

## Meeting of the NMC Council

to be held at 09:30 on Wednesday 25 March 2015  
in the Council Chamber at 23 Portland Place, London W1B 1PZ

### Agenda

Dame Janet Finch  
Chair of the Council

Fionnuala Gill  
Secretary to the Council

### Preliminary items

- |   |  |           |       |
|---|--|-----------|-------|
| 1 | <b>Welcome from the Chair</b><br><br>Chair       | NMC/15/17 | 09:30 |
| 2 | <b>Apologies for absence</b><br><br>Secretary    | NMC/15/18 |       |
| 3 | <b>Declarations of interest</b><br><br>Secretary | NMC/15/19 |       |
| 4 | <b>Minutes of the last meeting</b><br><br>Chair  | NMC/15/20 |       |
| 5 | <b>Summary of actions</b><br><br>Secretary       | NMC/15/21 |       |

### Corporate reporting

- |   |  |           |       |
|---|--|-----------|-------|
| 6 | <b>Chief Executive's report</b><br><br>Chief Executive and Registrar     | NMC/15/22 | 09:35 |
| 7 | <b>Performance and risk report</b><br><br>Chief Executive and Registrar  | NMC/15/23 | 09:50 |
| 8 | <b>Financial monitoring report</b><br><br>Director of Corporate Services | NMC/15/24 | 10:10 |

## Matters for decision

- |  |  |           |       |
|--|--|-----------|-------|
| 9  | <b>NMC Strategy 2015-2020</b>                                    | NMC/15/25 | 10:30 |
|  | Chief Executive and Registrar                                    |           |       |
| 10                                       | <b>Corporate and financial plans 2015 - 16</b>                   | NMC/15/26 | 10:45 |
|  | Chief Executive and Registrar                                    |           |       |
| <b>REFRESHMENT BREAK (11:45 – 12:00)</b> |  |           |       |
| 11                                       | <b>Education and LSA Quality Assurance Annual Report 2013-14</b> | NMC/15/27 | 12:00 |
|  | Director of Continued Practice                                   |           |       |
| 12                                       | <b>Deputy and Assistant Registrars</b>                           | NMC/15/28 | 12:15 |
|  | Director of Fitness to Practice                                  |           |       |

## Matters for discussion

- |    |                                 |           |       |
|----|---------------------------------|-----------|-------|
| 13 | <b>Revalidation update</b>      | NMC/15/29 | 12:30 |
|    | Director of Continued Practice  |           |       |
| 14 | <b>ICT update</b>               | NMC/15/30 | 12:45 |
|    | Director of Corporate Services  |           |       |
| 15 | <b>Shape of Caring review</b>   | NMC/15/31 | 13:00 |
|    | Director of Continued Practice  |           |       |
| 16 | <b>Questions from observers</b> | NMC/15/32 | 13:10 |
|    | Chair                           |           |       |

## Matters for information

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

- |    |  |           |  |
|----|--|-----------|--|
| 17 | <b>Standards development programme 2015-2016</b> | NMC/15/33 |  |
|    | Director of Continued Practice                   |           |  |

18 **Chair's actions taken since the last Council** NMC/15/34

Chair

*No actions have been taken by the Chair on behalf of the Council since the meeting of the Council on 28 January 2015.*

19 **Report of the Audit Committee** NMC/15/35

Chair of the Audit Committee

20 **Report of the Midwifery Committee** NMC/15/36

Chair of the Midwifery Committee

The next public session of the Nursing and Midwifery Council will be held at 9:30am on Thursday 21 May in London.



Meeting of the Council  
Held at 09:30 on 28 January 2015  
at 23 Portland Place, London W1B 1PZ

## Minutes

### Present

#### Members:

Dame Janet Finch	Chair
Maura Devlin	Member
Maureen Morgan	Member
Quinton Quayle	Member
Louise Scull	Member
Carol Shillabeer	Member
Amerdeep Somal	Member
Stephen Thornton	Member
Lorna Tinsley	Member
Dr Anne Wright	Member

#### NMC officers:

Jackie Smith	Chief Executive and Registrar
Jon Billings	Director of Strategy
Katerina Kolyva	Director of Continued Practice
Sarah Page	Director of Fitness to Practise
Mark Smith	Director of Corporate Services
Matthew McClelland	Secretary to the Council
Paul Johnston	Council Services Manager
Emma Westcott (Items NMC/15/01 to NMC/15/07 only)	Assistant Director, Strategy and Communication

The Chair of the Council agreed to revise the order of items on the agenda, following a request by a member of the Council to raise item NMC/15/15 to be for discussion.

The minutes reflect the order in which items were discussed.

## **Minutes**

### **NMC/15/01 Welcome from the Chair**

1. The Chair of the Council welcomed all attendees to the meeting, noting that this was her first meeting in attