) Historic decisions may have been made on a different basis, but cannot be reversed. (3) Circumstances may have changed after initial admission to the register, however these are not routinely checked.	We may identify individuals currently on the register who would not meet current requirements for admission, and we may not have appropriate plans in place to respond to this.	(1) Public protection compromised. (2) Reputation damaged.													

No.	Date of origin	Risk Scenario			Inherent risk scoring			Mitigation in place / Planned action	Post-mitigation scoring			Risk Owner (and Sponsor)	Dates updated (log of dates for when risk was updated)	Status (open / closed plus clear indication of whether and when on track / not on track to reduce scoring)	Direction (of risk score from the previous issue)
		Root cause(s)	Potential situation	Consequences	Likelihood	Impact	Score		Likelihood	Impact	Score				
CR2	May-13 (previously risk G28. Date of origin: May 2012)	Fitness to practise						Mitigation in place: (1) Detailed profiling and forecasting of caseload and activity and oversight by FtP Board. (2) Improved case management processes including voluntary removal and consensual panel disposal. (3) Standard operating procedures and improved training for staff. (4) Increased staffing base. (5) Targeted review of adjudication caseload. (6) Increase in number of panel members and introduction of rolling recruitment for panel members and chairs. (7) Training for panel members and introduction of rolling programme. (8) Increased number of hearing venues. Planned action: (1) External review of management information and forecasting assumptions (September 2013). (2) Further workforce planning (March 2014). (3) Quality assurance framework to be fully implemented (December 2013). (4) Review of thresholds for action (December 2013). (5) Closer working with employers (April 2014). (6) Legislative change (July 2014). (7) Contingency planning for increase in hearing activity at the end of Q3.				Director, Fitness to Practise	DG meeting 28.06.2013 - provided more explanation.	Open - on track Weekly performance/delivery against target reviewed at weekly management meeting and risk reviewed monthly. Risk reduction expected in early 2014 once adjudication caseload has decreased and new case management measures have embedded.	No change
CR3	May-13 (previously risk T30. Date of origin: May-13)	Revalidation						Mitigation in place: (1) Stakeholder engagement via Strategic Discussion Group and Task and Finish Group, Patient and Public Forum and engagement events in the four countries. (2) Options developed in collaboration with the stakeholders. (3) Oversight and scrutiny by Revalidation Board and by Change Management and Portfolio Board. Planned action: (1) Stakeholder engagement (ongoing). (2) Revalidation to be developed in phases - proposals to Council in Sept 2013. (3) Develop detailed costings to inform options - Sept 2013. (4) Public consultation - Oct 2013. (5) Testing and piloting of new model - 2015.				Director, Continued Practice	03/07/2013 - added more explanation.	Open - on track to reduce scoring. This will be achieved in Dec 2015	No change

No.	Date of origin	Risk Scenario			Inherent risk scoring			Mitigation in place / Planned action	Post-mitigation scoring			Risk Owner (and Sponsor)	Dates updated (log of dates for when risk was updated)	Status (open / closed plus clear indication of whether and when on track / not on track to reduce scoring)	Direction (of risk score from the previous issue)
		Root cause(s)	Potential situation	Consequences	Likelihood	Impact	Score		Likelihood	Impact	Score				
CR4	May-13 (previously risk T26. Date of origin: Jan-13)	Professional indemnity insurance (PII) (1) Short timescale for implementation following outcome of DH consultation. (2) Changes to Wisser carry inherent risk. (3) Project management within existing resources.	We may be unable to implement a proportionate solution to the PII requirement by the required deadline of October 2013.	(1) Public protection compromised. (2) Negative impact on registrants. (3) Reputation damaged.	4	3	12	Mitigation in place: (1) Council decided NMC policy principles in April 2013. (2) NMC response to DH consultation submitted May 2013. (3) Project plan established. Planned action: (1) Changes required to Wisser (October 2013). (2) Act on outcome of DH review once available (July 2013). (3) Engage with stakeholders and develop communications plan and materials (June - September 2013). (4) Put PII Project Manager in place (June 2013).	3	3	9	Director, Registrations		Open - on track. Risk reviewed monthly, but given main deadline of October, it is unlikely that there will be any reduction in the scoring in the meantime.	No change
CR5	May-13 (previously risk G39. Date of origin: Mar-13)	Financial resources (1) Limited sources of income. (2) Possible increase in resource requirements as a result of external factors e.g. Francis report, government policy etc. (3) Possible increase in fitness to practise referrals above forecast rate. (4) Resource requirements arising from several, simultaneous improvement projects. (5) Possibility that we do not achieve targeted efficiency savings.	We may have insufficient financial resources to meet all our planned operational requirements.	(1) Inability to deliver corporate objectives and/or improvement programme. (2) Negative impact on registrants. (3) Reputation damaged.	4	5	20	Mitigation in place: (1) Prudent budgeting aligned to corporate planning and change management programmes. (2) Financial strategy. (3) Risk based reserves policy. (4) Monthly finance and planning meetings with each directorate. (5) Monthly monitoring by Directors Group. (6) Standing financial report to the Council. Planned action: (1) Review of subsidiary fees - autumn 2013. (2) Annual review of registrant fees - spring 2014. (3) Mid year review of financial resources against emerging priorities and quantification of emerging operational risks (Sep 2013 completion).	4	5	20	Director, Corporate Services	Directors' group meeting 28.06.2013 - Likelihood increased by 1 following recent increase in FtP referrals.	Open - on track. Risk reviewed monthly ----- Linked to Department of Health KPI of January 2016 ----- Outcome of mid year review - risk reduction in October 2013	Increasing

No.	Date of origin	Risk Scenario			Inherent risk scoring			Mitigation in place / Planned action	Post-mitigation scoring			Risk Owner (and Sponsor)	Dates updated (log of dates for when risk was updated)	Status (open / closed plus clear indication of whether and when on track / not on track to reduce scoring)	Direction (of risk score from the previous issue)
		Root cause(s)	Potential situation	Consequences	Likelihood	Impact	Score		Likelihood	Impact	Score				
CR6	May-13 (previously risk T24. Date of origin: Oct-12)	Information security						Mitigation in place: (1) Information security and data protection policies. (2) Mandatory training for staff and panellists. (3) Oversight by Information Governance Steering Group. (4) Laptop encryption programme. (5) Information security gap analysis completed and independently validated, identifying risk areas. Planned action: (1) Implement information security improvement plan, addressing highest risk areas as priority. High risks completed by Dec 2013. (2) New email encryption solution being implemented (July 2013). (3) Enhanced coverage and compliance with training (monthly review).				Director, Corporate Services		Open - on track. December 2013 review. Expect likelihood of impact and ratings to reduce.	No change
CR7	May-13 (previously risk G20)	Quality of information						Mitigation in place: (1) Short term improvements to strengthen understanding of management information across registration and fitness to practise systems. (Cross reference CR1) (2) Short term improvements to support stakeholder engagement intelligence needs underway, including liaison with other regulators. Planned action: (1) Corporate Data Working Group established (July 2013). (2) Corporate Data project being rescoped. (3) Gap analysis of future needs versus current position being undertaken. (4) Information strategy and governance to be developed through planned workstreams. (5) QA Strategy to include providing assurance on data quality and management.				Director, Corporate Governance	DG meeting 28.06.2013 - reviewed impact and reduced both columns by 1.	Open - on track. Project in early stages and will require time to diagnose and correct. Links to ICT strategy, post 2014 for full implementation. Review Sept 2013 new project scope. Review Dec 2013 for implementation progress.	Reducing

No.	Date of origin	Risk Scenario			Inherent risk scoring			Mitigation in place / Planned action	Post-mitigation scoring			Risk Owner (and Sponsor)	Dates updated (log of dates for when risk was updated)	Status (open / closed plus clear indication of whether and when on track / not on track to reduce scoring)	Direction (of risk score from the previous issue)
		Root cause(s)	Potential situation	Consequences	Likelihood	Impact	Score		Likelihood	Impact	Score				
CR8	May-13	Leadership, governance and management						Mitigation in place: (1) Regular meetings of Directors' Group, Change Management and Portfolio Board and directorate senior management teams. (2) Annual corporate planning process. (3) Induction of new Council. (4) Human Resources and Organisational Development strategy in place and being implemented. Planned action: (1) Implementation of governance review - October 2013.				Chief Executive	26.06.2013 - considered mitigations are effective, reduce likelihood by 1.	Open - on track. Review October 2013. One year on from restructure, 6 months into tenure of new Council and new governance arrangements in place.	Reducing
		(1) Transitional issues arising from reconstitution of the Council and concurrent governance review. (2) Organisational structure still embedding. (3) New executive team and varying levels of management experience across the organisation.	We may experience difficulties in implementing/prioritising decisions effectively and/or sustaining change.	(1) Inability to deliver corporate objectives and/or improvement programme. (2) Negative impact on staff. (3) Reputation damaged. (4) Ineffective use of resources.	3	5	15		1	5	5				
CR9	May-13 (previously risk T25. Date of origin: Oct-12)	Staffing						Mitigation in place: (1) Improved employee communication and engagement in place. (2) Human Resources and Organisational Development Strategy in place and being implemented. (3) Staff survey completed. (4) Learning and development programme launched. Planned action: (1) Pensions, pay and grading review to report (June/July 2013). (2) Review of HR policies ongoing (complete by March 2014). (3) Action plan in response to staff survey (July 2013). (4) Ongoing delivery of learning and development programme (all year). (5) Long term workforce planning (commencing June 2013).				Director, Corporate Services	Review December 2013. Linked to KPI on employer turnover.	Open - on track. No change	
		(1) Perception that our rewards package is poor. (2) Organisational and people development historically a low priority. (3) Organisational structure still embedding. (4) Lack of clear career progression pathways.	We may experience continued high staff turnover.	(1) Inability to deliver corporate objectives and/or improvement programme. (2) Negative impact on staff morale, motivation, and performance. (3) Reputation damaged. (4) Ineffective use of resources. (5) Loss of corporate memory.	5	4	20		4	3	12				

No.	Date of origin	Risk Scenario			Inherent risk scoring			Mitigation in place / Planned action	Post-mitigation scoring			Risk Owner (and Sponsor)	Dates updated (log of dates for when risk was updated)	Status (open / closed plus clear indication of whether and when on track / not on track to reduce scoring)	Direction (of risk score from the previous issue)
		Root cause(s)	Potential situation	Consequences	Likelihood	Impact	Score		Likelihood	Impact	Score				
CR10	May-13 (previously risk T29. Date of origin: Feb-13)	Profile and proactivity (1) Engagement with patients, public and stakeholders not yet fully embedded. (2) Complex healthcare landscape and regulatory environment. (3) Joint working with other regulators inconsistent.	The NMC's lack of public profile means we may not communicate our role effectively. Ineffective joint working inhibits sharing of information about potential identification of unsafe practice or health provision settings where nurses and midwives provide care.	(1) Inability to deliver public protection effectively. (2) Reputation damaged. (3) Inappropriate or lack of referrals to fitness to practise.	4	4	16	Mitigation in place: (1) Strategic engagement commitment in place. (2) Programme of key stakeholder meetings ongoing between Chief Executive, Chair and senior staff with the DH, professional bodies and unions, patient groups, nurses, midwives and other regulators. (3) Patient and Public Engagement Forums held quarterly in England. (4) Strategic level initiatives being driven forward. (5) Short term improvements to support stakeholder engagement information needs underway. (6) FtP advice line for Directors of Nursing and LSAMOs. (7) In 2011/2012 and 2012/13 we held consultations and stakeholder listening events about VR (voluntary removal), sanctions on line, changes to case management processes including CPD (consensual panel determinations) and the IO process, and changes to guidance including the Indicative sanctions guidance and Conditions of Practice guidance. Planned action: (1) Patient and Public Engagement Forums to be held in Scotland, Wales and Northern Ireland (Sept 2013 - April 2014). (2) NMC employer roadshows to be held (Sept 2013). (3) Memoranda of understandings to be underpinned with information and data sharing protocols (March 2014). (4) Relaunch of escalating concerns guidance (Sept 2013). (5) FtP to develop a model to work proactively with employers across the UK (scoping to be completed by October 2013). (6) FtP to develop information sharing protocols with other regulators, and have a system in place to track all referrals to and from other regulators (by 30 Sept 2013)	2	3	6	Director, Corporate Governance	DG meeting 28.06.2013 - FtP activity needed to be added. Likelihood reduced by 1 as a result.	Open - on track. Review March 2014 to measure impact of activity.	Reducing

Risk matrix

1. Rating the likelihood

Likelihood of risk occurring			
Term	Score	Guidance	Evidence
Very high	5	There is strong evidence to suggest that this risk will occur during the Business Plan and Project life-cycle (typical likelihood of 81-100%).	A history of it happening at the NMC. Expected to occur in most circumstances.
High	4	There is evidence to suggest that this risk will occur during the Business Plan and Project life-cycle (typical likelihood of 51-80%).	Has happened at the NMC in the recent past. Expected to occur at some time soon.
Medium	3	There is some evidence to suggest that this risk may occur during the Business Plan and Project life-cycle (typical likelihood of 21-50%).	Has happened at the NMC in the past. Can see it happening at some point in the future.
Low	2	There is little evidence to suggest that this risk may occur in the Business Plan and Project life-cycle (typical likelihood of 6-20%).	May have happened at the NMC in the distant past. Not expected to occur for years.
Very low	1	There is no evidence to suggest that this risk may occur at all during the Business Plan and Project life-cycle (typical likelihood of 0-5%).	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 the Business, Project and Public Protection objectives and overall performance. Huge impact on costs and reputation. Very difficult and long term to recover.
Major	4	Major impact on costs, Business, Project and Public Protection objectives. Affects a significant part of the Business or project. Serious impact on output, quality, reputation and protection of the public issues. Medium to long term effect and expensive to recover from.
Moderate	3	Significant waste of time and resources. Impact on operational efficiency, output and quality, hindering effective progress on business objectives and project outcomes and protection of the public issues. Adverse effect on reputation. Medium term effect which may be expensive to recover.
Minor	2	Minor loss, delay, inconvenience or interruption. Short to medium term effect. Business and Project objectives not compromised. Protection of the public not prejudiced.
Insignificant	1	Minimal loss, delay, inconvenience or interruption. Can be easily and quickly remedied. Little or no effect on reputation or public protection issues.

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

Council

Annual report and accounts 2012—2013

Action: For decision.

- Issue:**
- To review the draft annual report and accounts for the year ended 31 March 2013 and decide whether to grant approval.
 - To review the letter of representation requested by the external auditors in connection with their audit work, before it is signed by the Chair of the Council.

Core regulatory function: Supporting functions.

Corporate objectives: Corporate objective 7: “We will develop effective policies, efficient services and governance processes that support our staff to fulfil all our functions.”

- Decision required:** The Council is invited to:
- Approve the annual report and accounts, subject to any changes requested by the Council.
 - Authorise the Chair, on behalf of the Council, to sign the letter of representation to the external auditors.
 - Approve the post balance sheet review process.

- Annexes:** The following annexes attached to this paper:
- Annexe 1: Draft annual report and accounts 2012—2013.
 - Annexes 2 and 3: Letter of representation to the external auditors.

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

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- Context:**
- 1 The Nursing and Midwifery Order 2001 (“Order”) requires the NMC to publish:
 - 1.1 A “report on the exercise of its functions which includes a description of the arrangements the Council has put in place to ensure that it adheres to good practice in relation to equality and diversity” [Article 50(1)(a)].
 - 1.2 A “strategic plan for the Council in respect of such number of years and the Council shall determine” [Article 50(1)(c)].
 - 1.3 Annual accounts in the form determined by the Privy Council [Article 51].
 - 2 The NMC’s usual practice is to combine these into a single annual report and accounts.
 - 3 Once approved by the Council, the annual report and accounts must be submitted to the Privy Council. The Privy Council is responsible for laying them before each House of Parliament.
 - 4 Under the Nursing and Midwifery Order 2001 (Form of Accounts) Determination 2010 (“Accounts Determination”), the accounts must be prepared both:
 - 4.1 In compliance with the accounting principles and disclosure requirements contained in the current Statement of Recommended Practice, *Accounting and Reporting by Charities*, (“Charities SoRP”) issued by the Charity Commission.
 - 4.2 With regard to the requirements of the current *Government Financial Reporting Manual* issued by HM Treasury (“FreM”) to the extent that those requirements clarify, or build on, the requirements of the Charities SoRP.
 - 5 The Order requires the accounts to be audited by independent auditors appointed by the NMC and to be examined, certified, and reported on by the Auditor and Comptroller General (the National Audit Office).
 - 6 The annual report serves as the trustees’ report to the Charity Commission and the Office of the Scottish Charity Regulator and must comply with Charity Commission requirements.
- Discussion and options appraisal:**
- Responsibilities**
- 7 The NMC’s management is responsible for preparing the annual report and accounts and ensuring that they are audited in accordance with the statutory obligations. The Council is responsible

for approving the annual report and accounts.

- 8 The Audit Committee has had the opportunity to review the annual report and accounts at its meeting on 8 July 2013 and its conclusions are reported separately on the agenda.
- 9 The draft annual report and accounts are included at Annexe 1 for the Council's review.
- 10 **Recommendation: The Council is invited to approve the annual report and accounts, subject to any changes requested by the Council.**

Audit

- 11 Prior to the Audit Committee meeting on 8 July 2013, the draft annual report and accounts had been reviewed by the NMC's independent auditors, haysmacintyre, and to the NAO.
- 12 As is usual practice, the independent auditors and the NAO have requested a letter of representation in connection with their audit work. The proposed letters of representation are set out in Annexes 2 and 3.
- 13 **Recommendation: The Council is invited to authorise the Chair, on behalf of the Council, to sign the letter of representation to the external auditors and the NAO.**

Next steps

- 14 If the annual report and accounts are approved by the Council for submission, they will be signed by the Chair and the Chief Executive and Registrar and by the auditors.
- 15 The Privy Council Office, which is responsible for laying the annual report and accounts before Parliament has indicated that they anticipate a laying date after 8 October 2013. As a result, a post balance sheet review will be conducted in September 2013 before the annual report and accounts and the letters of representation are signed. In the event that any material changes to the annual report and accounts are required, they will be put to the Council for further approval on 12 September 2013. In the event that minor amendments are necessary, they will be authorized by the Chair and the Chief Executive and reported to the Council.
- 16 **Recommendation: The Council is invited to approve the post balance sheet review process.**
- 17 Once the annual report and accounts have been laid before Parliament, they will be published on the NMC website and filed with the Charity Commission and the Office of the Scottish Charity Regulator by their respective deadlines of 31 January 2014 and 31

December 2013.

- | | | |
|---|----|--|
| Public protection implications: | 18 | There are no public protection implications arising directly from this report. However, by operating as a financially viable and transparent organisation with full public accountability, the NMC will ensure that it is in the best position to undertake its public protection role and activities. |
| Resource implications: | 19 | Apart from staff and auditing costs, the only other costs associated with production of the report and accounts are the costs of printing the reports for laying in Parliament and of Welsh translation. Provision has been made for this in the budget. |
| Equality and diversity implications: | 20 | As required, the annual report describes the arrangements the NMC has put in place for complying with its obligations for equality and diversity. |
| Stakeholder engagement: | 21 | Once the Council has approved the annual report and accounts and following submission to and publication by Parliament, it will be distributed (electronically) to key stakeholders with a letter from the Chair and Chief Executive and Registrar as well as being placed on the NMC website. |
| Risk implications: | 22 | Failure to comply its reporting requirements could compromise the NMC's reputational integrity. |
| Legal implications: | 23 | The annual report and accounts have been prepared in accordance with the NMC's legal obligations. |

Council

Annual Fitness to Practise Report 2012-13

Action: For decision.

Issue: To review the draft of the statutory annual Fitness to Practise Report 2012-2013 and decide whether to grant approval.

Core regulatory function: Fitness to Practise; supporting functions

Corporate objectives: Corporate objective 7: “We will develop effective policies, efficient services and governance processes that support our staff to fulfil all our functions.”

Decision required: The Council is invited to approve the statutory annual Fitness to Practise report 2012–2013, subject to comments.

Annexes: Annexe 1: Draft annual Fitness to Practise report 2012 – 13

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

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- Context:**
- 1 Under the Nursing and Midwifery Order 2001 [section 50 (1) (c)], the NMC must produce an annual Fitness to Practise report comprising: “a statistical report which indicates the efficiency and effectiveness of, and which includes a description of, the arrangements the Council has put in place ... to protect members of the public from registrants whose fitness to practise is impaired, together with the Council’s observations on the report”.
 - 2 The annual Fitness to Practise report, together with the annual report and accounts, must be laid in Parliament by the Privy Council. Both reports must be marked as draft until published by Parliament.
- Discussion and options appraisal:**
- 3 The annual Fitness to Practise report has been compiled taking into account some of the observations made by internal and external stakeholders during the previous year for the publication of the annual report covering the 2011 – 12 period. These include commentary around the importance of collecting and reflecting diversity data.
 - 4 The Audit Committee has had the opportunity to review the report at its meeting on 8 July 2013 and its conclusions are reported separately on the agenda.
 - 5 A full final quality assurance check, including on all the data and a full proof-reading will be undertaken on the report before submission to Parliament. It is anticipated that the report will be laid before Parliament at the same time as the annual report and accounts, i.e. after 8 October 2013.
 - 6 **Recommendation: The Council is invited to approve the annual Fitness to Practise report (annexe 1), subject to comments.**
- Public protection implications:**
- 7 There are no public protection implications arising directly from the production of the annual Fitness to Practise report. However, fitness to practise is clearly a very significant area for supporting the NMC’s public protection role and the annual report is aimed at bolstering public confidence in the effectiveness and efficiency of the NMC’s fitness to practise processes.
- Resource implications:**
- 8 Apart from staff resources, the only other expenses associated with production of the annual Fitness to Practise report are the costs of printing copies required for laying in Parliament and of Welsh translation. These costs are within budget.
- Equality and diversity implications:**
- 9 Equality and diversity implications, and the NMC’s compliance with relevant areas of equality and diversity legislation, are set out in

detail within the Annual Fitness to Practise report.

- Stakeholder engagement:** 10 Once published by Parliament, the annual Fitness to Practise report, along with the annual report and accounts, will be sent (electronically) with a letter from the Chair of Council and the Chief Executive and Registrar to key stakeholders, as well as being placed on the NMC website.
- Risk implications:** 11 As detailed above, the annual Fitness to Practise report must be laid in Parliament by the Privy Council. There are a number of steps to be undertaken once the Council has approved the report for submission and officers are conscious of the need to adhere to parliamentary deadlines to ensure that the report is published in line with the NMC's statutory obligations. Associated risks are being managed appropriately.
- Legal implications:** 12 The publication of the annual Fitness to Practise report is an obligation under statute.

Council

Francis report – update and draft NMC response for approval

Action: For decision.

Issue: This paper provides a further update on matters arising out of the Report of the Mid Staffordshire NHS Foundation Trust Public Inquiry (the Francis report) and seeks the Council's approval of the NMC's draft formal response document.

Core regulatory function: Fitness to Practise, Registrations, Education, Standards.

Corporate objectives: The recommendations in the report are relevant to all the NMC's Corporate Objectives.

Decision required: The Council is recommended to:

- Approve the draft NMC response to the Francis report (paragraph 14)

Annexes: The following annexe is attached to this paper : *(NB annexe to follow by email under separate cover)*

Annexe 1: the draft formal response from the NMC to the Francis report

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

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Context:**Background**

- 1 On Wednesday 6 February 2013 the report of the Mid Staffordshire NHS Foundation Trust Public Inquiry chaired by Robert Francis QC (the Francis report) was published.
- 2 We issued an initial press statement in response to the report and published the Chair's response to the Secretary of State's letter. We provided the Department of Health (DH) with a summary of the relevant actions we had taken since 2009 and the Council's provisional views on the recommendations that may affect our work.
- 3 DH published its initial response to the Francis report on Tuesday 26 March 2013. The DH response raised a number of new issues which were not specific recommendations made in the Francis report itself.
- 4 Monthly update papers have been provided at each Council meeting. This paper provides a further update on matters arising since the last meeting and seeks the Council's approval of a draft formal response to all the recommendations relevant to the NMC's work.

For Information**Progress on Francis-related workstreams**

- 5 Many of the recommendations in the Francis report were in line with our existing business and improvement plans and they are being taken forward as part of existing projects under our current change programme. Our progress to date in each area is detailed in the draft response document.
- 6 In relation to the planned s.60 Order which will enable us to make a small number of specific urgent changes to update our outdated legislative framework, the Council should note that the DH have now provided us with a legislative timetable. This timetable indicates that these changes are not likely to come into force until July 2014. We have offered to contribute to all the necessary drafting and consultation work and will do our best to work with DH towards as early an implementation date as possible.
- 7 We are holding a forum for interested stakeholders to hear their views on three recommendations in the Francis report on 10 July 2013. This feedback will help inform the Council's discussions in relation both to the draft response document and to its long term strategic plans. The main outcomes of the forum will be summarised in the response document and further information will be shared with the Council in due course.

External developments

- 8 We have continued to engage with a number of separate reviews

and initiatives arising out of the Francis report which have a potential impact on our work including the following:

- 8.1 **The Camilla Cavendish review** relating to healthcare and care assistants – we have provided information to the review and we are still awaiting sight of the draft report. The consultation period has closed but the publication date of the final report has not yet been fixed. It may have been published by the date of the Council meeting in which case we will need to take time to consider our response.
- 8.2 **The Ann Clwyd / Tricia Hart Complaints Review** – our attendance at an initial stakeholder meeting was followed up by a one to one meeting on 13 June 2013 to discuss the NMC’s specific role. We are keen to support the review and play our part whilst recognising the limitations of our involvement in the NHS complaints process which is under scrutiny. Some emerging recommendations were shared with stakeholders at a meeting on 27 June and we have made a number of pledges which are set out in the response document. We understand that the final report may not now be completed until September 2013.
- 8.3 **The NHS Bureaucracy review** – its initial review findings were completed and published by the NHS Confederation on 22 March 2013. An Advisory Group was then set up to progress the second stage of the review. Representatives on the Advisory Group are from the main regulatory and oversight bodies including the NMC, providers, commissioners and clinicians. We attended the first meeting in April 2013 and will attend further meetings until September 2013.
- 8.4 **Don Berwick’s safety review** - we have been seeking an opportunity to engage with the review to discuss its views in relation to a statutory duty of candour and criminal sanctions on individual registrants below board level. A meeting is now being arranged. The review is due to report by 18 July 2013.
- 8.5 **Steering group led by Health Education England (HEE)** - to take forward the proposed pilots for pre-degree care experience for English trainee nurses. We attended a meeting on 4 July 2013 and this work is ongoing.
- 8.6 **PSA group discussion on developing procedures for multi-regulator cases and a common independent healthcare fitness to practise tribunal** - we attended an initial meeting on 4 July 2013. A number of options were explored and further meetings are planned.
- 8.7 **A new PSA review looking at how professional regulation**

can encourage registrants to be candid - this review has been very recently commissioned by DH and we are awaiting further details of it from PSA.

- 9 We will update the Council when the outcomes of these reviews and initiatives are known.

Next steps for us

- 10 Progress on all these Francis-related issues continues to be monitored by the Francis Report lead officer in order to enable Directors and the Council to be kept up to date with the progress being made. We have also continued to carefully review the responses from other organisations.
- 11 We are also continuing to progress a number of Fitness to Practise cases relating to Mid-Staffs employees.
- 12 The Council is now being asked to approve a formal response document for publication. In the meantime we are continuing to engage constructively with the DH and others to ensure a common understanding as to the concerns that need to be addressed and the most appropriate way forward. In doing so, we must always bear in mind our role as a four-country professional regulator.

- For decision** 13 The Council is now asked to give its formal approval to the draft response document which sets out the steps already completed and the future actions planned in response to all the recommendations in the Francis report relevant to our work.
- 14 **Recommendation: The Council is recommended to approve the draft NMC response to the Francis report (to be distributed separately).**

- Public protection implications:** 15 All the planned actions outlined in the draft response document are intended to enhance public protection.

- Resource implications:** 16 There are no direct resource implications arising out of approval of the draft response document. The individual projects outlined in the response have all received, or will require, separate approval by the Council including consideration of the resource implications.

- Equality and diversity implications:** 17 Under the Equality Act 2010, we have a requirement to analyse the effect of our policies and practices and how they further the equality aims.

- 18 Equality impact assessments will be undertaken as part of each

project before any final decisions are reached.

- | | | |
|--------------------------------|----|--|
| Stakeholder engagement: | 19 | Appropriate stakeholder mapping and engagement with key stakeholders will be planned and undertaken as part of each project. |
| Risk implications: | 20 | The full risk implications will be assessed as part of each project. |
| Legal implications: | 21 | None at present. |

Council

PSA performance review report 2012-2013

Action: For discussion.

Issue: Professional Standards Authority (PSA) performance review report 2012-2013.

Core regulatory function: PSA assesses performance against all NMC core regulatory functions.

Corporate objectives: Corporate Objective 7: we are required to comply with the PSA performance review process.

Decision required: The Council is asked to:

- Discuss the PSA performance review report 2012-2013 (annexe 1)
- Note existing work already underway which should help deliver improved performance against the PSA Standards of Good Regulation (annexe 2)

Annexes: The following annexes are attached to this paper:

- Annexe 1: PSA performance review report 2012-2013 (circulated to Council members in paper copy. Publicly available via the PSA website at: <http://www.professionalstandards.org.uk/docs/scrutiny-quality/performance-review-report-2012-13.pdf?sfvrsn=0>)
- Annexe 2: Summary of NMC existing improvement work programmes relevant to PSA Standards of Good Regulation

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

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- Context:**
- 1 The Professional Standards Authority for Health and Social Care (PSA) undertakes an annual performance review of all healthcare regulators. Performance is assessed against the PSA's Standards of Good Regulation focused on core regulatory functions.
 - 2 The PSA performance review report 2012-2013 was published on 27 June 2013 (annexe 1). The report:
 - 2.1 provides an overview of regulators' performance and identifies good practice - section 7.
 - 2.2 reports on the individual performance of each regulator: the NMC assessment is at section 17.
 - 2.3 makes recommendations for regulators and itself - section 19.
 - 3 This report fulfils the PSA recommendation that the Council review and discuss the full report at a public meeting.
- Discussion:**
- 4 The PSA Strategic Review report (July 2012) said that it would take two years to see demonstrable improvements at the NMC. The performance review report recognises that this assessment covers only the first nine months of the NMC change programme.
 - 5 The report identifies a number of performance improvements in Guidance and Standards and in Registration, as well as progress towards improvement in Fitness to Practise. It commends the NMC's approach to the recent review of Overseas Registrations and welcomes the move to a more risk based quality assurance framework for Education. It highlights various issues where it expects to see progress in next year's review.
 - 6 Overall, performance is similar to 2011-2012: the PSA finds that NMC has not met eight of the 24 Standards of Good Regulation.
 - 7 The Standards which PSA considers have not been met relate to:
 - 7.1 Education: Revalidation.
 - 7.2 Registration: Registration processes, including appeals, and accessibility and accuracy of the register.
 - 7.3 Fitness to Practise: prioritisation of serious cases and interim orders; timeliness; customer service; the quality of decisions; and information security.
 - 8 All of the above areas are already being addressed in various ways as part of existing improvement plans, including through Corporate Plan Objectives and/or programmes or projects under the change programme. All but one feature on the corporate risk register.

- 9 Annexe 2 provides a high level summary of work already underway which should help move the NMC towards meeting the Standards and sets out current progress on areas which the PSA has said it intends to follow up during the next review.
- 10 In accordance with PSA's recommendation, annexe 2 also includes relevant good practice and indicates where there is already similar or equivalent activity by the NMC. All other identified good practice will be reviewed to see whether there is scope for learning.
- 11 The performance review process for 2013-2014 is expected to start in early October 2013.

Public protection implications:

- 12 PSA assesses performance against the Standards of Good Regulation which are designed to enhance public protection.

Resource implications:

- 13 Resources are contained within existing budgets.

Equality and diversity implications:

- 14 None directly arising from this report.

Stakeholder engagement:

- 15 As part of the review process, PSA invites the public and stakeholders to submit views on the NMC's performance.

Risk implications:

- 16 Failure to address issues raised in the performance review 2012-2013 presents a risk that the NMC is found not to be fulfilling its statutory purpose function of protecting the public and a risk of further undermining public and professional confidence in the NMC.

Legal implications:

- 17 The NMC is required to comply with the PSA performance review process under section 27, National Health Service Reform and Health Care Professions Act 2002 (as amended).

PSA PERFORMANCE REVIEW 2012-2013
Summary of progress against Standards of Good Regulation not currently met and areas for follow up

Key:

Red = NMC has not met this Standard of Good Regulation

Amber = PSA plans to follow up this issue in the performance review 2013-2014

Standard of Good Regulation	Owner	NMC risk register	NMC Corporate Objective Current relevant work programmes and action Progress summary	Timescales
<p>Education and Training Standard 2: Revalidation</p> <p>Through the regulator’s continuing professional development/revalidation systems, registrants maintain the standards required to stay fit to practise.</p>	<p>Director, Continued Practice</p>	<p>CR3</p>	<p>Corporate Plan Objective 2 Change programme: Revalidation programme (Status amber)</p> <p>Progress to date:</p> <ul style="list-style-type: none"> • Revalidation Programme team and programme governance in place • Reviewed and aligned approach to existing legislative framework applying right-touch principles • Reviewing and aligning the Code with strengthened standards which will supersede current Prep standards • Two stakeholder groups established: Strategic/Task and Public & Patient forum • Revalidation working principles and options being developed with input from Strategic Stakeholder Group. • Ongoing NMC participation in inter-regulatory revalidation group (PSA and other regulators) • Revalidation Advisory Group (with Council member 	<p>Proposals to Council September 2013</p> <p>Wide consultation to begin October 2013</p> <p>Scheme to be implemented in stages from end 2015</p>

Standard of Good Regulation	Owner	NMC risk register	NMC Corporate Objective Current relevant work programmes and action Progress summary	Timescales
			<p>input) to be set up October 2013</p> <p>Internal Audit: Proposed project assurance/advice Q2-Q4 2013-2014 Proposed review 2015/2016</p>	
<p>Registration Standard 2</p> <p>The registration process, including the management of appeals, is fair, based on the regulators' standards, efficient, transparent, secure, and continuously improving</p>	<p>Director Registrations</p>	<p>CR1</p>	<p>Corporate Plan Objective 1 Change programme: Registrations Improvement Plan (Status red)</p> <ul style="list-style-type: none"> • Review of registrations policies and processes • Appeals process improvements in train including <ul style="list-style-type: none"> ◦ Increased number of Council members able to chair panels from 2 to 5 ◦ Additional legal resource • Online registration capability to be introduced progressively <p>Internal Audit: Proposed assurance and advice Q2-Q4 2013-2014 Proposed Registrations 'end to end' process review 2014-2015</p>	<p>July 2013 to August 2014</p> <p>Sept 2013 onwards</p>
<p>Registration Standard 3</p> <p>Integrity and accuracy of the register</p> <p>Through the regulator's</p>	<p>Director Registrations & Director Fitness to</p>	<p>CR1</p>	<p>Corporate plan Objective 1 Change programme: Registration Improvement Programme (status red)</p> <ul style="list-style-type: none"> • Prioritised system defects to be addressed 	<p>March 2014</p>

Standard of Good Regulation	Owner	NMC risk register	NMC Corporate Objective Current relevant work programmes and action Progress summary	Timescales
<p>register everyone can easily access information about registrants, except in relation to their health, including whether there are restrictions on their practice.</p>	<p>Practise</p>		<ul style="list-style-type: none"> Ongoing alignment of FTP and registration data Longer term WISER replacement <p>Internal Audit: Proposed Registrant data integrity audit Q4 2013-2014</p>	<p>April 2015</p>
<p>Fitness to practise Standard 4</p> <p>All fitness to practise complaints are reviewed on receipt and serious cases are prioritised and where appropriate referred to an interim orders panel.</p> <p>Good practice HCPC team tasked to review interim order cases to ensure consistency of decisions</p>	<p>Director Fitness to Practise</p>	<p>CR2</p>	<p>Corporate Plan Objective 3</p> <p>Change programme projects: FTP proactivity model and investigation thresholds</p> <p>FTP directorate business plan priority</p> <ul style="list-style-type: none"> Interim Order KPI – 80% in 28 days: met in 86% of cases in May 2013 Review of thresholds underway to ensure resources directed at cases requiring regulatory intervention Development of employer liaison model and improved working with employers to ensure that cases dealt with appropriately Forthcoming legal changes including use of case examiners (timetable dependent on Department of Health) FTP Board and Council scrutiny <p>Internal Audit: Proposed Fitness to Practise ‘end to end’ process audit 2014-2015</p>	<p>Dec 2013</p> <p>April 2014</p> <p>Summer 2014</p>

Standard of Good Regulation	Owner	NMC risk register	NMC Corporate Objective Current relevant work programmes and action Progress summary	Timescales
<p>Fitness to practise Standard 6</p> <p>Fitness to practise cases are dealt with as quickly as possible, taking into account the complexity and type of case and the conduct of both sides. Delays do not result in harm or potential harm to patients. Where necessary the regulator protects the public by means of interim orders</p>	<p>Director Fitness to Practise</p>	<p>CR2</p>	<p>Corporate Plan Objective 3 FTP directorate business plan priority</p> <ul style="list-style-type: none"> • Improved case forecasting and profiling • Improved case management processes • Increased number of substantive hearing events per day • KPIs for investigation and adjudication • Forthcoming legal changes including use of case examiners (timetable dependent on Department of Health) • Action around interim orders as above (Standard 4) • FTP Board and Council scrutiny of progress <p>Internal Audit: Proposed Fitness to Practise 'end to end' process audit 2014-2015</p>	<p>Adjudication KPI to be met by end 2014</p> <p>Summer 2014</p>
<p>Fitness to practise Standard 7</p> <p>All parties to a fitness to practise case are kept updated on the progress of their case and supported to participate effectively in the process</p>	<p>Director Fitness to Practise</p>	<p>No</p>	<p>Corporate Plan Objective 3 FTP directorate business plan priority</p> <p>Customer Service Standards in place Work stream focusing on customer and service improvements Witness Experience working group in place</p> <ul style="list-style-type: none"> • Initial analysis of witness feedback undertaken and strengths and weakness identified • Further intensive survey underway including face to face interviews 	<p>Ongoing</p>

Standard of Good Regulation	Owner	NMC risk register	NMC Corporate Objective Current relevant work programmes and action Progress summary	Timescales
<p>Good practice <i>HCPC and GMC work on providing support to witnesses</i></p>			<ul style="list-style-type: none"> Internal reviews underway to look at how different FTP sections engage with witnesses and to raise staff awareness Possible improvement options being identified Stakeholders input being sought <p>Improving learning from complaints Customer service training and skills</p> <p>Internal Audit: Proposed Fitness to Practise 'end to end' process audit 2014-2015</p>	
<p>Fitness to practise Standard 8 All fitness to practise decisions made at the initial and final stages of the process are well reasoned, consistent, protect the public and maintain confidence in the profession</p>	<p>Director Fitness to Practise</p>	<p>CR2</p>	<p>Corporate Plan Objective 3 FTP directorate business plan priority</p> <p>Training/support for Panel members Decision Review Group work Engaging with PSA on learning points</p> <p>Forthcoming legal changes announced by DH including - power to review own decisions - use of case examiners</p> <p>Internal Audit: Proposed Fitness to Practise 'end to end' process audit 2014-2015</p>	<p>Summer 2014</p>

Standard of Good Regulation	Owner	NMC risk register	NMC Corporate Objective Current relevant work programmes and action Progress summary	Timescales
<p>Fitness to practise Standard 10</p> <p>Information about the fitness to practise cases is securely retained</p> <p>Good Practice GDC introducing electronic case bundles</p>	<p>Director Fitness to Practise Corporate Services</p>	<p>CR6</p>	<p>Corporate Plan Objective 7 Change programme: Strategic ICT delivery</p> <ul style="list-style-type: none"> • Three year security improvement plan in place and being taken forward including <ul style="list-style-type: none"> ○ Implementation of a solution for email encryption by mid July 2013 ○ implementation of a system for secure document sharing by the end of September 2013 • Information security training strengthened classroom based training courses now supplemented by e-learning in to ensure new employees including contractors and temporary staff to receive security training promptly. • Further work to improve systems for reporting and learning from information security incidents and data breaches <p>Internal Audit: Proposed audit Q2 2013-2014</p>	<p>Report to July Council</p>

Additional areas PSA intends to follow up during 2013-2014

Areas PSA plans to follow up Good practice by other regulators	Owner	Timescale
Overarching issues for all regulators Response to Francis report	Chief Executive	July 2013
	Formal NMC response to be considered by Council	Blueprint for taking forward issues arising from Francis
Guidance & Standards		
Outcomes of: - Establishment of evaluation methodology - Standards development policy Any early outcomes from cycle of planned reviews of existing standards	Director Continued Practice	Corporate Plan Objective 2 Change programme: Review of Standards and Code/Revalidation Standards development high level policy and cycle of standards reviews developed; internal methodology for staff to deliver standards function completed. Evidence for development of new Code and other standards to support revalidation are now embedded into the scope of the revalidation programme. Initial mapping of education standards of nursing and midwifery against Francis recommendations completed.
		Progress report to Council September 2013 First phase of consultation to be aligned with revalidation consultation and begin October 2013 Analysis of mapping July 2013

	Areas PSA plans to follow up Good practice by other regulators	Owner		Timescale
	<p>Good Practice identified by PSA</p> <p><i>Outcome focused standards (GPhC & GDC)</i></p> <p><i>Risk based approach (GMC)</i></p> <p><i>Testing awareness of standards amongst registrants and actively raising awareness activities (GoSC)</i></p> <p><i>Stakeholder engagement (GDC)</i></p> <p><i>Extending techniques for gathering evidence and opinions to address particular groups eg young people, those with learning disabilities (GMC)</i></p> <p><i>Guidance in new areas reflecting current issues affecting their registrants GMC,PSNI & GCC</i></p> <p><i>Mobile optimised website for online resources for registrants (GMC)</i></p>		<p>Evaluation methodology for pre-registration nursing and midwifery standards in development.</p> <p>NMC existing work relevant to Good Practice</p> <p>The NMC Midwives Rules and Standards published December 2012 are outcome focused and a similar approach is planned for the Practice of Supervisors of Midwives.</p> <p>Research is being commissioned into the contribution made by the Midwives Rules and Standards to protecting the public.</p> <p>NMC plans to engage stakeholders prior to consultation for example on medicines management and SCPHN</p>	<p>Report to Education Advisory Group December 2013</p>
	<p>Education</p> <p>Any early evidence of effectiveness of the NMC's change in approach to the QA of education</p>	<p>Director Continued Practice</p>	<p>Corporate Plan Objective 2 Change programme: Quality Assurance of Education and LSA</p> <p>New Quality Assurance framework and contract in place responding to PSA concerns</p> <ul style="list-style-type: none"> • Proportionate, risk-based approach • Improved self reporting requirements 	<p>New framework operationalised from September 2013 onwards</p>

	Areas PSA plans to follow up Good practice by other regulators	Owner	Timescale
	<p>Good Practice</p> <p><i>Expert advisory group to advise on how best to incorporate standards into education QA (GDC)</i></p> <p><i>Work on education and training for disabled students including those with mental health concerns (GMC)</i></p>		<ul style="list-style-type: none"> • Transparency of reporting outcomes with greater clarity around whether standards are being met or not. • Enhanced cross regulatory working. • Improved 'Raising concerns' policy and process. • Commitment to using lay reviewers in both QA of supervision of midwives and education review visits. <p>Enhanced opportunities for triangulation of local supervising authorities and education QA.</p> <p>Education Advisory Group (as agreed by Council) to oversee successful implementation of the framework.</p> <p>NMC existing work relevant to Good Practice</p> <p>NMC had an expert group in place and is now reconstituting an expert advisory group following Council's decisions in June around the new governance framework.</p>

Areas PSA plans to follow up Good practice by other regulators	Owner	Timescale
Registrations		
Overseas registrations: outcomes of the changes to registration processes and whether NMC has dealt with concerns identified	Director Registrations	April 2013
<p>Good Practice</p> <p><i>Various regulators have taken steps to curtail illegal practices such as use of protected titles</i></p> <p><i>Pilot study aimed at ensuring overseas doctors are properly inducted into UK practice (GMC)</i></p>	<p>Corporate Plan Objective 1 Change programme and portfolio delivery: Registrations Improvement plan</p> <p>Processing of Overseas applications resumed April 2013.</p> <p>More fundamental review of all registrations policies and processes</p>	<p>July 2013 - August 2014</p>
Preparations to introduce professional indemnity insurance as a condition of registration	Director Registrations	<p>Council presentation June 2013</p> <p>October 2013</p>
Fitness to Practise		
<p>PSA to review operation of:</p> <ul style="list-style-type: none"> • Consensual panel determinations 	Director Fitness to	Corporate Plan Objective 3

	Areas PSA plans to follow up Good practice by other regulators	Owner		Timescale
	<ul style="list-style-type: none"> Voluntary removals 	Practise	Internal review and evaluation of impact of new case disposals underway	
	The NMC's ability to learn from its quality assurance programme and serious event review process.	Director Corporate Governance & Director Fitness to Practise	Corporate Plan Objective 7 Change programme: Learning and Improvement Corporate serious event policy Implementation and awareness raising with staff underway Quality Assurance strategy and programme in development	

Council

Governance review

Action: For decision.

Issue: At its June meeting the Council made decisions on its overall board-level governance structure, composition of committees and frequency of meetings. At this meeting, the Council will be considering the review's recommendations regarding the NMC scheme of delegation and the terms of reference for Council committees.

Core regulatory function: Supporting functions.

Corporate objectives: Corporate objective 7: "We will develop effective policies, efficient services and governance processes that support our staff to fulfil all our functions."

Decision required: The Council is invited to agree the following recommendations:

- To approve the proposed scheme of delegation (Annexe 1).
- To approve the proposed terms of reference for the committees agreed on 20 June 2013 (Annexe 2).
- To approve the nomination of Julia Drown and John Halladay as members of the NMC Pensions Board.

Annexes: The following annexe is attached to this paper:

- Annexe 1: the proposed Scheme of Delegation.
- Annexe 2: the proposed terms of reference of the Audit Committee, the Remuneration Committee and the Midwifery Committee.

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

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- Context:** 1 This report details further recommendations arising from the governance review which the Council is asked to approve.
- Discussion and options appraisal:**
- 2 The governance review recommends that the Scheme of Delegation be amended to reserve the setting of strategic direction for the Council, with routine operational management to be the responsibility of the executive.
- 3 The remit of Council is clearly expressed in sections two and three of the Scheme of Delegation. These cover strategy and performance, internal control, assurance and accountability and governance as well as the NMC's regulatory functions.
- 4 These are clearly delineated and differ from those of the Chair (sections four and five) and the Chief Executive and Registrar (sections six to nine). The Chair will be responsible for chairing meetings and the management of the Council's affairs. The Chief Executive and Registrar will direct affairs and manage resources within the framework discussed in paragraph four of this report, as well as formulating and making proposals to be placed before the Council. The proposed scheme of delegation also sets out the remit of the Executive Board, whose detailed Terms of Reference will be approved by the Chief Executive and Registrar.
- 5 **Recommendation: that the Council approve the Scheme of Delegation attached as Annexe 1.**
- 6 On 20 June 2013, the Council approved a move to three committees: Audit Committee, the Remuneration Committee and the Midwifery Committee.
- 7 Although all three of these committees currently exist, the governance review has prompted a review of their terms of reference.
- 8 Audit Committee
- The governance review recommended that the Audit Committee needed to adopt a more strategic, less operational focus. In addition, the review stated that the Committee should not need to review the work of the Remuneration Committee.
- 9 Midwifery Committee
- The remit of the Midwifery Committee is in part determined by the Nursing and Midwifery Order 2001. However, the governance review recommended that there be further clarity on the Midwifery Committee's responsibility for advising the Council on issues affecting the midwifery profession.

10 Remuneration Committee

The Remuneration Committee's proposed terms of reference include the adoption of further responsibilities for the nomination and succession planning for directors. The governance review also requested that more detail be added to the Remuneration Committee's terms of reference to ensure that they are in line with Financial Reporting Council good practice.

- 11 Benchmarking has been undertaken against other healthcare regulators as well against organisations that are recognised as having 'good governance' in place in the private sector. Further, reference has been made against both model terms of reference proposed by the Instituted of Chartered Secretaries and Administrators (ICSA) and guidance issued by the Financial Reporting Council and within the UK Corporate Governance Code.
- 12 The Chairs of Committees have been consulted on the proposed revisions.
- 13 **Recommendation: that the Council approve the terms of reference for the Audit Committee, the Remuneration Committee and the Midwifery Committee attached as Annexe 2.**
- 14 The Council is also asked to agree to changes to the trustee membership on the Pensions Board, which governs and oversees the running of the NMC pensions scheme.
- 15 Under the previously constituted Council, two non-staff NMC representatives sat on the Board, namely Julia Drown (an independent member and former Chair of the Audit Committee) and Alison Aitken (Council member). There is however no provision under the Pensions Board memoranda that a current member of the Council is required to sit on the Pensions Board.
- 16 Julia made a significant contribution as both the independent Chair and a member of the Audit Committee, and has both the expertise and a wide range of skills that would be of continued benefit to the Pensions Board.
- 17 Similarly, the Council is asked to endorse that John Halladay, until recently the independent Chair of the Remuneration Committee, sit as a trustee on the Board. John brings with him considerable professional experience of a range of HR and remuneration issues at a senior level.
- 18 **Recommendation: that the Council nominate Julia Drown and John Halladay as members of the NMC Pensions Board.**

Public protection implications:	19	While there are no public protection implications arising directly from this report, it is essential that governance arrangements within the organisation are sufficiently robust to support the achievement of the NMC's objects.
Resource implications:	20	The drafting of the required materials and their review can be met with existing resources. There may be costs associated with training needs for Council members to become acquainted with their altered responsibilities.
Equality and diversity implications:	21	No equality and diversity implications arise directly from this report or its recommendations.
Stakeholder engagement:	22	The recommendations within this report are pursuant to the work undertaken by external consultants on the governance review.
Risk implications:	23	Transition of governance arrangements has been reflected on the corporate Risk Register for some time and associated risks are being managed by Directors.
Legal implications:	24	The Council is required under the Nursing and Midwifery Order 2001 to constitute a Midwifery Committee. There are no other legal implications arising directly from this report.

SCHEME OF DELEGATION

The Council

- 1 The NMC is the professional regulator for nurses and midwives in the UK. Its core purpose is to protect patients and the public through effective and proportionate regulation of nurses and midwives. The NMC is established by, and governed in accordance with, the Nursing and Midwifery Order 2001 (“Order”).
- 2 The Council is the governing body of the NMC and its members are the charity trustees. The remit of the Council is to (a) set the NMC’s strategic direction and corporate objectives, in line with its core purpose; (b) ensure effective systems are in place for managing performance and risk; (c) maintain probity in, and public accountability for, the exercise of the NMC’s functions and the use of funds.
- 3 In order to discharge its remit effectively, the Council may delegate such matters as it considers appropriate. If it determines that it is necessary to do so, the Council may exercise any function that is normally delegated. The following matters are reserved to the Council:

Regulatory functions

- 3.1 Approving the NMC’s regulatory legislation, and any changes to it, subject to the Privy Council’s consent.

Strategy, planning, and performance

- 3.2 Approving strategy.
- 3.3 Approving regulatory policy.
- 3.4 Approving the financial strategy, reserves policy, and fee strategy.
- 3.5 Approving the annual corporate plan and budget.
- 3.6 Reviewing the corporate performance of the NMC and holding the Chief Executive and Registrar to account.
- 3.7 Taking the final decision on any matter of fundamental strategic significance to the NMC, or which poses a substantial risk to the organisation.

Internal control, assurance, and accountability

- 3.8 Agreeing the top level system of internal control.
- 3.9 Approving the risk management framework and setting the risk appetite.
- 3.10 Appointing the external auditors.

- 3.11 Approving the annual report and accounts, the annual fitness to practise report, and any other report to be laid before Parliament.

Governance

- 3.12 Deciding all matters relating to the Council's governance framework, including delegating powers, making Standing Orders, and constituting committees.
- 3.13 Appointing the Chief Executive and Registrar.

The Chair

- 4 The remit of the Chair is (a) to chair meetings of the Council and (b) to manage the affairs of the Council as the governing body of the NMC, within the governance framework established by the Council. In exercising her / his remit, the Chair has delegated authority for:
- 4.1 Determining the general nature and timing of the Council's business.
- 4.2 Appointing the members and Chairs of the committees of the Council.
- 4.3 Conducting the annual appraisal of Council members.
- 4.4 Conducting the process for the appointment of the Chief Executive and Registrar.
- 4.5 Conducting the process for the setting of objectives for and performance appraisal of the Chief Executive and Registrar.
- 4.6 Taking decisions on minor, non-contentious, or urgent matters falling within the remit of the Council, on reference from the Chief Executive and Registrar.
- 5 The Chair is accountable to the Council for her / his decisions and must report to the Council (or the appropriate committee) on each occasion when she / he has exercised delegated authority.

The Chief Executive and Registrar

- 6 The remit of the Chief Executive and Registrar is to direct the affairs and manage the resources of the NMC within the strategic framework established by the Council. In exercising her / his remit, the Chief Executive and Registrar has delegated authority to act in any matter that is not expressly reserved to the Council and does not properly fall within the remit of the Chair.
- 7 The Chief Executive and Registrar is accountable to the Council for her / his decisions and must provide such reports as the Council may require in order to carry out its role effectively.
- 8 The responsibilities of the Chief Executive and Registrar include:

Regulatory functions

- 8.1 Ensuring the NMC's regulatory functions are discharged in accordance with the legislation and the core purpose to protect patients and the public.
- 8.2 Making proposals to Council regarding the development of, or changes to, regulatory legislation, and seeking the Privy Council's consent to the Council's decisions.
- 8.3 As Registrar, in accordance with the regulatory legislation, (i) admitting, removing, and restoring registrants; (ii) maintaining the integrity of the register; (iii) publishing the register; (iv) ensuring that allegations concerning the fitness to practise of registrants are fairly, effectively, and efficiently investigated and adjudicated.

Strategy, planning, and performance

- 8.4 Formulating and making proposals to the Council regarding strategy and regulatory policy, and implementing the Council's decisions.
- 8.5 Formulating and making proposals to the Council regarding financial strategy, reserves policy, and fee strategy, and implementing the Council's decisions.
- 8.6 Formulating and making proposals to the Council regarding the annual corporate plan and budget, and implementing the Council's decisions.
- 8.7 Approving the annual directorate business plans and allocating the budget required for delivery, and holding Directors to account for their implementation.
- 8.8 Implementing an effective system for the management, monitoring, and reporting of performance.
- 8.9 Deciding all matters relating to organizational structure and the management of staff, within the framework and budget agreed by the Council.

Internal control, assurance, and accountability

- 8.10 Implementing an effective system of internal control, within the framework agreed by the Council, and ensuring that significant matters are reported to the Council.
- 8.11 Implementing the risk management framework agreed by the Council, ensuring that risks are identified and evaluated, that appropriate measures are put in place to mitigate risks, and that progress is monitored and reported.
- 8.12 Securing the effective, efficient, and economic use of resources, ensuring financial propriety, keeping proper records of account, and fulfilling role of Accounting Officer for the NMC (as appointed by the Privy Council).

- 9 In order to carry out her / his responsibilities effectively, the Chief Executive and Registrar may delegate such matters as she / he considers appropriate.
- 10 The Chief Executive and Registrar will constitute an Executive Board to assist her / him in the performance of her / his duties through (a) developing and implementing strategies, policies, business plans, and budgets; (b) monitoring operating and financial performance; (c) evaluating and managing risk; (d) prioritising and allocating resources.

Committees

Statutory Committees

The Practice Committees

- 11 The NMC is required to have the following practice committees:
 - 11.1 The Investigating Committee.
 - 11.2 The Conduct and Competence Committee.
 - 11.3 The Health Committee.
- 12 The functions of the practice committees are stipulated in the Order and are not subject to this scheme of delegation.

The Midwifery Committee

- 13 The NMC is required to have a Midwifery Committee whose remit, as set out in Article 41 of the Order, is to advise the Council, at the Council's request or otherwise, on any matters affecting Midwifery. The responsibilities of the Midwifery Committee are detailed in terms of reference approved by the Council.

Discretionary Committees

- 14 Under Article 3 (12) of the Order, the Council may establish such other committees as it considers appropriate in connection with the discharge of its functions and delegate any of its functions to them, other than the power to make rules.
- 15 The Council has established committees with the following remits. The responsibilities of each committee are detailed in terms of reference approved by the Council.

The Audit Committee

- 15.1 The remit of the Audit Committee is (a) to provide assurance to the Council regarding the integrity of the financial statements; (b) to review the effectiveness of the internal controls and risk management systems; (c) to oversee the work of the internal auditors, the external auditors, and the National Audit Office.

The Remuneration Committee

- 15.2 The remit of the Remuneration Committee is to ensure that there are appropriate systems in place for remuneration and succession planning at the NMC.

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Annexe 2

Audit Committee Terms of Reference

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

Remit

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

Responsibilities

Integrity of financial statements

- 3 Review the annual report and accounts before they are submitted to the Council for approval, focussing in particular on:
 - 3.1 Consistency of, and compliance with, accounting policies.
 - 3.2 Compliance with appropriate accounting standards.
 - 3.3 Significant adjustments arising from audit and any unadjusted mis-statements.
 - 3.4 Major accounting judgements.
 - 3.5 Clarity of the annual governance statement and other disclosures in the annual report relating to internal control, risk management, audit, and other matters falling within the Committee's remit.
- 4 Ensure that the systems for financial reporting to the Council are reviewed to ensure clarity, completeness, and accuracy.

Internal controls and risk management

- 5 Review the adequacy of internal controls and monitor sources of assurance relating to them.
- 6 Review the risk management system, including the scope and effectiveness of the processes employed by management to identify, evaluate, manage, and monitor significant risks.
- 7 Review the financial regulations, including the scheme of financial delegations and the anti-fraud and anti-bribery policies.
- 8 Review the NMC's public interest disclosure (whistle-blowing) procedure and the serious event review policy.

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Annexe 2

Internal audit

- 9 Advise the Chief Executive on the appointment of the internal auditors.
- 10 Consider and approve the internal audit charter, ensuring that the internal auditors have sufficient standing in the NMC, have appropriate access to information, and are free from management or other restrictions, in order to allow them to perform their function effectively and in accordance with the relevant standards.
- 11 Consider and approve the high level annual internal audit programme.
- 12 Receive reports on the internal audit programme, reviewing and monitoring management's responsiveness to the findings and recommendations of the internal auditors.
- 13 Meet with the internal auditors at least once a year, without NMC management being present, to discuss their remit and any issues arising from the internal audits carried out.

External audit

- 14 Consider and make recommendations to the Council regarding the appointment, re-appointment and removal of the external auditors.
- 15 Oversee the relationship with the external auditors, including:
 - 15.1 Approving their remuneration, terms of engagement, and the audit scope.
 - 15.2 Assessing their independence and objectivity in accordance with relevant audit standards.
 - 15.3 Agreeing proposals for them to undertake non-audit services.
- 16 Consider and approve the annual external audit plan.
- 17 Review the letter of representation requested by the external auditor before it is signed by the Trustees.
- 18 Review the findings of external audit work, including:
 - 18.1 Reviewing the external audit management letter and the management responses.
 - 18.2 Discussing any significant issues that arose during the audit.
 - 18.3 Any accounting and audit judgements.
 - 18.4 Levels of errors identified during the audit.

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National Audit Office (NAO)

- 19 Oversee the relationship with the NAO.
- 20 Consider and approve the annual NAO audit plan.
- 21 Review the findings of the NAO's work, including:
 - 21.1 Reviewing the NAO audit completion report and the management responses.
 - 21.2 Discussing any significant issues that arose during the audit.
 - 21.3 Any accounting and audit judgements.
 - 21.4 Levels of errors identified during the audit.

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Annexe 2

Midwifery Committee Terms of Reference

- 1 The Midwifery Committee is a committee of the Council established by Article 3 (9) of the Nursing and Midwifery Order 2001.

Remit

- 2 Under Article 41 (1) of the Nursing and Midwifery Order 2001, the remit of the Midwifery Committee is to advise the Council, at the Council's request or otherwise, on any matters affecting midwifery.

Responsibilities

- 3 To advise the Council on any matters affecting midwifery, including professional and policy developments and prospective or actual changes in statutory regulation
- 4 To monitor professional and policy developments in the healthcare field affecting midwifery practice and the statutory supervision of midwives.
- 5 To agree and recommend any changes to standards and guidance on midwifery education and to education and training specific to the midwifery profession.
- 6 To report to the Council relevant information pertaining to local supervising authorities (LSAs), including the standards for the exercise of LSA functions, review of LSA functions, and the quality assurance of LSAs.
- 7 To agree consultations on behalf of the Council on any proposed rules and standards relating to midwifery practice and the statutory supervision of midwives.

Constitution

- 8 The Committee is constituted in accordance with the Nursing and Midwifery Council (Midwifery and Practice Committees) (Constitution) Rules 2008.

Remuneration Committee Terms of Reference

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

Remit

- 2 The remit of the Remuneration Committee is to ensure that there are appropriate systems in place for remuneration and succession planning at the NMC.

Responsibilities

Chief Executive and Registrar, Directors, and other employees

- 3 Approve and oversee the process for the recruitment and selection of the Chief Executive and Registrar.
- 4 Consider and recommend to the Council an appropriate reward strategy for the Chief Executive and Registrar and the Directors.
- 5 Approve annually the reward package of the Chief Executive and Registrar and the Directors in line with the reward strategy set by the Council.
- 6 Approve the process for, and review reports from the Chair regarding, the setting of objectives for and performance appraisal of the Chief Executive and Registrar.
- 7 Review reports from the Chief Executive and Registrar regarding the setting of objectives for and performance appraisal of the Directors.
- 8 Approve the arrangements for succession planning for the Chief Executive and Registrar and review those for the Directors.
- 9 Approve any special severance payments to be made in the event of the termination of employment of the Chief Executive and Registrar or a Director, and any other special payments to employees.
- 10 Review, as necessary, any significant changes to HR policy, the employee pay and grading structure, or the pension scheme.

The Chair and the Council

- 11 Recommend to the Council any changes to the remuneration and terms of service of the Chair and Council members, seeking independent advice as appropriate.
- 12 Approve the expenses policy for the Chair and Council members.
- 13 Recommend to the Council the arrangements for the induction, appraisal and development of the Chair and Council members.

- 14 Approve and oversee the process for the recruitment of Council members, in accordance with PSA guidance and the requirements of the Privy Council.

DRAFT

Council

Chair's report

Action: For information.

Issue: This paper reports on the Chair's activities in June 2013.

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

Corporate objectives: The Chair's activities encompass all of the NMC's corporate objectives.

Decision required: No decision is required. The Council is invited to note this report.

Annexes: There are no annexes to this paper.

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

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- Context:**
- 1 In June 2013, Council received a short report item on the Chair's activities in May 2013. Given the activity undertaken by the Chair in conjunction with the chief executive, this paper needs to be considered alongside the chief executive's report, also on this meeting agenda.
- Discussion**
- 2 The NMC's proposed response to the Francis Inquiry continues to feature in the Chair's discussions with stakeholders. Along with the chief executive, the Chair met Mrs Helene Donnelly to discuss the Francis Report and Mrs Donnelly's experience of being a 'whistleblower' at the Mid Staffs trust. The meeting followed a recent meeting between Ms Donnelly, her local MP, Jeremy Lefroy, and the NMC chief executive.
 - 3 Mrs Donnelly shared her experiences at Mid Staffs and the challenges she had faced in trying to raise concerns at a local level about poor patient care. There were discussions about how Ms Donnelly could work closely with the NMC on fitness to practise and raising concerns issues. The meeting also explored the possibility of Ms Donnelly addressing a future meeting of the Council.
 - 4 The Chair met with Baroness Pitkeathley, the Chair of the Professional Standards Authority (PSA), to discuss a high-level meeting with the PSA about the future working relationship with the NMC, following the discussion at the May 2013 Council meeting.
 - 5 The Chair met with Mr Bill Moyes, the Chair-Designate of the General Dental Council (GDC). Mr Moyes is a former Chair of Monitor, the regulator of foundation trusts. He takes office as the GDC Chair in October 2013.
 - 6 The Chair led the interview panel, comprised of NMC council members and external input, which concluded the chief executive recruitment process. Further to the outcome of the interview process, the Chair personally contacted the NMC's key stakeholders to inform them of the decision to appoint Jackie Smith as the NMC chief executive.
 - 7 The Chair met with members of the NMC's continued practice directorate, as part of his programme of visits with NMC staff. The Chair met the team responsible for work on education standards and the quality assurance of nurse and midwifery education, in addition to the team taking forward the work on revalidation.
 - 8 The process for appointing a registrant council member from Northern Ireland is ongoing. The recruitment and selection approach was endorsed by John Halladay, the former independent Chair of the NMC's remuneration committee. Mr Halladay has agreed to resume the independent quality assurance role he

undertook for the previous council member selection process.

- 9 The advertisements of the vacancy were published online, including the NMC website, on 14 June 2013, with a closing date for applications of 8 July 2013. The shortlisted applicants will be invited to interview in Belfast in the week commencing 22 July 2013. The aim is for the successful applicant to be in place from 1 October 2013.
- 10 The Chair held a number of one-to-one meetings with NMC council members.

Public protection implications:

- 11 None directly from the paper. Public protection implications arising from the activities in this paper are addressed as part of individual workstreams and projects.

Resource implications:

- 12 None directly from this paper. Resource implications of the NMC's activities in the various workstreams and projects referenced in the paper are dealt with in financial monitoring reports.

Equality and diversity implications:

- 13 None directly from the paper. Equality and diversity issues are dealt with as part of the conduct of individual workstreams and projects.

Stakeholder engagement:

- 14 Stakeholder engagement is detailed, as appropriate, in the body of this report.

Risk implications:

- 15 None directly from the paper.

Legal implications:

- 16 None directly from the paper.

Council

Report of decisions taken by the Chair since the last Council meeting

- Action:** For information.
- Issue:** The report details decisions taken by the Chair under delegated powers (as per NMC Standing Orders).
- Core regulatory function:** Supporting functions.
- Corporate objectives:** Corporate objective 7: "We will develop effective policies, efficient services and governance processes that support our staff to fulfil all our functions."
- Decision required:** Members are asked to note the Chair's decisions taken on behalf of Council since the last meeting.
- Annexes:** The following annexe is attached to this report:
- Annexe 1: Chair's action sign-off sheet and accompanying report to Chair (appointment of 17 Conduct and Competence Committee members, one registrant panel member and 12 Conduct and Competence Committee Chairs)
- Further information** If you require clarification about any point in the paper or would like further information please contact the author or the director named below.

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Chair's actions

- 1 **Approval of appointment for 17 Conduct and Competence Committee panel chairs, one registrant panel member and the promotion of 12 current Conduct and Competence Committee members to sit as panel chairs, with effect from 1 July 2013.**
- 2 The Appointments Board has agreed to the principle that a proactive rolling recruitment programme should be adopted for panel members on practice committees.
- 3 The Conduct and Competence Committees, administered by the NMC as part of its Fitness to Practise function, identified a business need for additional members of these committees to ensure that the efforts to manage the current caseload could be continued. The 12 chairs appointed by the Chair of the Council already have experience serving on these committees.
- 4 The current commitment to clear historic cases is an undertaking which has been made to stakeholders, including the PSA and Department of Health. This commitment requires full capacity from the NMC.
- 5 Public protection implications, resources implications, equality and diversity implications, risk implications and stakeholder engagement are considered within Annexe 1.
- 6 The current commitment to clear historic cases is an undertaking which has been made to stakeholders, including the PSA and Department of Health. This commitment requires full capacity from the NMC.
- 7 The Chair, on behalf of Council, agreed the recommendations on 25 June 2013. A copy of the signed action sheet and accompanying report to the Chair is available as Annexe 1.

Chair's Action

The Chair of any committee shall have the power to authorise action on minor, non-contentious or urgent matters falling within the authority delegated to it by the Council between meetings of the committee. The Chair will take reasonable steps to consult with other committee members before doing so. The Secretary to the Committee will be informed of such actions and will keep a record of them for report to the next meeting (Standing Order 47).

Date: 25/6/2013

Requested by: Loraine Ladlow

Detail: To meet the current FtP business need for panel chairs the Chair is asked to appoint the following to sit on the Conduct and Competence Committee with effect from 1 July 2013.

Jacqueline Alexander	Tim Mann
Stephen Barker	Naseem Malik
Robert Barnwell	Gail Mortimer
Stuart Gray	Paul Powici
Nigel Hallam	Louise Rose
Peter Jones	Eileen Skinner
Jane Kivlin	Alison Stone
Gillian Madden	Barbara Stuart
	Elana Tessler

The below successful candidates are existing Conduct and Competence Committee panel members who require appointment as a Chair.

Paul Ard	Robin Stephenson
Christine Castledine	Sally Ruthen
James Churchill	Linda Stone
Catherine Elliott	Jack Walsh
Monica French	Julian Weinberg
Gerard Kennedy	
David Kyle	

Full details regarding the recruitment process are contained in the paper approved by the Appointments Board and Directors that accompanies this form.

Detail: To meet the current FtP business need for registrant panel members the Chair is asked to appoint the following to sit on the Conduct and Competence Committee with effect from 1 July 2013.

Kevin Hope

Signed

Mal Addester

(Chair)

Council

Chief Executive's report

Action: For information.

Issue: This paper reports on high level strategic engagement and key developments against the NMC's Corporate Plan 2013-2016.

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

Corporate objectives: This paper reports against all of the NMC's corporate objectives.

Decision required: None.

Annexes: The following annexe is attached to this paper:

- Annexe 1: Change Programme and Portfolio Delivery high level plan.

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

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- Context:**
- 1 This paper is a standing item on the Council's agenda and reports on our high level strategic engagement and key developments against the Corporate Plan 2013-2016.

Discussion **Strategic context**

Chief Executive's activity

- 2 In June 2013, the Chief Executive continued to speak at a number of events about the implications of the Francis Inquiry. There is considerable interest in when the NMC will be responding to the Francis Report and the Chief Executive has said that Council will be discussing the response at its meeting in July 2013.
- 3 In addition the Chief Executive undertook the following external engagement activity:
 - 3.1 Attended the Health Education England Steering Group which is looking at the government's proposals for student nurses to work as healthcare assistants and is actively involved in gaining an understanding of the pilot evaluation.
 - 3.2 Met the Chief Executive of the Care Quality Commission to discuss closer working relationships between the two organisations.
 - 3.3 Met with Maura Pidgeon, Chief Executive of the Nursing and Midwifery Board of Ireland to discuss EU issues.
 - 3.4 Chaired the Revalidation Stakeholder meeting where proposals for revalidation were discussed.
- 4 In a series of briefings the Chief Executive shared with staff the results of the recent staff survey. A corporate action plan is in the process of being developed.
- 5 The Chief Executive chaired the NMC's Diversity Champions' Forum, designed to raise awareness of the importance of equality and diversity issues for staff and those who come into contact with the NMC.

Four country activity

- 6 We met with key stakeholders in Northern Ireland and Wales and had a good discussion around the various aspects of the revalidation programme and their ongoing engagement and input into the programme.
- 7 We met with members of the Scottish Government and directors of nursing in Scotland to discuss registration and standards issues.

- 8 We also met with the Health and Social Care Alliance and Scottish Health Council about establishing a patient and public engagement forum in Scotland. (Forums will also be set up in Wales and Northern Ireland).

Patient and public engagement activity

- 9 The Chair and Chief Executive met with Patients First. Patients First aim to reduce death and harm in the NHS by campaigning for the UK Government to create policies and laws that ensure the NHS becomes open and accountable.
- 10 We attended the launch of Healthwatch Luton. We used this event to talk about what the NMC does and does not do and also to gather intelligence that will help us to understand what Local Healthwatch groups need.
- 11 Along with other healthcare regulators we attended a presentation from Community Research on how to develop consumer panels. Consumer panels can be used to test products and processes with a wide range of stakeholders including the public.
- 12 We continue to work with the General Medical Council and the Richmond Group of Charities (a coalition of national charities) on a joint seminar event to be held on 10 September at NMC. The purpose of this event is to bring together patient groups, regulators and the Department of Health to discuss how we can work better together.
- 13 On 10 July we held an event with a range of stakeholders including patient and public representatives, health charities, other regulators, directors of nursing, Local Supervising Authority Midwifery Officers and the Department of Health. At this forum we discussed three recommendations from the Francis Report:
- 13.1 A statutory duty of candour and related criminal liability on individual registrants (Recommendations 181 and 183).
- 13.2 NMC becoming directly involved in systemic concerns beyond closer joint working with other regulators (Recommendation 227).
- 13.3 Professional Standards Authority to lead on developing procedures for multi-regulator cases and consideration of a common independent healthcare fitness to practise tribunal (Recommendation 235).
- 14 Our next meeting of the patient and public engagement forum will take place on 7 August 2013. At this event the group will be visiting our offices at Old Bailey to learn about the Fitness to Practise process. We will also be discussing a leaflet for patients and the public on our quality assurance framework for education and the

supervision of midwives, which the group is co-creating with us. At this event we will welcome Clare Lucas from Mencap who will be leading a session on 'understanding healthcare of people with a learning disability'.

Joint regulatory working

- 15 The NMC and the General Pharmaceutical Council addressed an event for the directors of education and quality of all of the new Local Education and Training Boards (LETBs) on the relationship between Health Education England, LETBs and the professional regulators.
- 16 We have attended an event with the General Medical Council and Health Education England on sharing best practice in supporting medical trainers.
- 17 We have continued to participate in regular meetings of the NHS Complaints Review Key Partnership Group.
- 18 The Chief Executive has attended the first meeting of the General Medical Council's Education and Training Advisory Board.
- 19 Members of staff have continued to attend risk summits about health care settings and to meet with the Care Quality Commission about collaborative working.

Regulatory priorities

Registration

- 20 There are currently 34 registration appeals pending, with 29 of these appealing against the Registrar's decision to reject their applications and others appealing against additional conditions or decisions (adaptations or qualification related). Chair training took place on 25 June 2013. 22 appeals are scheduled across the summer (July, August and September 2013).
- 21 Work continues on processing the overseas application backlog caused by the three month pause earlier in the year.

European Union issues

- 22 On 12 June, the European Parliament's Internal Market Committee and the European Council agreed on a text for the revised version of Directive 2005/36/EC on the Recognition of Professional Qualifications in the latest stage in its review.
- 23 The Committee of Permanent Representatives endorsed that agreement on 25 June. This endorsement enables the formal adoption of the reviewed directive by way of a vote in the European Parliament in September or October 2013. This means that it will

likely become UK law by September or October 2015.

- 24 The revised directive includes innovations such as the European Professional Card which will facilitate the movement of professionals across the EU, an alert mechanism which requires regulators to inform other EU member states within three days when a professional has been given sanctions or has been struck off the register and clarification on the ability of regulators to test language competence.
- 25 Council will be further advised following the European Parliament's vote in September/October.

Standards compliance

- 26 We launched the new quality assurance framework for education and the supervision of midwives on 17 June and it has received some positive media coverage and stakeholder response.

Revalidation

- 27 In addition to ongoing engagement across the four countries (as reported in paragraph 6), there was a two day workshop style stakeholder session to delve deeper into the various aspects of Revalidation. The workshop looked at the evidence and research available for revalidation and what is required. This session also gave input into the standards review, the end to end process and communications.

Fitness to practise

- 28 The Professional Standards Authority initial stages audit begins in August. The audit team will be based at our Kemble Street offices and is expected to take four weeks.

Change programme

- 29 The purpose of our change programme, which is overseen by the Change Management and Portfolio Board, is to deliver the necessary changes to make us a modern, effective, efficient and economic regulator that has the trust and confidence of patients and the public.
- 30 At its meeting in June the board:
 - 30.1 Approved a business case to deliver the necessary changes required to comply with EU legislation in relation to professional indemnity insurance.
 - 30.2 Discussed and approved a benefits management framework to ensure benefits identified as part of projects and programmes are measured, tracked and realised within the

timescales identified. We will be rolling out the framework over the next few months across the organisation.

- 30.3 Discussed prioritisation of projects and programmes within the portfolio. The board received a prioritised list of changes required within the organisation. This will be discussed further once cost and resource implications have been identified for projects within the portfolio.
- 31 The first phase of the ICT Strategic Delivery Programme remains on track and to budget. The programme has delivered the necessary changes required to our telephony system in May and June. This will now allow us to move ahead with our plans to upgrade our desktop software. We are confident that 95% of our existing hardware is compatible with new desktop software thus reducing risk of complexity.
- 32 The programme to deliver our model for Revalidation is working on developing strategy and an implementation plan for Council decision in September. This is an important programme for us and the change board receives progress reports at all meetings to ensure it is monitored and delivered on time.
- 33 We are shaping up a programme of work, including projects around the thresholds for action at each stage of the fitness to practise process and the implementation of new decision making arrangements resulting from the revised legislation.
- 34 The board will be receiving a business case for the NMC Online project at its next meeting. The project will deliver a range of services to registrants online which will reduce some of the risks around scanning and data quality.
- 35 The board will also consider a detailed plan for improvements within our registration function, which includes a review of processes, customer service improvements and changes to systems.
- 36 The CEO appointment is now shown as complete on the high level delivery plan, following completion of permanent recruitment in June, and will not appear on the next update.

Internal corporate business

Human Resources and organisational development

- 37 Directorates are working on their local action plans to follow up on the staff survey results. A working group from across the organisation is being assembled to support the development of an NMC-wide action plan. Wherever possible, responses are being referred to the organisational plans already in place.

- 38 A new approach to workforce planning is being piloted within the Corporate Services directorate this month, and will then be rolled out across the rest of the organisation.
- 39 Workshops attended by 30 staff from across the NMC have been held to gather views on the preferred shape of an appropriate scheme for pensions auto enrolment. The staff input was valuable and will feed directly into proposals to Council.

ICT

- 40 The plan to improve our systems and processes for securing information is progressing well and the first priority for enhanced encryption is well under way.
- 41 There has been integrated working with Fitness to Practise in understanding the system requirements that are needed prior to introducing the Case Examiner role in 2014.

Public protection implications:

- 42 Public protection implications arising from the activities in this paper are addressed as part of individual workstreams and projects.

Resource implications:

- 43 The resource implications of the various workstreams and projects are described in the monthly financial monitoring report on the meeting agenda.

Equality and diversity implications:

- 44 Equality and diversity is addressed as part of individual workstreams and projects, with equality impact assessments carried out as appropriate.

Stakeholder engagement:

- 45 Stakeholder engagement is detailed, as appropriate, in the body of this report.

Risk implications:

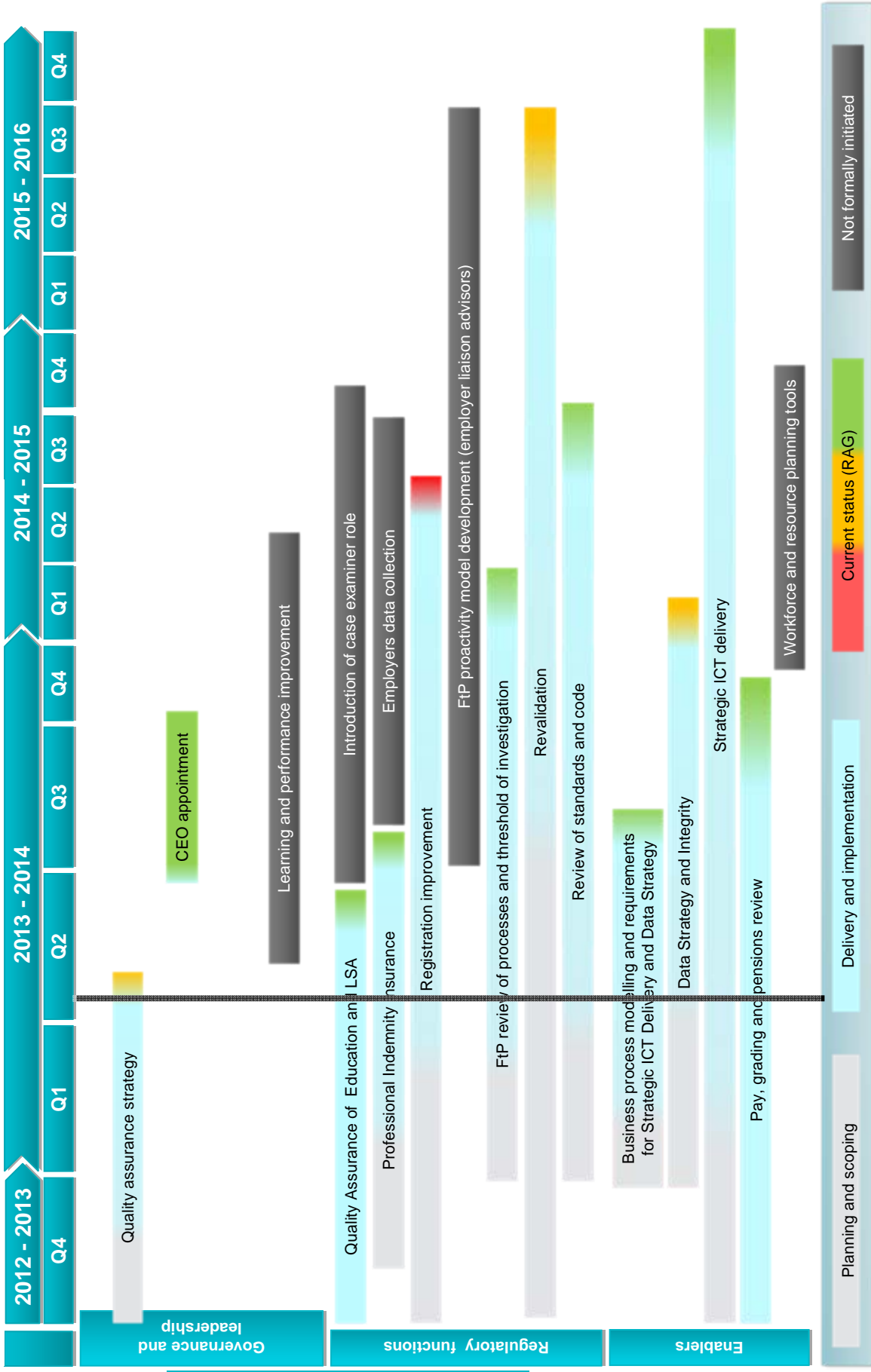
- 46 Any high level corporate risks that arise from the activities described in this paper are detailed in the risk register which is included elsewhere on the meeting agenda.

Legal implications:

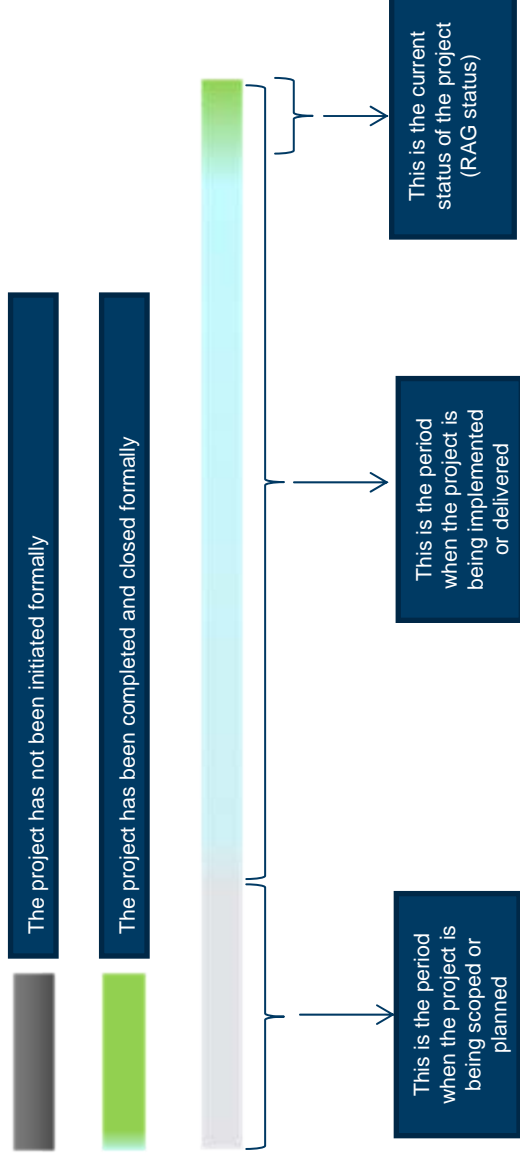
- 47 Legal implications that arise from the activities in this paper are addressed as part of individual workstreams and activities.

Change Programme and Portfolio Delivery

Version 28, 16 July 2013



Understanding the plan



Description of RAG status	
Red	The project requires remedial action to achieve its objectives OR the project will or has missed deadline identified in the business plan.
Amber	The project has a problem but action is being taken to resolve this OR a potential problem has been identified and no action may be taken at this time but it is being carefully monitored. Risk of missing deadline and/or budget is realistic due to complexity and/or legislative dependencies.
Green	The project is on target to deliver within the tolerances. No indication of a risk or an issue that can not be managed.

Council

Monthly financial monitoring – May 2013 results

Action: For information.

Issue: The provision of financial performance information and monthly monitoring information for current and future reporting periods.

Core regulatory function: Supporting functions.

Corporate objectives: Corporate Objective 7: 'We will develop effective policies, efficient services and governance processes that support our staff to fulfil all our functions'.

Decision required: None.

Annexes: The following annexes are attached to this paper:

- Annexe 1: Management results for 2013-2014 by month and year to date as at May 2013, plus the latest projections for the 'year to go' and full year 2013-2014.
- Annexe 2: Actual results and forecast projections by month to March 2014.
- Annexe 3: Graph showing forecast available free reserves versus the budget available free reserves for 2013-2014.
- Annexe 4: Graph showing forecast available free reserves versus the budget and financial strategy available free reserves for 2012-2016.
- Annexe 5: 'Waterfall' graph showing the main variances in available free reserves between the budget and forecast for 2013-2014, by cost category.

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

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Context:**Financial information**

- 1 The budget information used throughout these reports is based on the budget approved by the Council on 21 March 2013.
- 2 The budget was set in the context of the three year plan to achieve our Fitness to Practise KPIs by December 2014 and the minimum available free reserve target by January 2016. Progress towards meeting the available free reserves target is also regularly presented to the Council in the KPI report.
- 3 On a monthly basis, meetings are held with each directorate to review progress against both the Corporate Plan and budget, and to update the activity and financial forecasts. These forecasts are for the balance of the current financial year, and we also produce a rolling forecast for the next twelve months.
- 4 Detailed month end reporting packs are produced for the Executive Team, showing results by directorate, cost centres and projects, together with summary reports, commentary and an update of the Central Pool position.
- 5 The Executive Team review and approve the financial results and forecast each month.
- 6 Where significant variances are identified during the year which would impact our achievement of our reserves target, directors will determine the necessary corrective actions.
- 7 This report summarises the outcomes of the Executive monthly review, and sets out the key variances or changes to budget.
- 8 It should be noted that the results in this paper are for two months only, and therefore overall trends are difficult to predict at this early stage.

Discussion and options appraisal:**Executive summary**

- 9 Available free reserves at May 2013 (month end) were £0.5 million higher than budget. This was mainly due to timing differences between actual and budgeted expenditure.
- 10 The latest forecast is for available free reserves at March 2014 to be on budget at £7.4 million. This level is below the £10 million minimum target, which we plan to achieve by January 2016.
- 11 Within the full year forecast for revenue expenditure, there are a number of variances to budget within directorates, which have effectively been funded by the Central Pool.
- 12 The Central Pool is a contingency fund set up during the budgeting process, to fund items which either cannot be accurately quantified during

the budgeting process, or were not envisaged at the time. Funds are released to directorate forecasts on the approval of business cases by the Directors Group. A number of pieces of work were in an early scoping phase during the budget setting process this year, in particular in relation to Registrations.

- 13 The principal forecast expenditure variances to budget relate to:
- 13.1 £0.3 million in capital expenditure (ICT) brought forward from 2012-2013.
 - 13.2 £0.5 million expenditure in Registrations, principally in relation to the external review of overseas registration, the registrations improvement plan, and increased staffing levels.
 - 13.3 £0.3 million expenditure in Fitness to Practise, comprising an external sample audit of initial stage case closures, and costs in relation to panelist training moved from HR/OD.
- 14 FtP Conduct and Competency Committee (CCC) hearings per day were 22.4 in May versus the budget of 20 hearings per day. All other hearing types were also above budget in May.
- 15 We continue to negotiate with HMRC in relation to the repayment of income tax and National Insurance paid on FtP panelist expenses in prior years. Our current estimate of repayment is between £1.5 million and £2 million. This has not yet been factored into the forecast. The final amount is subject to negotiation, and HMRC processes take a considerable time.

Monthly management results

- 16 The management results for May 2013 are set out at Annexe 1. These reports include variances against the budget and the previous month's forecast. This helps Council to monitor our ability to understand, assess and plan our activity and expenditure requirements.

Actual results versus budget

- 17 The highlights for the two months to May against budget were:
- 17.1 A slight increase over budget in periodic fees and overseas applications fees. The increase in overseas application fee income follows the resumption of overseas applications processing from 1 April.
 - 17.2 Compared to the budget for revenue and capital expenditure, there is a net underspend of £0.5 million for the month.
 - 17.3 FtP is £0.3 million overspent year to date, driven by:
 - 17.3.1 An adverse operational variance of £0.5 million due to the increase in hearing days, increased shorthand writers

transcript requests and consultancy costs related to the KPMG closed case audit.

17.3.2 Offsetting the above overspend, external investigations are £0.1 million lower than budget due to a lower number of complex cases sent for investigation.

17.3.3 £0.1 million saving from accrual releases relating to the prior year which is no longer required.

- 17.4 Registration costs are higher by £0.2 million due mainly to higher than expected external costs associated with the review of overseas applications processing. This was under-provided in 2012-2013 but is not considered material enough to warrant a retrospective adjustment.
- 17.5 Costs in Continued Practice are £0.2 million lower than budget due to staff cost savings from vacancies, and lower QA of Education costs. The QA of Education costs have been re-forecast back into the remainder of the year at this stage, but will be kept under review as the new contract with Mott MacDonald comes into effect.
- 17.6 Revenue expenditure in ICT is £0.2 million lower than budget due to the timing of expenditure on software licences and maintenance. The full year forecast for these costs is expected to be on budget.
- 17.7 HR & OD costs are £0.1 million lower than budget resulting from timing variances in staff recruitment and staff training costs. The full year forecast for these however is expected to be on budget. In addition, there are savings in relation to panelist training costs, which were budgeted in HR/OD but it has now been agreed that these costs will now be picked up in FtP. The forecasts for both HR/OD and FtP have been adjusted to reflect this transfer.
- 17.8 The favourable variance in the Central Pool (£0.5 million) is offset to an extent by increased spend in other departments representing costs that are being funded by the Central Pool (for instance consultancy costs in the FtP closed case audit, the pay and grading review in projects and the dilapidation provision costs in Facilities Management).
- 17.9 Total free reserves at May 2013 are £15.1 million. The pension deficit at this point is £7.7 million; therefore available free reserves at May 2013 are £7.4 million. This is £0.5 million better than budget at this point, but outside the reserves policy envelope agreed by Council in March 2013 (i.e. the risk based element of reserves to be in a target range of £10 to £25 million).
- 17.10 Total cash is £74.0 million at May 2013. This is £0.6 million higher than budget, due to lower expenditure to date.

Latest forecast

- 18 The full year forecast for 2013-2014 is based on the detailed reforecast by directors in May.
- 19 The highlights are as follows:
 - 19.1 The latest forecast is for available free reserves at March 2014 to be on budget at £7.4 million.
 - 19.2 When the budget was approved in March, available free reserves were budgeted to be £7.2 million by March 2014. This has now been restated to £7.4 million, on the basis of the restatement of the audited balance sheet at March 2013.
 - 19.3 Total free reserves are projected to be on budget at £14.1 million by March 2014.
 - 19.4 The forecast yearend cash position is in line with budget at £75.3 million.
 - 19.5 The income forecast is £0.1 million higher than budget, due to increased periodic fees and the resumption of the processing of overseas applications to the register from 1 April, which was temporarily halted in the latter part of 2012-2013.
 - 19.6 The Fitness to Practise expenditure forecast has increased by £0.3 million reflecting approved costs for an external audit of initial stage case closures, and costs in relation to panellist training which have been transferred from HR/OD.
 - 19.7 The Registration forecast has increased by £0.5 million due to the external review of overseas registration, programme management support for the registrations improvement plan, and increased staffing levels. Costs associated with the registrations improvements plan and additional staff requirements were budgeted in the central pool as they were not fully defined at that time.
 - 19.8 ICT is £0.1 million better than budget due to £0.1m photocopying budget being moved to Facilities Management.
 - 19.9 Facilities Management is £0.4 million higher than budget due to £0.3 million dilapidations provision for all leased property (£0.1 million was budgeted centrally) and £0.1 million of photocopying costs moved from ICT.
 - 19.10 The Central Pool position has been reduced to £2.1 million, reflecting the approved expenditure reflected in directorate forecasts.
 - 19.11 The capital expenditure forecast is £0.3 million higher than budget

due to the spend on the ICT strategy (£0.2 million) and the finance upgrade (£0.1 million), being carried forward from last year.

- | | | |
|---|----|---|
| Public protection implications: | 20 | The monitoring of financial results and forecasts enables the NMC to ensure it has sufficient resources to deliver continued public protection. |
| Resource implications: | 21 | The key financial indicators for current and projected levels are discussed in this paper. |
| Equality and diversity implications: | 22 | An EQIA is not required in relation to this paper. |
| Stakeholder engagement: | 23 | None |
| Risk implications: | 24 | <p>There are a number of risks which should be considered on an ongoing basis when reviewing the financial position.</p> <p>24.1 Council's risk based reserve policy is that available free reserves should be held in a target range of £10 million to £25 million. Following the latest reforecast, our available free reserves will be £7.4 million by March 2014, which is in breach of our reserves policy. A reduction in reserves from the policy level should only be authorised by trustees where there is a clear and robust plan to rebuild reserves. In our case, the financial strategy agreed by Council in 2012, the increased fee level and the Department of Health grant will build reserves back up to the required level.</p> <p>24.2 Progress on meeting our reserves target is reported monthly.</p> <p>24.3 It was assumed in the budget that any changes arising in relation to pension provision would be cost-neutral. There is an increasing risk that the impact of auto-enrolment could result in increased costs.</p> |

Opportunities

- 25 The expenditure requirements for the year are based at present on a cautious assessment of activity levels and outcomes. There are a number of opportunities to increase funding or realise savings against projections, as follows:
- 25.1 It is possible that we will be able to negotiate the return of tax paid in prior years in relation to PAYE and NI on panellists' expenses. This is discussed at paragraph 15.
- 25.2 The corporate efficiency board is being re-shaped to provide greater

focus on value for money and efficiency monitoring and reporting.

25.3 Requests for funding from the Central Pool may be lower than projected. Unallocated funds are returned to reserves.

Legal implications: 26 None.

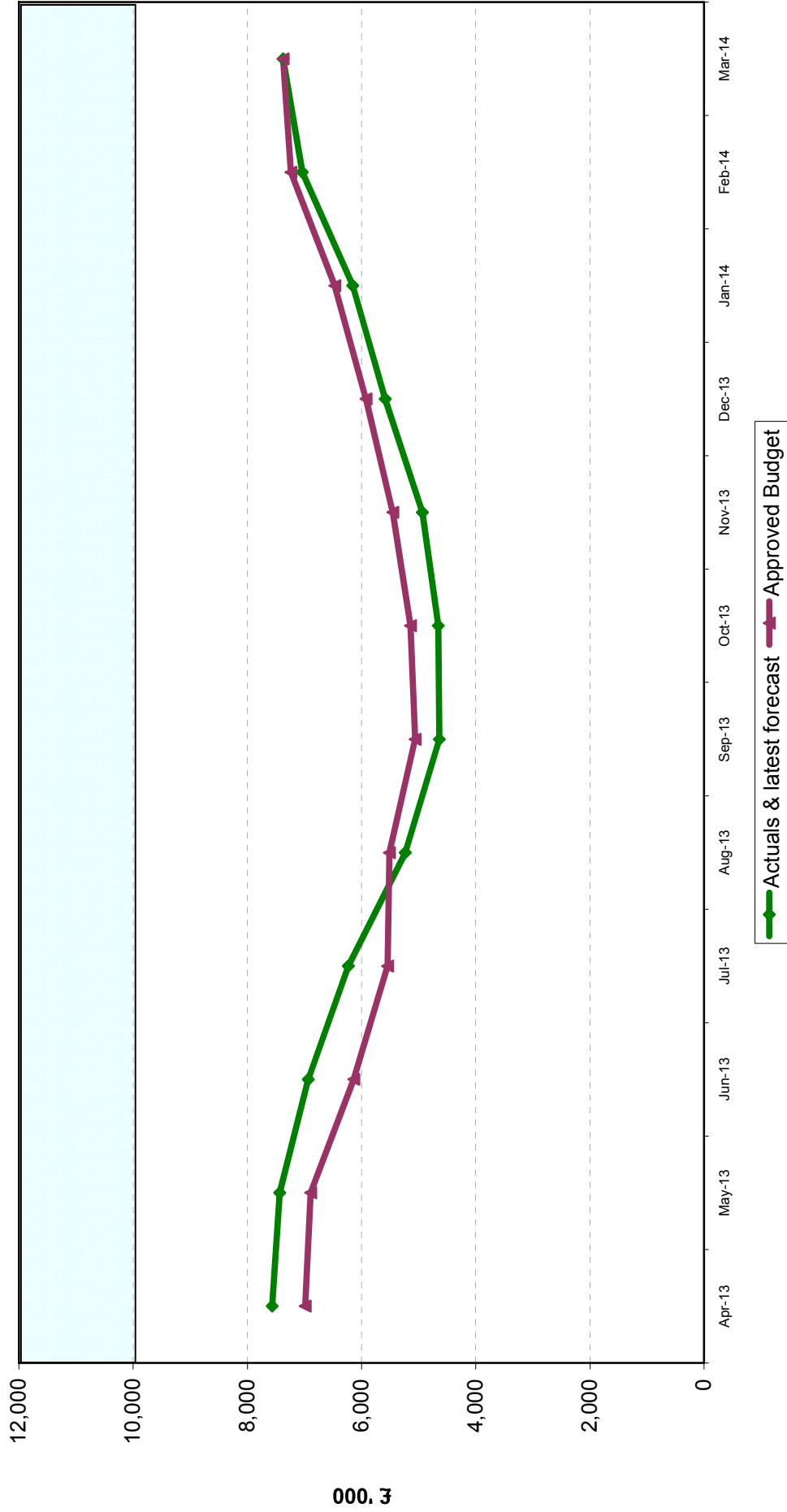
Item 16
Actual, budget & forecast 2013-2014
£000's

2013/2014	Month of May				April to May					June to March					Full Year				
	Actual	Budget	Prior Forecast	vs rebased budget	Actual	Budget	Prior Forecast	vs budget	vs prior forecast	Forecast	Budget	Prior Forecast	vs budget	vs prior forecast	Actual/Forecast	Budget	Prior Forecast	vs budget	vs prior forecast
Periodic Fee Income	4,624	4,601	4,601	23	9,148	9,097	9,125	51	23	51,850	51,850	51,850	0	0	60,998	60,947	60,975	51	23
Overseas Applications	19	17	40	2	61	34	81	27	(21)	169	169	169	0	0	230	203	251	27	(21)
Eu Assessment Fee	29	26	26	3	64	53	62	12	3	263	263	263	0	0	328	316	325	12	3
Interest Income	119	123	123	(5)	235	247	240	(12)	(5)	1,233	1,233	1,233	0	0	1,468	1,480	1,473	(12)	(5)
Other Income	24	28	28	(4)	53	56	57	(2)	(4)	279	279	279	0	0	333	335	336	(2)	(4)
Total Income:	4,815	4,795	4,818	19	9,561	9,486	9,565	75	(4)	53,795	53,795	53,795	0	0	63,356	63,281	63,360	75	(4)
Office of the Chair & Chief Executive	45	47	47	2	98	94	100	(4)	2	472	472	472	(0)	0	570	566	572	(4)	2
Communication	56	61	77	5	101	122	122	21	21	762	779	795	17	32	863	901	916	38	53
Council Services	28	35	42	7	66	77	80	10	14	453	435	453	(18)	0	520	512	534	(8)	14
Governance	119	108	130	(11)	246	221	257	(25)	10	1,121	1,080	1,153	(40)	32	1,367	1,301	1,409	(65)	42
Policy	26	33	33	6	54	65	61	11	7	383	349	359	(34)	(23)	437	414	421	(23)	(16)
Corporate Governance	229	236	281	7	468	485	519	17	52	2,719	2,644	2,760	(75)	41	3,187	3,128	3,280	(58)	93
Registration	271	264	304	(7)	720	531	754	(189)	34	3,228	2,879	3,083	(349)	(145)	3,949	3,411	3,838	(538)	(111)
Continued Practice	172	281	292	108	330	537	450	207	119	2,770	2,548	2,712	(222)	(59)	3,101	3,085	3,161	(16)	61
ICT	279	317	308	38	619	834	648	216	29	4,139	4,053	4,107	(87)	(33)	4,758	4,887	4,754	129	(4)
Finance	108	139	135	31	250	277	278	27	28	1,749	1,722	1,725	(27)	(25)	2,000	1,999	2,003	(0)	3
Facilities Management	398	398	426	1	874	810	903	(64)	29	4,504	4,166	4,246	(338)	(258)	5,378	4,977	5,149	(402)	(229)
HR&OD	202	241	232	39	366	468	396	102	30	2,366	2,322	2,336	(44)	(29)	2,732	2,790	2,733	58	1
Corporate Services	985	1,095	1,101	109	2,109	2,390	2,225	280	116	12,759	12,263	12,414	(496)	(345)	14,868	14,652	14,639	(216)	(229)
Directors office	206	74	214	(132)	280	148	288	(131)	8	907	772	938	(135)	31	1,186	920	1,226	(267)	39
Screening	79	106	94	28	168	212	183	45	15	1,134	1,062	1,102	(72)	(31)	1,301	1,274	1,285	(27)	(16)
Case Investigations - Total	295	326	313	31	542	620	560	78	19	3,470	3,388	3,501	(82)	32	4,012	4,008	4,062	(4)	50
Investigations - IC	122	143	142	20	245	285	265	40	20	1,482	1,420	1,450	(62)	(32)	1,727	1,705	1,714	(21)	(12)
Case Management	42	24	38	(18)	91	48	87	(43)	(4)	269	240	269	(29)	0	360	288	356	(72)	(4)
Scheduling	74	70	72	(4)	142	140	141	(2)	(1)	676	700	657	24	(18)	818	840	798	22	(20)
Case Preparation	98	122	101	24	203	245	206	42	3	1,179	1,224	1,173	46	(5)	1,382	1,469	1,379	88	(2)
Admin / General	107	111	109	4	176	221	178	45	2	769	1,107	806	337	37	945	1,328	984	383	39
Adjudication	236	216	219	(20)	469	432	452	(36)	(17)	2,224	2,162	2,183	(62)	(41)	2,693	2,594	2,635	(99)	(58)
CCC	1,537	1,260	1,260	(277)	2,779	2,521	2,503	(258)	(277)	13,820	14,003	14,003	183	183	16,599	16,524	16,506	(75)	(93)
HC	82	54	54	(28)	190	108	162	(82)	(28)	544	542	542	(3)	(3)	734	649	703	(84)	(30)
Investigations - ICIO	258	236	236	(22)	503	473	481	(30)	(22)	2,345	2,388	2,388	43	43	2,848	2,861	2,869	13	21
Regulatory Legal Team	275	327	377	52	668	654	770	(13)	102	3,521	3,462	3,490	(58)	(30)	4,188	4,117	4,260	(72)	72
Panel support	73	101	62	28	109	201	97	93	(11)	1,303	1,133	1,358	(170)	54	1,412	1,335	1,455	(78)	43
FTP	3,484	3,171	3,293	(313)	6,564	6,310	6,373	(254)	(191)	33,643	33,604	33,861	(39)	219	40,207	39,914	40,234	(293)	28
Projects	26	7	20	(19)	66	49	60	(18)	(6)	38	57	47	19	9	105	106	108	1	3
Depreciation	228	256	256	28	454	511	482	57	28	2,556	2,556	2,556	(0)	0	3,011	3,068	3,038	57	28
NMC Corporate/General	96	5	78	(91)	119	9	101	(110)	(18)	47	47	47	0	(0)	166	57	148	(110)	(18)
Central pool	0	242	0	242	0	471	0	471	0	2,054	3,045	2,229	991	176	2,054	3,516	2,229	1,462	176
Revenue Spend	5,536	5,603	5,671	67	10,929	11,386	11,064	457	135	60,287	60,116	60,183	(171)	(104)	71,216	71,502	71,247	286	31
Surplus / (Deficit)	(722)	(808)	(853)	86	(1,368)	(1,900)	(1,499)	532	131	(6,492)	(6,321)	(6,388)	(171)	(104)	(7,860)	(8,221)	(7,887)	361	27
Capital	303	212	258	(91)	382	450	337	68	(45)	2,773	2,401	2,819	(372)	46	3,155	2,851	3,156	(304)	0
Total free reserves					15,123	14,580	15,064	543	59						14,129	14,129	14,128	(0)	0
Pension deficit					7,690	7,690	7,690	0	0						6,754	6,754	6,754	0	0
Available free reserves (excluding pension deficit & restricted funds)					7,433	6,890	7,375	543	59						7,375	7,375	7,375	(0)	0
Restricted funds					17,714	17,714	17,714	0	0						12,000	12,000	12,000	0	0
Cash at bank					74,029	73,400	73,884	629	145						75,310	75,310	75,309	(0)	0
Net inflow/(outflow) of funds					(1,383)	(2,012)	(1,528)	629	145						(102)	(102)	(103)	(0)	0
Substantive hearing numbers per day	22	20	20	2	21	20	19	1	1						22	22	22	0	(0)
Headcount	539	540	567	1											567	540	570	(27)	3

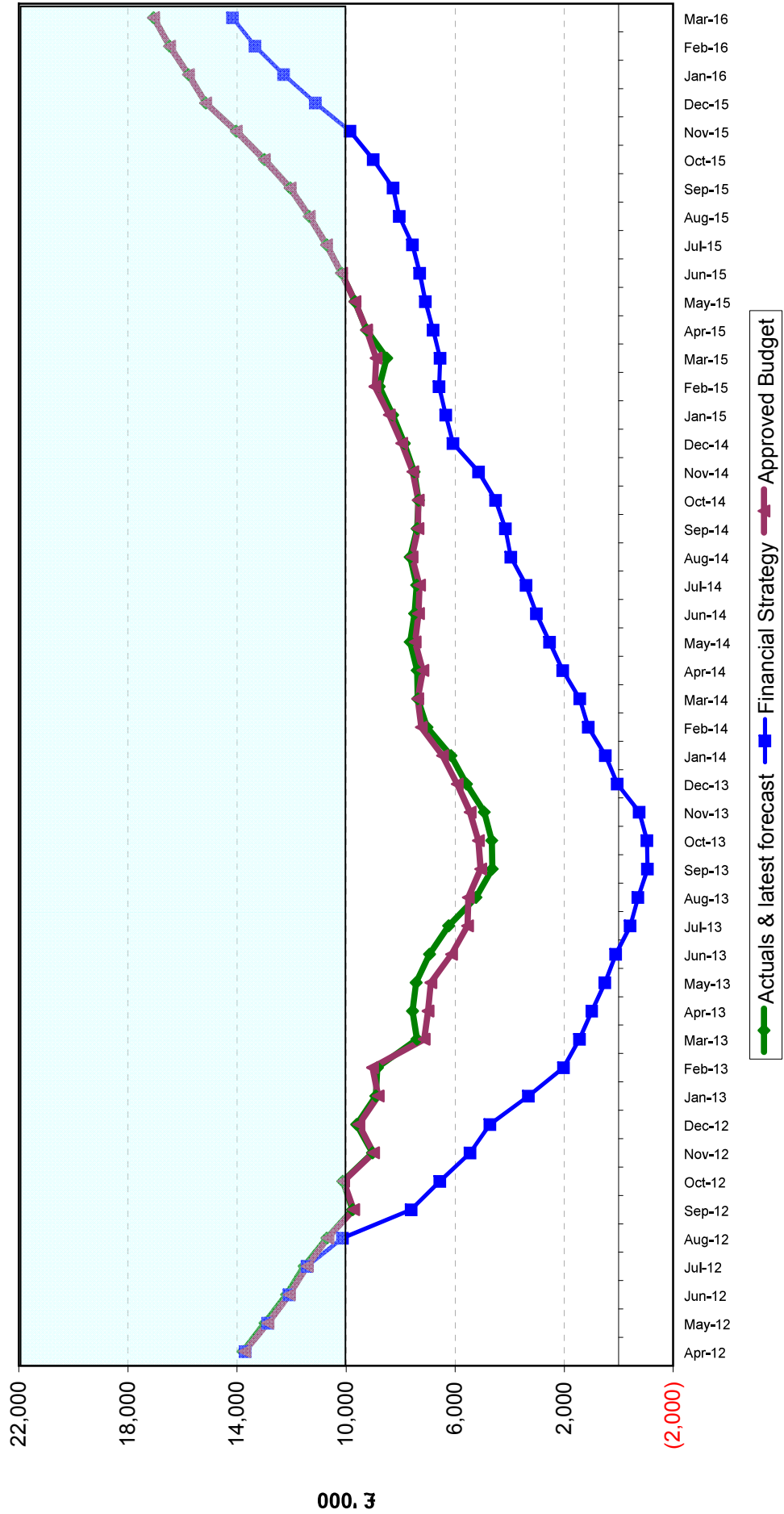
Actual and Forecast per month 2013-2014
£000's

	Apr-13 Actual	May-13 Actual	Jun-13 Forecast	Jul-13 Forecast	Aug-13 Forecast	Sep-13 Forecast	Oct-13 Forecast	Nov-13 Forecast	Dec-13 Forecast	Jan-14 Forecast	Feb-14 Forecast	Mar-14 Forecast	Full Year 2013- 2014
Periodic Fee Income	4,524	4,624	4,680	4,747	4,847	4,938	5,209	5,307	5,418	5,513	5,595	5,595	60,998
Overseas Applications	41	19	17	17	17	17	17	17	17	17	17	17	230
Eu Assessment Fee	35	29	26	26	26	26	26	26	26	26	26	26	328
Replacement Of Pin Card	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Income	117	119	123	123	123	123	123	123	123	123	123	123	1,468
Other Income	29	24	28	28	28	28	28	28	28	28	28	28	333
Total Income:	4,746	4,815	4,875	4,941	5,041	5,133	5,403	5,502	5,613	5,707	5,790	5,790	63,356
Office of the Chair & Chief Executive	53	45	47	47	47	48	47	47	47	48	47	47	570
Communication	45	56	59	83	53	67	77	77	111	77	77	80	863
Council Services	38	28	34	48	24	40	46	52	40	43	88	38	520
Governance	127	119	116	117	97	142	102	106	131	91	91	128	1,367
Policy	28	26	33	33	33	41	41	41	41	41	41	37	437
Corporate Governance	238	229	242	282	207	290	266	277	323	252	297	283	3,187
Registration	450	271	266	316	469	380	356	291	291	277	297	285	3,949
Continued Practice	158	172	224	290	272	286	279	309	310	273	256	271	3,101
ICT	340	279	678	366	331	472	315	360	472	314	323	509	4,758
Finance	143	108	143	175	179	220	146	144	219	141	141	241	2,000
Facilities Management	477	398	455	437	440	520	440	441	445	446	427	454	5,378
HR&OD	164	202	248	281	223	229	229	229	220	226	226	256	2,732
Corporate Services	1,124	985	1,524	1,261	1,173	1,440	1,129	1,174	1,356	1,127	1,117	1,459	14,868
Directors office	74	206	160	142	76	76	76	76	76	76	76	76	1,186
Screening	89	79	100	115	115	115	115	115	115	115	115	115	1,301
Case Investigations - Total	247	295	348	355	346	346	346	346	346	346	346	346	4,012
Investigations - IC	122	122	152	156	156	145	145	145	145	145	145	145	1,727
Case Management	49	42	27	27	27	27	27	27	27	27	27	27	360
Scheduling	68	74	68	68	68	68	68	68	68	68	68	68	818
Case Preparation	105	98	107	119	119	119	119	119	119	119	119	119	1,382
Admin / General	69	107	77	77	77	77	77	77	77	77	77	77	945
Adjudication	233	236	216	216	224	224	224	224	224	224	224	224	2,693
CCC	1,242	1,537	1,350	1,539	1,413	1,397	1,523	1,397	1,064	1,442	1,316	1,378	16,599
HC	108	82	55	60	55	55	60	55	42	57	52	55	734
Investigations - ICIO	245	258	230	263	234	234	256	234	186	245	229	234	2,848
Regulatory Legal Team	393	275	332	361	356	356	369	356	324	362	349	356	4,188
Panel support	36	73	171	121	117	164	118	114	105	116	112	164	1,412
FTP	3,080	3,484	3,393	3,617	3,381	3,402	3,522	3,352	2,917	3,419	3,256	3,383	40,207
Projects	40	26	8	12	7	2	2	2	2	2	2	2	105
Depreciation	226	228	256	256	256	256	256	256	256	256	256	256	3,011
NMC Corporate/General	23	96	5	5	5	5	5	5	5	5	5	5	166
Central pool	0	0	0	105	605	82	148	188	183	249	249	246	2,054
Revenue Spend	5,393	5,536	5,965	6,189	6,421	6,189	6,010	5,900	5,689	5,908	5,781	6,236	71,216
Surplus / (Deficit)	(646)	(722)	(1,090)	(1,248)	(1,380)	(1,056)	(606)	(398)	(76)	(200)	9	(446)	(7,860)
Capital	79	303	329	374	538	464	296	245	192	153	46	136	3,155
Total free reserves	15,348	15,123	14,531	13,736	12,646	11,953	11,877	12,061	12,620	13,093	13,883	14,129	
Pension deficit	7,783	7,690	7,596	7,502	7,409	7,315	7,222	7,128	7,034	6,941	6,847	6,754	
Available free reserves (excluding pension deficit & restricted funds)	7,565	7,433	6,935	6,234	5,237	4,637	4,656	4,933	5,586	6,153	7,036	7,375	
Restricted funds	18,286	17,714	17,143	16,571	16,000	15,429	14,857	14,286	13,714	13,143	12,571	12,000	
Cash at bank	75,167	74,029	73,267	72,041	70,949	76,310	76,073	75,794	73,997	73,414	72,620	75,310	
Net inflow/(outflow) of funds - monthly	(245)	(1,138)	(762)	(1,226)	(1,092)	5,361	(238)	(279)	(1,797)	(583)	(793)	2,689	(102)
Substantive hearing numbers per day	19	22	22	22	22	22	22	22	22	22	22	22	22
Headcount	556	539	554	581	586	600	597	573	571	570	570	567	

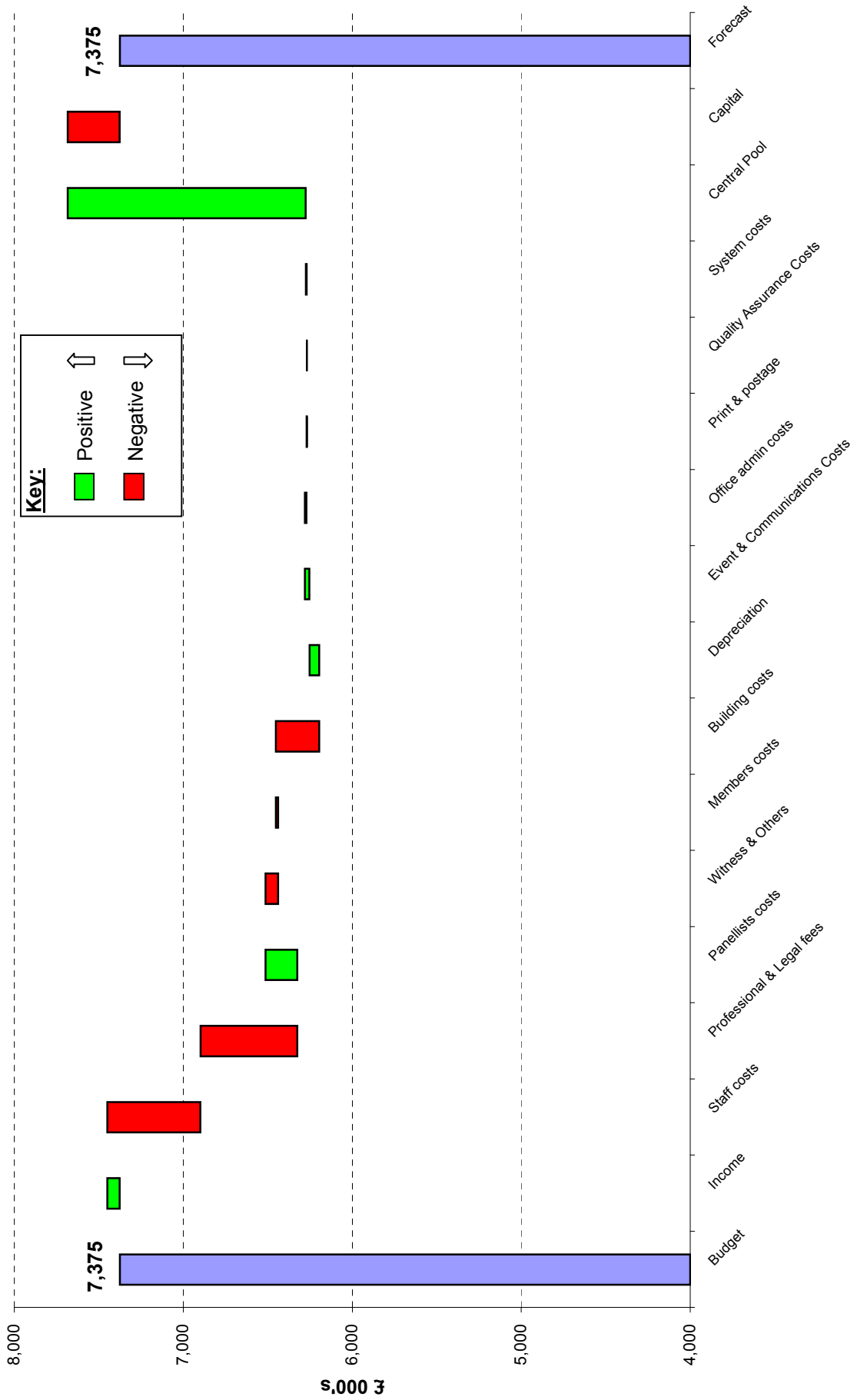
Item 16
NMC/13/131 18 July 2013
Annexe 3 -May forecast & approved budget available free reserves 2013-2014



Item 16
NMC/13/131 18 July 2013
Annexe 4 - May forecast, approved budget & financial strategy available free reserves for 2012-2016



Available Free Reserves
2013-2014 Budget versus forecast by operational category



Council

Report of the Audit Committee to the Council

Action: For information.

Issue: The Audit Committee held a meeting on 8 July 2013 and this report is a summary of its deliberations and recommendations.

Core regulatory function: Supporting functions.

Corporate objectives: Corporate objective 7: "We will develop effective policies, efficient services and governance processes that support our staff to fulfil all our functions."

Decision required: No decision is required in relation to this report.

Annexes: Annexe 1: Assurance Map Summary.

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

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Context:

- 1 The Audit Committee was convened for 8 July 2013 specifically to review the annual report and accounts and the work undertaken by the internal auditors on the development of both the assurance map and the internal audit programme for the forthcoming year.

Discussion and options appraisal:

- 2 This was the first meeting of the Committee with its current membership. The meeting was positive and members look forward to working with NMC colleagues and colleagues from Moore Stephens, haysmacintyre and the National Audit Office in taking forward the assurance agenda for the organisation.
- 3 The review and endorsement of the revised terms of the reference for the Committee, the first item on the agenda, will help to ensure that the Committee's remit and responsibilities in going forward are both clearly and concisely defined. Members requested that the Committee's remit be amended to reflect recently issued guidance from the National Audit Office, and that change is reflected in the Governance review paper elsewhere on the Council agenda. Members also requested that a statement explaining management responsibility for audit issues be appended to the terms of reference. It was further noted that the revised Standing Orders to be proposed to the Council in September 2013 would include consistent provisions for all committees, including, for example, for quorum and membership.
- 4 The annual report and accounts plus accompanying external audit management letter and audit completion report from the NAO were then considered by the Committee. There were minor comments only on the report, and the Committee thanked Verity Somerfield and her team for all their hard work.
- 5 The Fitness to Practise annual report was then considered by the Committee. This was also approved, subject to the following comments:
 - a. Table 3: greater clarity required on "unidentified referrals"
 - b. All tables to include "percentage of register" in addition to "percentage of referrals"
 - c. Officers to consider whether the information in tables 6-9, 14-17, 21-24 and 28-31 should be excluded from the report and made available to stakeholders in some other way, due to the high percentage of "unknown" in these analyses and the dangers of drawing conclusions based on very small numbers.
- 6 On the basis of this scrutiny, both reports are recommended to the Council for approval and subsequent submission to the Privy Council after the summer recess. The external auditors will need to

review the reports again prior to submission to ensure no significant post balance sheet events. The Committee recommends that the Chair of Council is authorised to sign the letter of representation to the external auditors and to agree any minor changes that may be required prior to submission of the reports.

- 7 The Committee was pleased to receive the draft NMC assurance map developed by Moore Stephens based on management input. This is a key piece of work in enabling the Committee to be able to perform its assurance role to the Council on the robustness of processes in place across the organisation. A copy of the map is attached as Annexe 1. The Council should note that this is an assessment of assurance activities **as reported by management** and the effectiveness of these activities will be tested over time through the Internal Audit and Corporate QA programmes. The map will be brought back to Council on a regular basis, initially in six months time.
- 8 The Committee was also pleased to note the work undertaken jointly by NMC colleagues and Moore Stephens on the draft internal audit strategy and forthcoming internal audit work programme. The strategy and programme address some of the recognised key organisational areas and reflect some of the priorities identified by the Committee over the last year and were agreed subject to some minor amendment. It was also agreed that the Risk Register should be updated to reflect planned Internal Audit activities against relevant risks.
- 9 The Committee was asked to consider the draft corporate QA strategy in order to provide assurance to the Council that the strategy and approach are properly aligned with the overall business assurance framework and the work of internal audit. The Committee was happy to confirm the alignment and endorse the direction of travel; the next step is for the Corporate Governance team to make a case to Directors' Group for allocation of budget from the central pool.
- 10 The Committee also endorsed the extension of haysmacintyre as the NMC's external audit providers for a further 12 months. This decision reflects both the excellent value for money and high standard of work that haysmacintyre has provided and the importance of ensuring some stability in audit provision given the recent appointment of Moore Stephens as internal audit providers.

Public protection implications:

- 10 Over time, improved assurance over NMC's activities should lead to enhanced public protection.

Resource implications:

- 11 None other than staff time to prepare the reports.

- Equality and diversity implications:** 12 None directly as a result of this report.
- Stakeholder engagement:** 13 The NMC has engaged with both internal audit and external audit providers and the National Audit Office in the development of the annual report and accounts. Internal audit providers have developed the NMC assurance map and been engaged in developing the internal audit work programme for the forthcoming year.
- Risk implications:** 14 The role of the Audit Committee is to give assurance to Council that the NMC has effective governance, risk management and internal controls in place.
- Legal implications:** 15 None.

NMC/13/132**Annexe 1: NMC assurance map**

Moore Stephens identified core areas and associated risks, with three categories of function: **core functions or purposes, core enablers and core support functions**. The assurance map attached relates to assurances around management information, its reliability and the processes relating to delivering outputs and their risk management. The view taken by Moore Stephens is that, the higher up the table, the greater the need for sound assurance.

However, there is the 'health warning' that the map is hypothetical and based on assurance activities reported by management at a specific point; it does not guarantee their translation into reality.

The 'three lines of defence' in the assurance map are as follows: 1) Procedures and checks directly undertaken by staff and management 2) Reviews and checks by management or independent QA 3) Internal or external audit (including external regulation).

Table 1: Assurance map summary

Objective or Function	First Line	Second Line	Third Line
Core functions			
Registration	Yellow	Yellow	Green
Continued Practice: Education	Yellow	Yellow	Green
Continued Practice :Standards	Amber	Amber	Amber
Continued Practice: Revalidation	Amber	Amber	Yellow
Fitness to Practise	Yellow	Yellow	Green
Customer service	Amber	Amber	Yellow
Public protection	Yellow	Yellow	Green
Core enablers			
Communication & external relations	Yellow	Yellow	Yellow
Governance	Yellow	Yellow	Green
Projects, Programmes & change	Yellow	Yellow	Yellow
Strategy, business planning & performance	Amber	Green	Yellow
Risk Management	Yellow	Yellow	Yellow
Core support functions/objectives			
People, knowledge & skills	Yellow	Yellow	Yellow
IT & data security , protection, records mgt.	Amber	Yellow	Yellow
Legal & regulatory compliance	Amber	Amber	Yellow
Finance & payroll	Yellow	Yellow	Green
Procurement	Yellow	Green	Green
Business continuity	Amber	Amber	Amber
Health & safety	Yellow	Yellow	Yellow
Efficiency and financial resources	Amber	Amber	Amber

Key to the Assurance Map

Green	<i>Unlikely that further assurance activity is required in principle.</i>	Green
Yellow	<i>Assurance activity not sufficient but planned new assurance activity is moving this to a level of assurance that is reasonable.</i>	Yellow
Amber	<i>Limited assurance, requires improvement.</i>	Amber
Red	<i>No assurance activity understood to be in place.</i>	Red
White	<i>New activity, no assurance activity as yet required</i>	White

Council

Equality and Diversity Annual Report April 2012 - March 2013

Action: For information.

Issue: The Council is asked to note the Equality and Diversity Annual Report April 2012 – March 2013.

Core regulatory function: Supporting functions.

Corporate objectives: Corporate objective 7: “We will develop effective policies, efficient services and governance processes that support our staff to fulfil all our functions.”

Decision required: None.

Annexes: The following annexe is attached to this paper:

- Annexe 1: Equality and Diversity Annual Report April 2012 - March 13.
- Annexe 2: Equality Act 2010: Public sector Equality Duty what do I need to know? A quick start guide for public sector organisations. (Government Equalities Office).

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

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- Context:**
- 1 The NMC as a public body is required to produce an Equality and Diversity Annual Report. The Annual Report sets out the work we have done in 2012 – 2013 and plan to do in 2013 – 2014 against our objectives.
 - 2 Our equality objectives and activities focus on important issues which will support us in delivering improvements to our policy making, regulatory delivery and being a good employer, all of which enhance our ability to protect the public.
- Discussion and options appraisal:**
- 3 This is the NMC's first Equality and Diversity Annual Report. The method of data collection and its evaluation is subject to ongoing development, and will inform future reporting in this area.
 - 4 After submission to the Council for information, the Annual Report will be published on the NMC website.
 - 5 **Recommendation: The Council is invited to note the Equality and Diversity Annual Report for the period April 2012 – March 2013.**
- Resource implications:**
- 6 The only resource implications arising from this report relate to the compilation and publication of the report, which are covered within current staffing and budgeting resources.
- Equality and diversity implications:**
- 7 This report is an important component in ensuring continued improvement in the organisation's delivery and support of equality and diversity. The report details the progress made in equality and diversity in the past year. It also outlines the action plan for continuing improvement.
- Stakeholder engagement:**
- 8 Officers have engaged widely with external stakeholders, including with other healthcare regulators, in working to ensure the NMC adopts a 'good practice' approach in this area.
- Risk implications:**
- 9 None arising directly from this report. There are however considerable risk implications arising from the NMC failing to comply with equality and diversity legislation and this report is one of the mitigations in place to address this risk.
- Legal implications:**
- 10 As per risk implications.

Nursing and Midwifery Council

Equality and Diversity Annual Report

April 2012–March 2013

Equality and Diversity Annual Report April 2012–March 2013

- 1 The Nursing and Midwifery Council (NMC) is the regulator for nurses and midwives in England, Wales, Scotland, Northern Ireland and the Islands. We exist to safeguard the health and wellbeing of the public. Everything we do as a regulator supports our primary purpose of protecting the public:
 - We set standards of education, training, conduct and performance for nurses and midwives across the UK, and hold the register of those who have qualified and meet those standards.
 - We provide guidance to help nurses and midwives keep their skills and knowledge up to date and uphold our professional standards.
 - We have fair and effective processes to investigate and deal with nurses and midwives who fall short of our standards.

- 2 As a public body, we are subject to the public sector Equality Duty in Section 149 of the Equality Act 2010. This requires us to have due regard to the need to:
 - Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
 - Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - Foster good relations between people who share a protected characteristic and those who do not.

- 3 We are required to set equality objectives to help us perform effectively against our equality duties. These objectives focus on important equality issues within the NMC with the purpose of delivering improvements in our policy making, service delivery and employment. We are also required to publish an annual report to demonstrate our compliance with the public sector Equality Duty.

- 4 We recognise and value the benefits that equality and diversity can bring to us both as a regulator and as an employer and following public consultation in 2012 the Council agreed and published five equality objectives for 2012 to 2015¹. The objectives require us to:
 - Embed diversity in the delivery of our statutory functions.
 - Actively champion equality, diversity and inclusion through our leadership.
 - Establish effective governance processes to support equality and inclusion.
 - Value staff so that they are treated with respect and are able to work in an environment free from discrimination, harassment or bullying.

¹ These can be viewed at: <http://www.nmc-uk.org/Documents/EandD/EqualityobjectivesJuly2012.pdf>

- Deliver quality services relevant to the needs of a diverse community.
- 5 This report summarises the progress we have made between April 2012 and March 2013 and demonstrates our compliance with the legislation.
- 6 Key achievements include:
- Putting equality and diversity as a key objective in our Corporate Plan 2013–16 supported by each of our five directorate business plans.
 - Raising diversity awareness among staff by delivering face to face training and online training for all new starters and new panel members who support our fitness to practise hearings.
 - Celebrating key diversity events such as Black History Month and Lesbian, Gay, Bisexual and Transgender (LGBT) History Month and International Women's Day.
 - Working in partnership with diverse groups and external diversity experts to identify and share best practice.
 - Improving our website to meet internationally recognised accessibility standards.
 - Ensuring our buildings are accessible to our staff and visitors.
- 7 The table in Annexe 1 provides more detail, including our plans for the current year. We recognise that we have not made as much progress in all areas as we would have wished and there is more to do. During 2013–14 we will focus our efforts on:
- Improving the collection of equality and diversity data of the nurses and midwives on our register.
 - Promoting a workplace that is fair and inclusive to staff.
- 8 Achieving these objectives will help us to further embed equality and diversity in the culture of our organisation. Led by the Chief Executive, our diversity champions across the business will help support and encourage all staff to take responsibility for implementing the actions we have identified.

Progress summary April 2012 - March 2013

Objectives and supporting actions	Progress and achievements in 2012–2013	What we will be doing in 2013–2014
Objective 1: Embedding diversity - We will further embed diversity in the delivery of our statutory functions.		
<p>1.1 Ensure equality and diversity objectives support our Corporate Plan.</p>	<p>In March 2012, each directorate considered equality and diversity as part of their directorate plans and deliverables.</p> <p>We have completed equality impact assessments (EqIAs) for all new policies and projects.</p> <p>We have a specific equality and diversity objective which forms part of our Corporate Plan.</p>	<p>Our Corporate Plan again includes a specific equality and diversity objective.</p> <p>In 2013–2014 we have started to look at different ways of improving data collection through our registrations function.</p> <p>We will report progress against our objectives to the Council on a quarterly basis.</p>
<p>1.2 Improve our understanding of how our activities, functions and services impact on diverse groups so that we can seek to eliminate unlawful discrimination.</p>	<p>Key staff members attended cross regulatory equality impact assessment (EqIA) training with colleagues from the General Dental Council and the General Pharmaceutical Council. As a result, we have developed our EqIA guidance and performed EqIAs in key areas of work.</p> <p>An example is the EqIA completed when considering an increase in our registration fee in October 2012.</p> <p>A programme of speakers has formed a key part of the diversity champions meetings. Presentations were given by</p>	<p>By the end of 2013–14 we will have developed our equality analysis tools further to demonstrate the potential effects of our policies and practices on the protected characteristics.</p>
		<p>We will broaden our understanding of diversity further by visiting non-healthcare</p>

	<p>Gender Identity Research and Education Society (GIREs), Opportunity Now, Race for Opportunity and Stonewall.</p> <p>The speakers' presentations have helped us to develop insights into diverse groups and to share good practice across the organisation.</p> <p>Examples of key deliverables included:</p> <ul style="list-style-type: none"> • Scoping and understanding how best practice organisations have increased applications from black minority ethnic (BME) people and women for panellist posts. • Liaising with the Equality and Human Rights Commission when updating our approach to the assessment of overseas nurses wishing to join the register. 	<p>regulatory bodies. We have scheduled meetings with:</p> <ul style="list-style-type: none"> • The United Kingdom Investor in Equality and Diversity (UKIED) Network on 30 April 2013. The network members included the College of Policing, the Metropolitan Police Service, the National Black Crown Prosecution Association and the National Offender Management Service. A further meeting is to be scheduled in September 2013. • The National Offender Management Service on Friday 14 June 2013. • The Bar Standards Board on Wednesday 3 July 2013. <p>We will be meeting with The Institute of Physics in August 2013.</p>
<p>Objective 2: Leadership - Our leaders will continue to actively champion equality, diversity and inclusion.</p>		
<p>2.1 Establish the diversity champions forum</p>	<p>In November 2011, we launched the diversity champions forum, chaired by the now Chief Executive and Registrar.</p> <p>The purpose of the forum was to support the NMC to embed equality and diversity in its culture.</p> <p>The activities from meetings included:</p>	<p>Following internal organisational changes, we will review the Terms of Reference of the diversity champions forum and the membership to ensure all parts of the organisation are included.</p> <p>The champions will hold awareness events</p>

	<ul style="list-style-type: none"> Identifying and sharing best practice within the organisation. Identifying and sharing best practice with external diversity experts. Encouraging staff to participate in the NMC's equality objectives consultation. 	<p>in their directorates to continue raising the profile of equality and diversity commitments and objectives.</p>
<p>2.2 We actively seek to ensure that appointees to our committees and Fitness to Practise panels are fully aware of their responsibilities regarding diversity.</p>	<p>Committee members and panellists have completed mandatory training in equality and diversity. This is delivered through an e-learning platform.</p>	<p>Equality and diversity training will be provided as part of induction for new panellists, the Council and committee members.</p> <p>We will consider rolling out the training to a wider range of FtP staff.</p>
<p>Objective 3: Governance - We will establish effective governance processes to support the delivery of equality and inclusion.</p>		
<p>3.1 To provide details of the progress against the NMC equality objectives and implementation of the</p>	<p>Progress against our equality objectives was reported in our Annual Report 2011–2012² and our Fitness to Practise Annual Report 2011–2012³. The reports are published on our website.</p>	<p>In 2013, we will publish our Annual Report 2012–2013 and Fitness to Practise Annual Report 2012–2013 in English and Welsh.</p>

² http://www.nmc-uk.org/Documents/Annual_reports_and_accounts/Nursing%20and%20Midwifery%20Council%20Annual%20Report%20and%20Accounts%202011-2012%20and%20Strategic%20Plan%202012-2015.pdf

³ http://www.nmc-uk.org/Documents/Annual_reports_and_accounts/FTPAnnualReports/Nursing%20and%20Midwifery%20Council%20Annual%20Fitness%20to%20Practise%20Report%202011-2012.pdf

<p>NMC equality and diversity strategy.</p>	<p>3.2 To analyse and publish data about the diversity of nurses and midwives on our register, and Fitness to Practise outcomes.</p>		<p>As there is not a mandatory requirement for nurses and midwives to provide us with equality and diversity data, we have encouraged nurses and midwives to complete our diversity monitoring form when they first register with us or return to our register.</p>		<p>By the end of 2013–14 we will have strengthened our guidance and communication opportunities with nurses and midwives to encourage them to complete our diversity monitoring form online.</p>
	<p>Our Fitness to Practise Annual Report 2011–2012 includes an analysis of equality and diversity data.</p>		<p>Our Fitness to Practise Annual Report 2012–2013 will include an analysis of equality and diversity data.</p>		

<p>3.3 Establish diversity reference panel.</p>	<p>In February 2012, the diversity reference panel was formed. The panel consisted of diversity experts in the different equality and diversity strands⁴.</p> <p>The panel provided guidance on good practice, embedding equality and diversity into policies, consultations and key initiatives.</p> <p>Examples of key deliverables included:</p> <ul style="list-style-type: none"> • Reviewing the NMC's equality objectives. • Checking the quality, relevance and comprehensiveness of our information. • Monitoring and evaluating the impacts of selected EqIAs. 	<p>We will continue to work in partnership with external diversity experts to inform our practice and support further improvement in organisational performance.</p>
<p>Objective 4: Staff - Our staff are valued by being treated with respect and being able to work in an environment free from discrimination, harassment or bullying.</p>		
<p>4.1 Review all relevant human resources (HR) policies and training to ensure that the NMC meets the requirements of the Equality Act 2010.</p>	<p>In March 2012, we updated our equality and diversity policy to ensure it is compliant with the Equality Act 2010.</p>	<p>Over 2013–2014, we will begin a rolling programme of policy reviews which will include ensuring compliance with equality and diversity legislation.</p> <p>As part of our information and communication technology (ICT) strategic programme we will ensure staff that require reasonable adjustments for IT equipment are considered.</p>

⁴ Department of Health; Employers Network Equality and Inclusion (ENEI); Future Inclusion; GIREs; Opportunity Now; South East Coast Strategic Health Authority and Stonewall.

	All staff are required to complete equality and diversity training as part of their induction. 85% of staff have completed the online module. We also hold a face to face training session which staff must complete as part of their induction.	We will refresh our training sessions to ensure they remain up to date.
4.2 Promote relevant policies and manage the conduct of employees to ensure the workplace is fair and inclusive.	In addition to our equality and diversity policy and procedures for managing performance, we have introduced a new organisational behaviours framework. This clearly articulates our expectations of employees at all levels of the organisation.	We will use the annual staff survey results to assess the levels of satisfaction, performance and engagement with our staff.
4.3 Raise diversity awareness among staff by encouraging the creation of staff employee and diversity groups to mark and celebrate key diversity events.	In 2012, we held a joint seminar with the General Pharmaceutical Council to celebrate Black History Month. Guest speakers included Lord Soley, who spoke about the achievements of Mary Seacole and a black and minority ethnic (BME) professional who shared their experience of providing services to BME communities in South London. We have used our weekly online newsletters to raise awareness of other events, including LGBT History Month and International Women's Day.	We will promote staff awareness of key events by publishing articles in our weekly online newsletter and staff briefings.
4.4 Raise awareness of best practice, benchmark performance, and build	As noted above, the diversity champions forum has worked closely with the diversity reference panel to raise awareness and bring external expertise into the NMC.	By the end of 2015, we aim to submit a benchmarking report to the Stonewall Workplace Equality Index ⁵ .

⁵ The Stonewall Workplace Equality Index is an annual benchmarking exercise that ranks the Top 100 Employers in Britain for lesbian, gay and bisexual people.

<p>external expertise covering the nine protected characteristics.</p>		
<p>4.5 Review our staff development processes to ensure that diversity is reflected at all levels.</p>	<p>We have updated our equality and diversity policy and launched our behaviours framework. The expected behaviours are tested in both the recruitment and staff appraisal process.</p>	<p>We will promote our equality and diversity policy to emphasise NMC values and behaviours throughout our recruitment, learning and development, training and staff appraisal process.</p>
	<p>We have published an updated annual snapshot of our staff diversity profile on our website.⁶</p> <p>The most notable features for 2012–2103 are that from April 2012 to March 2013 responses to questions about sexual orientation have increased by 4%. Staff numbers in the 16-29 year old category have also increased by 7%.</p>	<p>We will publish the 2013–2014 snapshot of staff diversity data on the NMC website.</p>
<p>Objective 5: Service delivery - we will continue to deliver quality services relevant to the needs of a diverse community.</p>		
<p>5.1 To ensure that the accessibility of all our buildings meets legislative requirements.</p>	<p>In March 2013 we conducted accessibility audits of all our buildings. The audit recommendations indicated that our buildings complied with legislative requirements.</p> <p>We also developed evacuation plans for members of staff who either had a permanent or temporary issue with their hearing, mobility or sight and which impacted their ability to evacuate our buildings in serious events.</p>	<p>The next audits of our buildings will be carried out in 2015.</p> <p>As part of our procurement strategy we will ensure that access issues are built into the provision of all services for staff and the general public who visit our premises.</p>

⁶ <http://www.nmc-uk.org/About-us/Equality-and-diversity/Equality-and-diversity-about-us/NMC-diversity-profile/>

<p>5.2 We encourage supplier diversity by making contract opportunities easily accessible to small and medium sized enterprises (SMEs).</p>	<p>Our procurement guidance promotes equality. We currently have a number of SMEs that are core suppliers to the NMC.</p>	<p>We will continue to ensure the NMC is accessible to SMEs through our procurement processes.</p>
<p>5.3 Our suppliers mirror our commitment to equality and diversity.</p>	<p>All suppliers provide us with a copy of their equality and diversity policy which is part of our tender process.</p>	<p>Our evaluation criteria for tenders will include suppliers' commitment to equality and diversity.</p>
<p>5.4 We promote equality and value diversity in all our communications and relationships with stakeholders.</p>	<p>We have improved our website to meet internationally recognised accessibility standards. We also have a designated page on our website on accessibility and we seek feedback from our users about access issues⁷.</p>	<p>We will begin working towards improving our online accessibility to an even higher externally recognised standard.</p>
	<p>We treat the Welsh and English languages equally when we conduct public business in Wales. This is reflected in our Welsh Language Scheme.⁸ Our 2012–2013 Annual Report is being published in Welsh for the first time.</p>	<p>In October 2013, we will publish a Welsh Language Scheme Monitoring Report. Our 2013–2014 Annual Report will be published in Welsh.</p>

⁷ <http://www.nmc-uk.org/Accessibility/>

⁸ <http://www.nmc-uk.org/About-us/Welsh-Language-Scheme/>

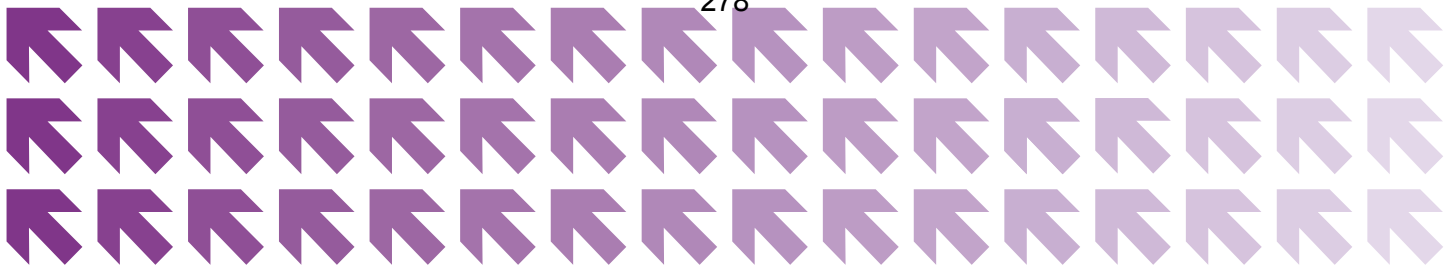


Government
Equalities Office

Putting equality at the heart of government

EQUALITY ACT 2010: PUBLIC SECTOR EQUALITY DUTY WHAT DO I NEED TO KNOW? A QUICK START GUIDE FOR PUBLIC SECTOR ORGANISATIONS





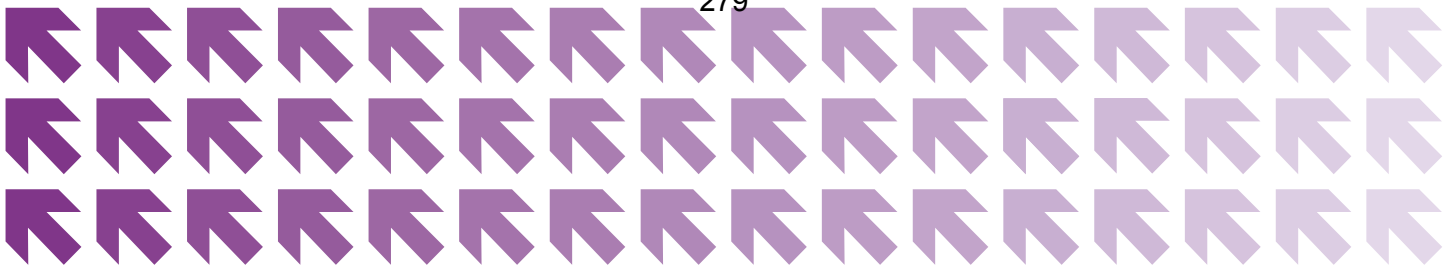
This replaces previous guidance on the public sector Equality Duty published by the Government Equalities Office on 12 January 2011. Please discard the previous guidance.

Introduction

The Equality Act 2010 (the Act) replaces the previous anti-discrimination laws with a single Act. It simplifies the law, removing inconsistencies and making it easier for people to understand and comply with it. It also strengthens the law in important ways, to help tackle discrimination and inequality. The majority of the Act came into force on 1 October 2010.

This quick start guide is intended to help public sector organisations understand a key measure in the Act – the **public sector Equality Duty**, which came into force on 5 April 2011. The Equality Duty ensures that all public bodies play their part in making society fairer by tackling discrimination and providing equality of opportunity for all.

Sources of further information about the Equality Duty are listed at the end of the guide.



What is the Equality Duty?

The Equality Duty is a duty on public bodies and others carrying out public functions.¹ It ensures that public bodies consider the needs of all individuals in their day to day work – in shaping policy, in delivering services, and in relation to their own employees.

The new Equality Duty supports good decision-making – it encourages public bodies to understand how different people will be affected by their activities so that policies and services are appropriate and accessible to all and meet different people's needs. By understanding the effect of their activities on different people, and how inclusive public services can support and open up people's opportunities, public bodies are better placed to deliver policies and services that are efficient and effective. The Equality Duty therefore helps public bodies to deliver the Government's overall objectives for public services.

The Equality Duty is set out in section 149 of the Act.

What has changed?

The new Equality Duty replaces the three previous public sector equality duties – for race, disability and gender. The new Equality Duty covers the following protected characteristics:

- age
- disability
- gender reassignment
- pregnancy and maternity

- race – this includes ethnic or national origins, colour or nationality
- religion or belief – this includes lack of belief
- sex
- sexual orientation

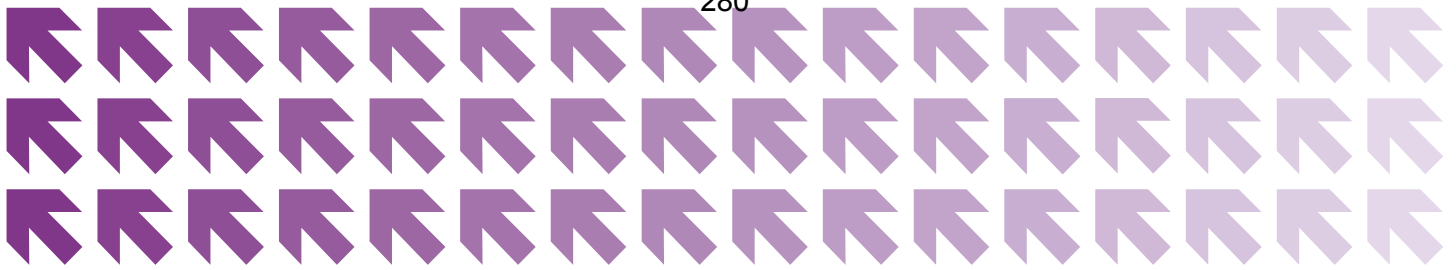
It also applies to marriage and civil partnership, but only in respect of the requirement to have due regard to the need to eliminate discrimination.

The new Equality Duty is designed to reduce bureaucracy while ensuring public bodies play their part in making society fairer by tackling discrimination and providing equality of opportunity for all.

Who does the Equality Duty apply to?

The Equality Duty applies across Great Britain to public bodies listed in Schedule 19 to the Act, and to other organisations when they are carrying out public functions. A list of the bodies contained in Schedule 19 (as amended) can be found at: [http://www.equalities.gov.uk/pdf/110420%20SCHEDULE%2019%20\(Equality%20Act%202010\)%20-%20Consolidated.pdf](http://www.equalities.gov.uk/pdf/110420%20SCHEDULE%2019%20(Equality%20Act%202010)%20-%20Consolidated.pdf)

¹ A public function is a function of a public nature for the purposes of the Human Rights Act 1998.



The Equality Duty

The Equality Duty has three aims. It requires public bodies to have **due regard** to the need to:

- **eliminate unlawful discrimination**, harassment, victimisation and any other conduct prohibited by the Act;
- **advance equality of opportunity** between people who share a protected characteristic and people who do not share it; and
- **foster good relations** between people who share a protected characteristic and people who do not share it.

Having **due regard** means consciously thinking about the three aims of the Equality Duty as part of the process of decision-making. This means that consideration of equality issues must influence the decisions reached by public bodies – such as in how they act as employers; how they develop, evaluate and review policy; how they design, deliver and evaluate services, and how they commission and procure from others.

Having due regard to the need to **advance equality of opportunity** involves considering the need to:

- remove or minimise disadvantages suffered by people due to their protected characteristics;
- meet the needs of people with protected characteristics; and
- encourage people with protected characteristics to participate in public life or in other activities where their participation is low.

Fostering good relations involves tackling prejudice and promoting understanding between people who share a protected characteristic and others.

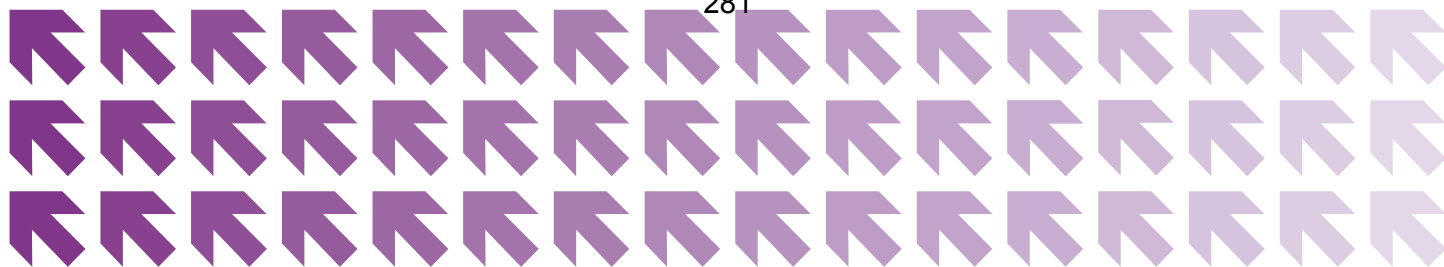
Complying with the Equality Duty may involve treating some people better than others, as far as this is allowed by discrimination law. For example, it may involve making use of an exception or the positive action provisions in order to provide a service in a way which is appropriate for people who share a protected characteristic – such as providing computer training to older people to help them access information and services.

Taking account of disabled people's disabilities

The Equality Duty also explicitly recognises that disabled people's needs may be different from those of non-disabled people. Public bodies should therefore take account of disabled people's impairments when making decisions about policies or services. This might mean making reasonable adjustments or treating disabled people better than non-disabled people in order to meet their needs.

Example

A university might decide to provide car parking spaces for disabled students so that those who cannot use public transport because of their impairment have equality of opportunity in access to courses. Although non-disabled students might also want a parking space, they will not suffer the same degree of disadvantage without one.



Implementing the Equality Duty

Public bodies need to consciously think about the three aims of the Equality Duty as part of the process of decision-making. The Equality Duty will be one of a number of factors that need to be considered. The weight given to the Equality Duty, compared to the other factors, will depend on how much that function affects discrimination, equality of opportunity and good relations and the extent of any disadvantage that needs to be addressed.

The following principles, drawn from case law, explain what is essential in order for the Equality Duty to be fulfilled. Public bodies should ensure:

Knowledge – those who exercise the public body's functions need to be aware of the requirements of the Equality Duty. Compliance with the Equality Duty involves a conscious approach and state of mind.

Timeliness – the Equality Duty must be complied with before and at the time that a particular policy is under consideration or decision is taken – that is, in the development of policy options, and in making a final decision. A public body cannot satisfy the Equality Duty by justifying a decision after it has been taken.

Real consideration – consideration of the three aims of the Equality Duty must form an integral part of the decision-making process. The Equality Duty is not a matter of box-ticking; it must be exercised in substance, with rigour and with an open mind in such a way that it influences the final decision.

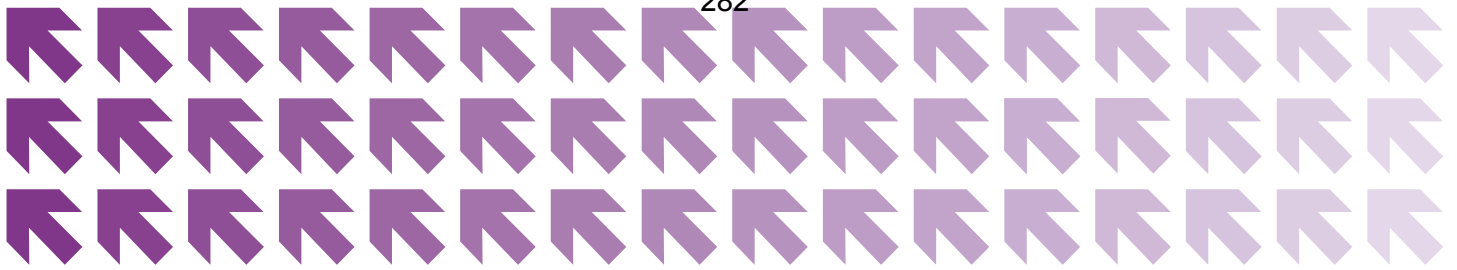
Sufficient information – the decision maker must consider what information he or she has and what further information may be needed in order to give proper consideration to the Equality Duty.

No delegation – public bodies are responsible for ensuring that any third parties which exercise functions on their behalf are capable of complying with the Equality Duty, are required to comply with it, and that they do so in practice. It is a duty that cannot be delegated.

Review – public bodies must have regard to the aims of the Equality Duty not only when a policy is developed and decided upon, but also when it is implemented and reviewed. The Equality Duty is a continuing duty.

Demonstrating compliance with the Equality Duty

There is no explicit requirement to refer to the Equality Duty in recording the process of consideration but it is good practice to do so. Keeping a record of how decisions were reached will help public bodies demonstrate that they considered the aims of the Equality Duty.

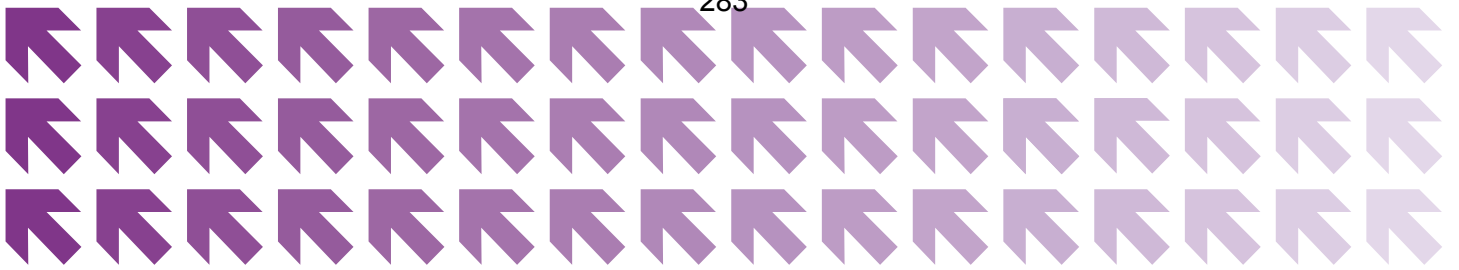


Who needs to be involved?

It is important for people throughout public bodies to be aware of the Equality Duty.

These include:

- Board members – in how they set strategic direction, review performance and ensure good governance of the organisation.
- Senior managers – in how they oversee the design, delivery, quality and effectiveness of the organisation's functions.
- Equality and diversity staff – in how they raise awareness and build capacity about the Equality Duty within the organisation and how they support staff to deliver on their responsibilities.
- Human resources staff – in how they build equality considerations in employment policies and procedures.
- Policy makers – in how they build equality considerations in all stages of the policy making process including review and evaluation.
- Communications staff – in how they ensure equality information is available and accessible.
- Analysts – in how they support the organisation to understand the effect of its policies and practices on equality.
- Front line staff – in how they use equality considerations in the delivery of services to the public.
- Procurement and commissioning staff – in how they build equality considerations in the organisation's relationships with suppliers.



The Equality Duty in practice

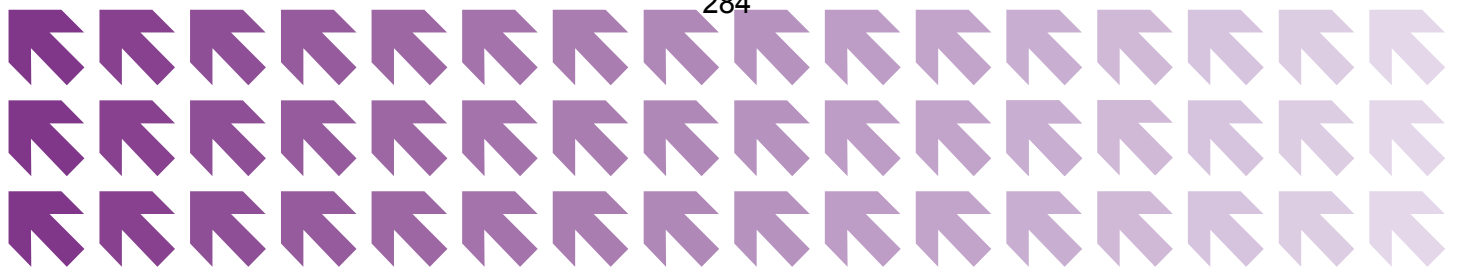
The Equality Duty ensures that public bodies consider the needs of all individuals in their day to day work. The following examples show how the Equality Duty could help public bodies contribute to making society fairer by tackling discrimination and providing equality of opportunity for all.

Example

A police authority, when reviewing its policy on hate crime, finds that 68% of all hate crime reported is described as being homophobic. The police authority takes account of the extremely high occurrence of hate crime on the local LGB population in drawing up and implementing its new policy addressing hate crime.

Example

When reviewing the services it provides, a public transport service provider finds that Sunday services are often used by people going to religious services. Reducing the Sunday service would therefore affect the ability of people belonging to certain religious groups to attend those services. The transport service provider considers this evidence along with any other relevant factors, such as the cost of providing the service, when arriving at its conclusions following the review.



Common misunderstandings about the Equality Duty

Under the previous public sector equality duties (for race, disability and gender), public bodies sometimes took unnecessary, inappropriate, disproportionate or counter-productive action in the name of equality.

The new Equality Duty should be applied in such a way as to reverse the overly-bureaucratic and burdensome approach often used under the previous duties, so that the focus is on performance, not process.

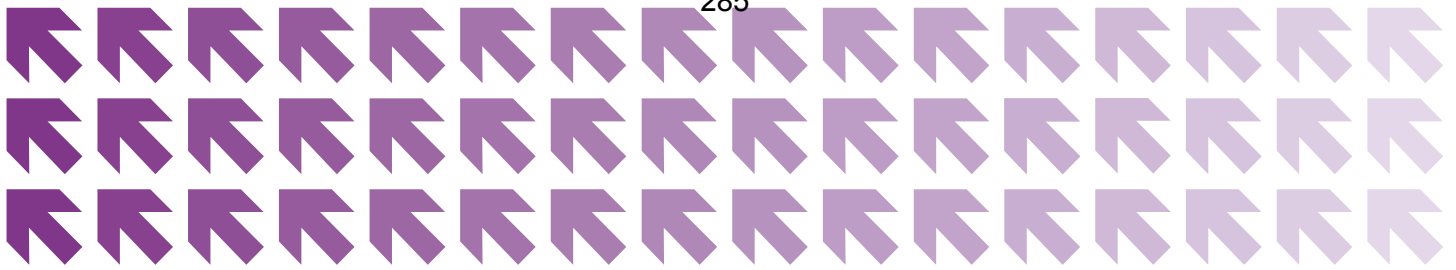
X **The Equality Duty does not impose a legal requirement to conduct an Equality Impact Assessment².** Nor is there any practical need to conduct one. Compliance with the Equality Duty involves consciously thinking about the three aims of the Equality Duty as part of the process of decision-making. That will entail understanding the potential effects of the organisation's activities on different people, but there is no prescribed process for doing this. Keeping a simple record of how decisions were reached will help public bodies show how they considered the Equality Duty. Producing an Equality Impact Assessment after a decision has been reached will not achieve compliance with the Equality Duty.

X **The Equality Duty does not mean that public bodies have to examine equality issues where they are not relevant to the matter in hand.** Where it is clear from initial consideration that a policy will not have any effect on equality for any of the protected characteristics, no further analysis or action is necessary. For example, if a public body is conducting a review in relation to an issue which has no implications for equality – such as an evaluation of the effect of coastal pollution on marine life – undertaking a formal consultation or analysis addressing equality issues where it is evident that the Equality Duty is not relevant would be pointless and is not required.

X **The Equality Duty does not require public bodies to take disproportionate action on equality.** Public bodies should take a proportionate approach when complying with the Equality Duty – in practice, this means giving greater consideration to the Equality Duty where a function or policy has the potential to have a substantial effect on discrimination or equality of opportunity for the public or the public body's employees, and less consideration where the potential effect on equality is slight.

For example, a public body might decide to translate a leaflet about a key public service into a few commonly spoken minority languages, in order to ensure people from particular ethnic minority communities have access to the service.

² The specific duties which apply to relevant Welsh public bodies contain a requirement to make arrangements for assessing the likely impact of their activities on their ability to comply with the Equality Duty.



But translating all of its public information into the 300 languages regularly spoken in London would be a disproportionate response to the Equality Duty.

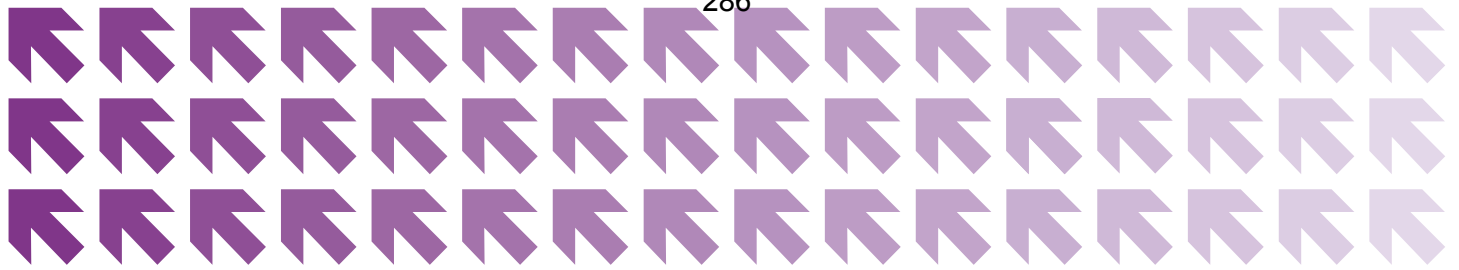
X **The Equality Duty does not require public bodies to treat everyone the same.** Rather, it requires public bodies to think about people's different needs and how these can be met. So the Equality Duty does not prevent public bodies providing women-only services – for example, for female victims of sexual violence or domestic violence. Indeed, such services may be necessary in order to ensure women have access to the services they need.

X **The Equality Duty does not require public bodies to treat all religions as being equal or to treat all religious festivals equally.** For example, a public body displaying a Christmas tree every year in its reception area would not be a breach of the Equality Duty.

X **The Equality Duty does not require public bodies to make services homogeneous or to try to remove or ignore differences between people.** So, for example, it does not mean that a public body must stop providing age-appropriate services for people of different ages, or that it can no longer commission some services to be provided by different faith organisations. Faith organisations are sometimes well-placed to deliver services which meet the particular needs of their community.

Enforcement

The Equality and Human Rights Commission is responsible for assessing compliance with and enforcing the Equality Duty. It has powers to issue compliance notices to public bodies that have failed to comply and can apply to the courts for an order requiring compliance. The Equality Duty can also be enforced by judicial review. This can be done by the Commission or any individual or group of people with an interest.



Specific Duties

Section 153 of the Act gives Ministers powers to impose specific duties on certain public bodies to enable them to perform the Equality Duty more effectively.

A policy review paper outlining draft specific duties for English public bodies and the non-devolved functions of Great Britain wide bodies was published on 17 March 2011. The draft specific duties focus on reducing burdens and bureaucracy on public bodies, moving away from a process-driven approach to a focus on transparency. This will free up public bodies to do what is appropriate in their circumstances, to take responsibility for their own performance, and to be held to account by the public, shifting the approach to give a focus on performance, not process. The policy review paper is available at: <http://www.equalities.gov.uk/pdf/110317%20Public%20sector%20Equality%20Duty%20-%20Policy%20review%20paper.pdf>.

The specific duties applying to relevant Welsh public bodies came into force on 6 April 2011. Further information can be found at www.assemblywales.org. The specific duties applying to relevant Scottish public bodies are currently being considered by the Scottish Government.

Further sources of information

The Equality and Human Rights Commission is the statutory body established to help eliminate discrimination and reduce inequality. It will produce a statutory Code of Practice on the Equality Duty later in 2011, explaining the law in more detail. It will also produce practical guidance on how public bodies can comply with the Equality Duty and achieve good practice:

**www.equalityhumanrights.com
0845 604 6610**

General information about the Government's equality strategy and legislation is available from the Government Equalities Office at:

**www.equalities.gov.uk
0303 444 1204**

Council

ICT Strategy Update

Action: For information.

Issue: To update Council on progress in implementing the approved ICT Strategic Development Programme, and provide an outline of the process to be followed for the next phase of the programme.

Core regulatory function: Supporting functions.

Corporate objectives: Corporate Objective 1: 'We will safeguard the public's health and wellbeing by keeping an accessible, accurate register of all nurses and midwives who are required to demonstrate that they continue to be fit to practise'

Corporate Objective 7: 'We will develop effective policies, efficient services and governance processes that support our staff to fulfil all our functions'.

Decision required: None.

Annexes: The following annexes are attached to this paper:

- Annexe One – Strategic Delivery Programme deliverables
- Annexe Two - Technical Glossary
- Annexe Three - Strategic frame work
- Annexe Four - Strategic Programmes
- Annexe Five - Core Applications

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

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Context: Historic Context

- 1 The systems and infrastructure that the NMC currently deploy have evolved since 2003. During this time the business environment has been typified by ever changing business priorities and resource allocations, frequent management changes, and ICT strategies developed but not implemented. As a result many of the NMC's systems have become out of date and operate in business silos limiting reporting capabilities and opportunities to implement efficient working.
- 2 Council approved a Strategic Development programme (SDP) for ICT in September and committed financial resources to the implementation of the Stabilise and Evolve phases of the strategic plan. Council agreed funding of £1.397m in 2012/13 and £1.545m in 2013/14.
- 3 The original SDP deliverables were aligned with the following :
 - 3.1 Stabilise: urgent actions to increase application reliability, upgrade software to the latest supported versions and to remediate urgent security upgrades.
 - 3.2 Evolve: Defining the vision for the future and creation of the long term strategy.
 - 3.3 Transformation: actions originally proposed under this heading will now be phased according to the definitions described in annex 3.
- 4 Since January 2013 we have enhanced senior leadership capacity for the implementation of the SDP as well as tackling business as usual improvements and working across the organisation to determine future business needs, including changes to the registrations database to support registration policy changes, the implementation of the Professional Indemnity Insurance (PII) legislation and additional requirements for our systems regarding data sharing between regulators arising out of the Francis recommendations.
- 5 There are multiple inter-dependencies between ICT and the regulatory parts of the business requiring careful planning to ensure actions are future proofed.
- 6 An update on the Strategic Delivery Programme was presented to and reviewed by the former Finance and IT Committee and by Council in January 2013. This paper provides a further update on delivery of the plan and provides an overview of our current strategic plans and key issues that need to be addressed as we deploy the next phase of the strategy.
- 7 As the principle driver behind the Stabilise stage of the programme is to mitigate identified risk and upgrade key systems to current standards, focus has been on achieving this through effective and timely procurement and securing good value for money. Consideration of benefits to be derived from further investment will be given in later papers and will follow our wider

approach to benefits realisation under the change programme.

**Discussion
and options
appraisal:**

ICT Strategic Development Programme

- 8 The key outcomes of the strategic program are:
- 8.1 to increase organisational efficiency and effectiveness by enabling the delivery of services to enhance decision making, improve operations, and in so doing enhance public protection and public confidence
 - 8.2 to provide an integrated set of systems and platforms on which the key line of business systems can be built to facilitate the NMC's achievement of its business objectives.
 - 8.3 through the delivery of improved systems and processes for the creation, management, storage and retention of information assets, to facilitate the organisation's ability to work collaboratively and deliver consistent, accurate and timely management information.
- 9 The ICT strategy, which was subject to independent review, was based on a three phase program: Stabilise, Evolve and Transform. Progress against the key deliverables in this strategy and any subsequent modifications to scope are described below.

Current Status

- 10 In summary the SDP is delivering the projects identified for Q1 and Q2 2013/2014 (April- September) on time and the remaining programs are on track for the remainder of the year but some changes to scope may be proposed to meet changing business priorities
- 11 The initial Stabilise phase of the plan is well underway and on track for completion within 2013-2014. Annexe 1 sets out progress against the key deliverables under this phase, the original budget approved against each item and the latest forecast spend.
- 12 In addition to work under the SDP the following projects, funded through the ICT revenue budget or central project funds supported by a business case are also currently expected to be delivered during 2013 / 2014:
- 12.1 Upgrades to WISER to support legislative changes for Professional Indemnity Insurance (PII)
 - 12.2 An online registrant portal v1.0 and 2.0
 - 12.3 At least two new releases to enhance CMS
 - 12.4 Changes to the Accredited Provider Database and a release to support the incorporation of Local Supervising Authorities into the

scope of Education and Standards

- 12.5 A toolset for enterprise programme and project management
 - 12.6 Progress in implementing the security improvement plan
 - 12.7 An initial scoping for information sharing between 3rd parties following the Francis report.
 - 12.8 Demonstration of registration and Fitness to Practice data integration and online registration using the upgraded CRM infrastructure
 - 12.9 Initiation of a project to determine business requirements for a long term replacement for the registration database under the Evolve phase of the Strategic plan.
- 13 The framework for our long term strategic plan can be found in Annexe 4

Defining the vision

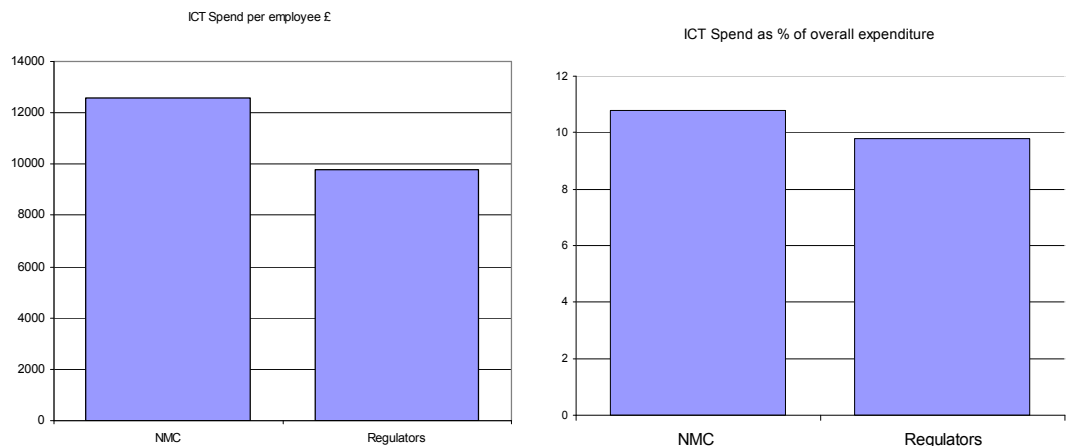
- 14 ICT are working closely with the PMO to ensure that ICT strategy is aligned with the business vision that is being developed under the Shaping the Future programme.
- 15 During June 2013 meetings were held with Directors to agree a high level programme of work which will form the basis of our ICT strategy for 2013-2016. The programs can be found in Annexe Four and are categorised as one of the following :
 - 15.1 **Application roadmaps** : Work for the next 12-18 months to ensure our core applications are maintained and enhancements in line with the corporate plan are implemented
 - 15.2 **Enhancements** : Deliverables for the next 12-24 months aligned with specific outcomes in the corporate plan either introducing new ICT capabilities or enhancing existing ones
 - 15.3 **Strategic Enablers** : Deliverables for the next 12-36 months which will form the core of our strategic plan to deliver new capabilities and systems for our core business functions and allow us to decommission legacy systems

Non Strategic ICT service provision

- 16 Whilst the ICT change programme has a high organisational focus, there are also operational performance issues to address to ensure that our service is fully enabling the business. The most significant issues for the business from day to day ICT support are performance issues with core systems and lack of automation for many ICT functions. The improvement work being undertaken to address these shortfalls comprises of a review of our core servers, network and storage technology and the implementation

of a toolset to automate key functions which will be completed by end 2013.

- 17 The ICT operational budget for 2013/2014 is £4.3m, £0.3m for operational capital projects and £2.6m for the Strategic Development Programme. No formal benchmarking work has been conducted recently but comparisons based on Healthcare industry data were provided by KPMG in 2012 and some data has been provided by other regulators.
- 18 The primary benchmarks used in public sector and not for profit organisations are:



- 19 The current NMC costs are increased above this level by the strategic spend of £2.6m in 2013/2014, representing a one-off investment.
- 20 A key outcome of the ICT Strategy for 2013-2016 will be to simplify our ICT infrastructure and reduce our operational budget to ensure we are comparable with the best regulators,
- 21 It should be noted however that benchmarks must be carefully chosen and a range of benchmarks considered as a whole will be required. For example some of the most effective organisations have the highest ICT spend as a % of total expenditure as ICT has been used to reduce expenditure in other operational areas. This will be a matter for strategic discussion at a later date.
- 22 Applications – a list of our major applications and the corporate objectives they support is shown in annexe 5.

Strategic Considerations

- 23 The following areas require consideration as part of the strategic development that will form the Transformation phase of the strategy.
- 23.1 Data – what we store, quality standards and how we use it
- 23.2 Capturing/sharing risk and intelligence data

- 23.3 Increasing value for money and reducing cost of ownership
- 23.4 Ensuring ICT can respond quickly to business demands
- 23.5 Cloud Computing
- 24 These topics will be covered in detail in the October 2013 ICT Strategy.
- Public protection implications:** 25 The implementation of the IT Strategy will improve the organisation's capability to meet its corporate objectives by delivering modern integrated business applications to our Registration and FTP business. The new applications will also support new initiatives such as our internal Risk and Intelligence capabilities and sharing information with other regulators.
- Resource implications:** 26 The budget and forecast for Operational ICT and the SDP is set out in this paper. Operational resource requirements are included in the 2013-14 budget and business plan.
- Equality and diversity implications:** 27 An EQIA is not required in relation to this paper but accessibility will be factored into all new ICT developments.
- Stakeholder engagement:** 28 We will be consulting extensively with internal stakeholders during all phases of the programme but the deliverables of "Defining the vision" will be signed off by senior business representatives.
- Risk implications:** 29 There are a number of risks which should be considered on an ongoing basis when reviewing plans.
- 29.1 Plans are dependant on a clear stable business vision for the future. A number of ICT initiatives in the past have been stopped as business vision shifted.
- 29.2 The organisation needs to balance short term changes to WISER with the long term elimination of the platform. Although there are no urgent security issues with WISER it is an unsupported platform which does not meet the business needs at present. Eliminating the existing WISER platform is a strategic priority.
- Legal implications:** 30 Data Protection and Software licensing risks need to drive prioritisation of specific items in the work streams.

Annexe 1 – Strategic Delivery Programme

Project	Council approved budget	12/13 Spend	13/14 Spend to date	13/14 planned spend	Estimated total spend	Variance	Notes
Strategic Delivery Programme ICT - SDP001	£0	£50,427	£53,118	£65,621	£169,165	-£169,165	Resources planned spend to be allocated to individual project budgets where appropriate.
Desktop Upgrade - SDP003	£450,000	£19,200	£12,253	£605,164	£636,617	-£186,617	Estimated costs, full view post phase 1 completion. Includes VDI solution. Increase in costs is timing and will be recovered through lower OpEx costs.
IT Audit & CMDB - SDP005	£50,000	£18,828	£17,085	£22,734	£58,647	-£8,647	Overspend due to Programme paying for Microsoft Commercial Benchmarking service in 12/13
Exchange 2010 - SDP007	£400,000	£1,785	£22,815	£375,400	£400,000	£0	Estimated cost, not yet finalised
BI/MI Platform - SDP009	£220,000	£50,400	£4,293	£165,307	£220,000	£0	Estimated cost, not yet finalised
Telephony upgrade - SDP011	£250,000	£0	£190,505	£79,633	£270,138	-£20,138	Overspend due to Kemble phones and Board requested telephony training pack
CMS / WISER integration	£60,000	£0	£0	£60,000	£60,000	£0	Estimated cost, not yet finalised
WISER (.NET migration)	£885,000	£0	£9,545	£490,889	£500,434	£384,566	Estimated cost, not yet finalised
CRM upgrade - SDP015	£75,000	£0	£0	£75,000	£75,000	£0	Estimated cost, not yet finalised
Video Conferencing	£0	£0	£0	£86,124	£86,124	-£86,124	Estimated cost, not yet finalised. Funded via Video Conferencing business Case
TRIM Upgrade - SDP013	£250,000	£0	£2,696	£247,303	£250,000	£0	Estimated cost, not yet finalised
TOTAL	£2,640,000	£140,640	£312,310	£2,273,174	£2,726,124	-£86,124	Overspend funded via Video Conferencing business Case

Annexe 2 - Technical Glossary

- 1 **SDP** – Strategic Delivery Program – a programme of work to implement the Stabilise and Evolve portions of the ICT strategy agreed in 2012.
- 2 **Data Governance** - The discipline embodies a convergence of data quality, data management, data policies, business process management, and risk management surrounding the handling of data in an organisation.
- 3 **ISO27001 certification** - ISO/IEC 27001 formally specifies a management system that is intended to bring information security under explicit management control
- 4 **Virtual Environments** – The capability to operate more than one instance of a computer on a single hardware device allowing multiple business services to run on a single computer.
- 5 **Exchange 2010** - Microsoft Exchange Server is a mail server, calendaring software and contact manager developed by Microsoft. It enables users to securely access communications like e-mail messages, voice mail, instant messages and SMS text messages from their desktops, Web browsers or mobile devices.
- 6 **Virtual desktop infrastructure (VDI)** - The capability to run multiple desktop computer systems from a central pool in a data centre.
- 7 **CRM** - Microsoft Dynamics CRM is a customer relationship management software package developed by Microsoft.
- 8 **Sharepoint** - Microsoft Sharepoint is a Web application platform developed by Microsoft and can be used to provide intranet portals, document & file management, collaboration, social networks, extranets, websites, enterprise search, and business intelligence. It also has system integration, process integration, and workflow automation capabilities.
- 9 **TRIM** - HP TRIM is an Enterprise electronic document and records management system (EDRMS) for physical and electronic information designed to help businesses capture, manage, and secure business information in order to meet governance and regulatory compliance obligations.
- 10 **WISER** - NMC Registration system (Workflow and Imaging System for Effective Regulation).
- 11 **CMS** – NMC Case Management system

- 12 **BYOD** – Bring Your Own Device – term used to describe staff using their own equipment in the office or at home for work purposes. For example using a personal iPad.
- 13 **APD** – Approved Programmes Database – Application used by Education and Standards to monitor institutions and qualifications.
- 14 **OpenAccounts** and **eBIS** – Our Finance package and the workflow engine used for raising and approving purchase orders.

Annexe 3 IT Strategy Update – Strategic Programmes

Application Roadmaps

Name	Description	Primary Business Objective
Projects for Departmental Process review	Small tactical efficiency projects such as moving data from spreadsheets to Sharepoint for Risk Register, Serious events or Contracts Database	Various
HR system upgrades	Existing plan of OpenHR upgrades - Tactical changes for the next 18 months on existing platform to support our staff related objectives	Objective 8
Education and Standard systems	Review ADP and associated IT requirements for Education and Standards including implementation of LSA and new QA regime	Objective 2
Website Review	Website review linked to Corp Gov business plan objective and linked to implementation of Engagement Strategy. Close links to Stakeholder management and Portals programmes	Objective 6
Finance system upgrades	Existing plan of OpenAccounts upgrades - Finance changes for the next 18 months on existing platform, Auto Enrolment etc, eBIS	Objective 7
CMS Roadmap	Tactical changes for the next 18 months on existing platform - including improved links to WISER, enhanced reporting and reducing or eliminating use of spreadsheets	Objective 3
Registration Improvement Phase 1/2	Tactical changes for the next 12+ months on existing platform to meet operational needs such as PII and the early phases of the registrant portal	Objective 1

Programmes to enhance capabilities inline with the corporate plan

Name	Description	Primary Business Objective
Equality and Diversity Refresh	Review existing E&D database and links to WISER, CMS and HR data.	Objective 4
Risk and Security Improvement Plan	Enhance 51 high priority controls as defined by 3rd party audit and review other risk related work such as Disaster Recovery capabilities, Policies and Procedures, Risk Register updates	Objective 7
Business Analysis and Process Modelling capabilities	Allow us to model business processes for continual process improvement linked into our QA strategy and financial modelling by providing suitable tools or resources	Objective 7
ICT Capabilities programme	Review and plan for enhancing Staffing, Tools, IT Governance, Vendor management to ensure ICT can deliver the required business outcomes and deliver fit for purposes ICT	Objective 7
Infrastructure architecture roadmap	Operation roadmap for investment in infrastructure and associated software, Strategic expansions in capabilities such as campus wide Wi-Fi capabilities, Videoconferencing and server consolidation project and Data Centre strategy	Objective 7
Management Information and Analytics	Data warehouse and associated reporting and presentation tools for all business data. Enabling corporate / directorate dashboards and KPI at the push of a button or in real time. Links into Data sharing with 3rd parties. Also to include analytics capabilities.	Objective 7

ICT Improvement Programme

The deliverables in the Strategic improvement plan for upgrades of Desktop, Microsoft Office, Exchange, Sharepoint , TRIM Room bookings

Objective 7

Agile working strategy and mobility

Develop mobile strategy for internal staff including BYOD,tablets for council, Blackberry replacement, Home working and Wireless

Various

Strategic Enablers

Primary Business Objective

Name

Description

Upgrade existing CRM solution to provide the NMC with a single reference point for all external organisations and stakeholders. Customisations required to map data against external references such as CQC, NHS. Scope to include all directorates for stakeholder management, complaints and ensure fit for purpose in for risk and intelligence sharing. Tight links to Data Sharing with 3rd Parties

Stakeholder engagement solution

Objective 5

Online Portals for external Stakeholders

Provide portal(s) to allow existing business processes to take place for external parties - Registrations, Corporate Governance, FTP etc - initial priority online- registration. Strategic enabler for revalidation and reengineering of FTP processes

Objective 1,2,3

Data Governance	Organisational Data model leading to data dictionary and standards linked into Corporate Governance data projects. Cross reference to other regulators and existing NHS / Government standards essential. Organisational Policies	Various
Register Replacement (WISER update)	Project which will eliminate existing WISER infrastructure and provide the basis of our core registrations functions moving forward. Integration between FfP and Registrations processes is a critical deliverable.	Objective 1
Revalidation	Provide ICT solutions to meet the needs of the revalidation project - scope to be agreed	Objective 1
Internal Collaboration	Tools to enable internal collaboration and communication covering email, Intranet, Extranets and additional capabilities such as forums and project spaces etc	Objective 8
External Collaboration	Tools to enable external collaborate and communication covering email, Social Media, Websites , Extranets and additional capabilities such as forums and project spaces. Alignment with CRM and Online / Web programmes as well as Stakeholder engagement strategy	Objective 6 and 5

Data Sharing between 3rd parties and Data Repository

Standard method for exchanging/accessing data about core entities (employers and settings) and risks / complaints and providing the register to appropriate parties such as employers. Also holding core data like populations and complaints on PCTs from HSCIC and other central sources. Once captured this data can be viewed and analysed using the capabilities delivered in the Management Information and Analytics work stream.

Objective 1,2,3

FTP Strategic enablers

Long term plan for CMS replacement and links into Panellists portals and Risk and Intelligence. Section 60 developments and a response to Law Commission review.

Objective 3

Document Management

Long term plan for WISER scanning and TRIM functionality, paperless initiatives

Objective 1,2,3

Annexe 4 IT Strategic Framework Stages

Framework for the long term ICT strategic plan

- 1 Moving forward we will use the following terms to phase these deliverables as part of the publication of a long term strategic ICT plan:
 - 1.1 **Application Roadmaps:** *Changes to existing systems that are required to meet legal or business requirements in the immediate future.*
 - 1.2 **Building the foundations:** *Significant pieces of work can take place as part of the SDP to prepare for the next phases including delivery of management information capabilities and a proof of concept CRM implementation. **2013 Deliverable.***
 - 1.3 **Defining the vision:** *A significant piece of work is required to understand and document our fundamental business processes and how they will evolve over the next 2-5 years as we become an efficient and modern regulator. Part of the Shaping the Future programme of work. **2013 Deliverable.***
 - 1.5 **Delivering the vision:** *The significant development work proposed in the SDP which will provide a broad range of ICT services and capabilities to support the business vision and ultimately enable us to decommission the current registrations database. **Timescales 2013-2016***
 - 1.6 **Complete the Transformation:** *The final steps to decommission our legacy systems and move all business processes onto the new platforms. **Timescales 2014-2016.***
 - 1.7 **Enhancements:** *In parallel with the strategic transformational work there will also be business demand competing for investment to mitigate risk and improve operational ICT services.*

Annexe 5 IT Strategic Framework Stages

Objective	WISER	CMS	Open Accounts	OpenHR	APD	Facilities	Reporting Services	Website	Intranet	CRM
1 We will safeguard the public's health and wellbeing by keeping an accessible accurate register of all nurses and midwives	■		■				■	■		
2 We will set appropriate standards of education and practice and assure the quality of education programmes	■			■			■	■		■
3 We will take swift and fair action to deal with individuals whose integrity or ability to provide safe care is questioned	■	■					■	■		
4 We will improve our understanding and use of diversity data, embedding equalities good practice, so that we are inclusive and treat people fairly..	■	■		■			■	■		■
5 We will maintain open and effective regulatory relationships with patients and the public, other regulators, employers and the professions	■	■					■	■		■
6 We will develop and maintain constructive and responsive communications so that people are well informed								■		■
7 We will develop effective policies, efficient services and governance processes that support our staff to fulfil all our functions.			■	■		■	■		■	
8 We will build a culture of excellence by attracting, retaining and developing high quality staff to deliver our services.				■				■	■	

Council

Corporate complaints report

Action: For information.

Issue: Complaints about NMC's services between April and June 2013, the report on complaints received in 2012/2013 and an update on the review of the approach to corporate complaints handling.

Core regulatory function: Supporting functions.

Corporate objectives: Corporate objective 6: "We will develop and maintain constructive and responsive communications so that people are well informed about the standards of care they should expect from nurses and midwives, and the role of the NMC when standards are not met."

Decision required: The Council is recommended to:

- note the complaints report for April to June 2013 (paragraph 9)
- note the complaints report for 2012 – 2013 (paragraph 15)
- note that an update on the future approach to the handling of corporate complaints will be reported in September 2013 (paragraph 19).

Annexes: The following annexe is attached to this paper:

- Annexe 1: Complaints handling statistics (April to June 2013)
- Annexe 2: Complaints report for 2012/2013

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

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- Context:**
- 1 The complaints handling process was introduced in April 2009. The process is managed by the complaints manager in the Office of the Chair and the Chief Executive (OCCE).
 - 2 The corporate complaints process encompasses feedback about our administration and processes but does not address the outcome of our fitness to practise work.
 - 3 Since July 2009, the senior management team has received regular information on complaints. Since January 2012, directors have considered information on a monthly basis. Directors receive details of each complaint and the assessment of the outcome.
 - 4 Since July 2011, complaints information has been considered by Council on a quarterly basis.

Discussion and options appraisal:

Corporate complaints statistics (April to June 2013)

- 5 FtP and Registrations accounted for 85 of the 90 complaints received in this quarter. Of these complaints, 29 complaints were upheld or partially upheld. More detailed information on the categorisation of complaints is included in annexe 1 to the paper.
- 6 The period covered by this report is notable for the number of complaints relating to delays with the processing of registration applications following the pause on the processing of overseas applications between March and April 2013.
- 7 Complaints about FtP focus on three main areas: delays, lack of information and unhappiness with FtP committee decisions.
- 8 Within the reporting period, 95 percent of complaints were responded to within the current customer service guidelines of 20 working days. The target figure is 100 percent.
- 9 **Recommendation: The Council is recommended to note the complaints report for April to June 2013.**

Complaints report for 2012/2013

- 10 The year 2012 – 2013 saw a significant increase in the total number of complaints considered under the corporate procedure in 2012/2013 when compared with 2011/2012. The total number of 401 complaints in 2012 – 2013 compares with 298 received in 2011 – 2012.
- 11 Issues relating to fitness to practise and registrations made up 95 percent of the total number of complaints received.
- 12 The top three most recurring main issues that are raised relate to

complaints about the quality/lack of information or communication, which account for 16 percent of all complaints received. Delays, which account for 11 percent of all complaints received, and dissatisfaction with the FtP hearing process, which accounts for nine percent of all complaints received.

- 13 In 2012/2013, 96 percent of complainants received a formal response within 20 working days.
- 14 A detailed breakdown of the complaints handled in the last year appears at annexe 2 to the report.
- 15 Recommendation: The Council is recommended to note the complaints report for 2012 – 2013.**

Reviewing the approach to complaints

- 16 The April 2013 council paper on corporate complaints (NMC/13/81) outlined the ongoing work to review the complaints handling process. The review was prompted, in part, by comments in the CHRE strategic review in July 2012 on the need for improvement in the NMC's customer service, the increased volume of complaints being handled by the OCCE and the need to ensure that the NMC improves its approach to capturing and acting on the learning from complaints.
- 17 Since the strategic review's publication, the Francis Inquiry Report commented on the importance of effective complaints handling. Additionally, the Parliamentary and Health Service Ombudsman (PHSO)¹ and Nesta, a charity which promotes innovation,² have produced reports on how organisations can promote the learning from complaints and use them as a basis for service improvement.
- 18 At the first executive board meeting scheduled for the end of July 2013, the board will discuss a revised approach to the handling of corporate complaints which will seek to integrate with the feedback from other areas, such as serious event reviews. The review will also consider the future approach to reporting on complaints handling to council to ensure members' visibility of the issues being raised by NMC service users.
- 19 Recommendation: The Council is recommended to note that an update on the future approach to the handling of corporate complaints will be reported in September 2013.**

¹ PHSO, April 2013, *The NHS hospital complaints system. A case for urgent treatment*

² Nesta, April 2013, *Grumbles, Gripes and Grievances – the role of complaints in transforming public services*

- Public protection implications:** 20 This paper has no direct public protection implications. However, members of the public and registrants would expect the NMC to have a robust process in place to dealing with the concerns that are raised about their experience of NMC services.
- Resource implications:** 21 There are no direct resourcing costs contained within the paper other than those that are budgeted for as part of the usual course of business.
- Equality and diversity implications:** 22 An equality assessment impact assessment is planned as part of the review in this area.
- Stakeholder engagement:** 23 NMC stakeholders will receive information about developments in this area, via the usual internal communications channels. Information for external stakeholders on a revised approach to complaints handling will be made available via the NMC website (www.nmc-uk.org)
- Risk implications:** 24 None from this paper.
- Legal implications:** 25 None from this paper.

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Annexe 1

Total number of complaints

- 1 This table shows the total number of complaints received broken down into each complaint stage.

Number of complaints received between: 1 April – 30 June 2013	
Stage 1	2
Stage 2	87
Stage 3	1
Total	90

Main subject areas of complaints

- 2 This table shows the complaints broken down in to the directorates where we have received complaints this quarter.

Reporting Period	Total Complaints	FtP	Registrations	Standards	Corporate Governance	OCCE	Corporate Services
1 – 30 April 2013	40	9	28	1	1	1	0
1 – 31 May 2013	28	13	13	0	0	0	2
1– 30 June 2013	22	10	12	0	0	0	0
Total	90	32	53	1	1	1	2

Main format of complaints

- 3 This table shows the total complaints received broken down in to what format they were received.

Reporting Period	Total Complaints	Letters	Emails	Fax	Verbal
1 – 30 April 2013	40	8	30	0	2
1 – 31 May 2013	28	7	21	0	0
1 – 30 June 2013	22	4	18	0	0
Total	90	19	69	0	2

KPI statistics – percentage of complaints responded to within 20 working days for the period 1 April – 30 June 2012

- 4 This table shows how we have performed against our KPI target SS4 of responding to all complaints within 20 working days (target 100%).

	1 – 30 April 2013	1 – 31 May 2013	1 – 30 June 2013	Total to date
Complaints responded to within the calendar month of:	92% (33/36)*	100% (33/33)*	92% (22/24)*	95% (88/93)*

* This figure reflects that deadlines for some of the responses fell outside of the current reporting quarter.

5 Table of complaints outcomes for responses answered within the period of 1 April – 30 June 2013

Outcome	FtP	Registration	Standards	Corporate Governance	OCCE	Corporate Services	Total*
Accepted	2	4	0	1	0	3	10
Partially accepted	7	16	0	0	0	0	23
Not accepted	22	35	1	1	1	0	60
Total	31	55	1	2	1	3	93*

* This figure reflects that deadlines for some of the responses fell outside of the current reporting quarter.

Complaint themes and outcomes

6 Main areas highlighted in complaints received between 1 April and 30 June 2013

Issue	FtP	Registrations	Standards	Corporate Governance	OCCE	Corporate Services	Total
Accuracy of recorded information		1					1
Confidentiality issues (incl. redaction, publishing charges on	3						3

website)							
Complaints handling	1						1
Delays	5	17		1			23
Dissatisfaction with FtP committee decision	5						5
Dissatisfaction with FtP hearing process	2						2
Dissatisfaction with FtP investigation process	3						3
Education			1				1
Equality & Diversity	1						1
FtP process (referrer)	2						2
FtP process (registrant)	2						2
FtP process (other)	1						1
Loss of information/documentation		8					8
NMC Policy		7			1		8
Quality/lack of/failure to respond to communication/information (oral & written)	5	10					15
Screening closure complaint (FtP)	1						1

Staff performance/behaviour	1						1
Other		10				2	12
Total	32	53	1	1	1	2	90

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Annexe 2

NMC Complaint Statistics for the reporting period: 1 April 2012 – 31 March 2013

Total number of complaints

- 1 This table shows the total number of complaints received broken down into each complaint stage.

Number of complaint received between: 1 April 2012 – 31 March 2013	
Stage 1	14
Stage 2	370
Stage 3	17
Total	401

Main subject areas of complaints

- 2 This table shows the total complaints broken down in to the three areas which receive most complaints

Reporting Period	Total Complaints	FtP	Registration & Standards⁽¹⁾	Corporate Governance⁽²⁾	OCCE	Corporate Services
1 Apr – 30 Jun 2012	98	70	25	1	2	0
1 Jul – 30 Sep 2012	93	58	28	4	3	0
1 Oct – 31 Dec 2012	109	43	65	0	0	1
1 Jan – 31 Mar 2013	101	51	42	6	0	2
Total	401	222	160	11	5	3

(1) Includes the directorates of Education and Policy & Standards preceding the NMC restructure from 1 September 2012.

(2) Includes the directorates of Communications and Records & Archives preceding the NMC restructure from 1 September 2012.

Main format of complaints

- 3 This table shows the total complaints received broken down in to what format they were received.

Reporting Period	Total Complaints	Letters	Emails	Fax	Verbal
1 Apr – 30 Jun 2012	98	42	54	2	0
1 Jul – 30 Sep 2012	93	24	68	0	1
1 Oct – 31 Dec 2012	109	24	83	1	1
1 Jan – 31 Mar 2013	101	27	71	2	1
Total	401	117	276	5	3

KPI statistics – percentage of complaints responded to within 20 working days for the period 1 April 2012 – 31 Mar 2013 (target 100%)

- 4 This table shows how we have performed against our KPI target SS4 of responding to all complaints within 20 working days.

	1 Apr – 30 Jun 2012	1 Jul – 30 Sep 2012	1 Oct – 31 Dec 2012	1 Jan – 31 Mar 2013	Total to date
Percentage of complaints responded to within 20 working days	98%	95%	93%	98%	96%

Complaint themes

5 Main areas of complaint for complaints received between 1 April 2012 and 31 March 2013.

Issue	FtP	Registration & Standards	OCCE	Corporate Governance	Corporate Services	Total
Accuracy of recorded information	4	7				11
Case paper issues including service of documents	4					4
Confidentiality issues	18					18
Complaints handling	8	1				9
Concern about external solicitors investigation	3					3
Delays	13	33				46
Dissatisfaction with FtP committee decision	34					34
Dissatisfaction with FtP hearing process	37					37
Dissatisfaction with FtP investigation process	25					25
Fees**		3	2	3		8
FtP process (referrer)	7					7
FtP process (registrant)	6					6
FtP process (other)	13					13

Loss of information/documentation	2	20				22
NMC Policy	1	7		3		11
Quality/lack of/failure to respond to communication/information (oral & written)	13	51				64
Screening closure complaint	12					12
Staff performance/behaviour	6	3	2			11
Other	16	35	1	5	3	60
Total	222	160	5	11	3	401

** This report does not include comments received in the fee rise comments email inbox.

Council Schedule of Business July – September 2013

Standing items

- Minutes and matters arising
- Chair's report (including actions)
- Francis report
- Risk register
- Chief Executive's report
- Financial report
- Committee reports
- Schedule of business
- Questions from observers

Thursday 18 July 2013

- Performance and risk report
- Annual reports
 - Fitness to Practise annual report (for decision)
 - Annual report and accounts (for decision)
 - Equality and Diversity annual report (for information)
- Response to Francis report (for decision)
- Strategic engagement
 - PSA performance report response (for decision)
 - Health Select Committee report: stock take (for discussion)
- Corporate matters
 - ICT Strategy (for information)
 - Revised corporate complaints processes (for information)
- Governance review
 - Scheme of delegation
 - Committee terms of reference

Thursday 12 September 2013

- Pay and grading review
- NMC model for revalidation (for decision)
- Approach to development of standards (for discussion)
- Fitness to Practise matters
 - Appointment of FtP Panel members (for decision)
 - Voluntary removal during Fitness to Practise investigations (for information)
 - FtP thresholds (for discussion)

Thursday 21 November 2013

- Strategic engagement plan (for decision)
- Education strategy (for decision)
- Subsidiary fees (for decision)
- PSA audit of FtP cases (for discussion)
- LSA annual report (for decision)

Council schedule - 2014

Meetings/Events	Date	Time	Room
Council Seminar	28 January 2014	2.00pm - 5.30pm	Council Chamber
Council	29 January 2014	9.30am - 3.00pm	Council Chamber
Council Seminar	25 March 2014	2.00pm - 5.30pm	Council Chamber
Council	26 March 2014	9.30am - 3.00pm	Council Chamber
Council Seminar	27 May 2013	2.00pm - 5.30pm	TBC
Council	28 May 2013	9.30am - 3.00pm	TBC
Council Seminar	29 July 2014	2.00pm - 5.30pm	Council Chamber
Council	30 July 2014	9.30am - 3.00pm	Council Chamber
Council Seminar	23 September 2014	2.00pm - 5.30pm	Council Chamber
Council	24 September 2014	9.30am - 3.00pm	Council Chamber
Council Seminar	25 November 2014	2.00pm - 5.30pm	Council Chamber
Council	26 November 2014	9.30am - 3.00pm	Council Chamber

The Council is asked to note that, consistent with the NMC's four-country remit, one meeting of the Council per calendar year will take place outside of London.

It is proposed that the meeting scheduled for 27 / 28 May 2014 take place outside of London.

Meeting of the NMC Council

to be held from 09:30 to 14:30 on Thursday 18 July 2013
in the Council Chambers at 23 Portland Place, London W1B 1PZ

Agenda

Mark Addison CB
Chair of the Council

Matthew McClelland,
Secretary to the Council

- | | | | |
|------------------------------------|---|------------|--------------|
| 1 | Welcome from the Chair | NMC/13/115 | 09:30 |
| 2 | Apologies for absence | NMC/13/116 | |
| 3 | Declarations of interest | NMC/13/117 | |
| 4 | Minutes of previous meetings | NMC/13/118 | |
| | Minutes of the public session of the Council held on
20 June 2013 | | |
| 5 | Summary of actions | NMC/13/119 | |
| | An action list detailing matters arising from the
minutes of the public session of the Council held on
20 June 2013 and outstanding actions from previous
meetings | | |
| Corporate reporting | | | |
| 6 | Performance and risk report | NMC/13/120 | 09:45 |
| | Chief Executive and Registrar | | |
| Annual reports for decision | | | |
| 7 | Annual report and accounts | NMC/13/121 | 10:15 |
| | Director of Corporate Governance | | |

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| 8 | Annual Fitness to Practise Report 2012-13 | NMC/13/122 | 10:30 |
| | Director of Corporate Governance | | |

Strategic matters

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| 9 | Francis report – update and draft NMC response for approval | NMC/13/123 | 10:45 |
| | Chief Executive and Registrar | | |

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| 10 | Health Select Committee report: stock take | NMC/13/124 | 11:15 |
| | Chief Executive and Registrar | | |
| | <i>The Council will receive a presentation on this item.</i> | | |

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| 11 | PSA performance review report 2012-13 | NMC/13/125 | 11:30 |
| | Director of Corporate Governance | | |

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| 12 | Governance review | NMC/13/127 | 12:00 |
| | Director of Corporate Governance | | |

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| | Questions from observers | NMC/13/126 | 12:30 |
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LUNCH: 12:45 – 13.45

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.

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| 13 | Chair's report | NMC/13/128 | |
| | Chair of the Council | | |

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| 14 | Chair's action taken since the last meeting of the Council | NMC/13/129 | |
| | Chair of the Council | | |

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| 15 | Chief Executive's report
Chief Executive and Registrar | NMC/13/130 |
| 16 | Financial monitoring
Director of Corporate Services | NMC/13/131 |
| 17 | Report from Committees to Council
Audit Committee: to include updates on QA strategy and development of business assurance framework
Chair of Audit Committee | NMC/13/132 |
| 18 | Equality and diversity annual report
Director of Corporate Governance | NMC/13/133 |
| 19 | ICT strategy update
Director of Corporate Services | NMC/13/134 |
| 20 | Corporate complaints report
Chief Executive and Registrar | NMC/13/135 |
| 21 | Schedule of business
Director of Corporate Governance | NMC/13/136 |

The next public session of Council is scheduled to be held on Thursday 12 September 2013 at 9.30am at 23 Portland Place, London, W1B 1PZ.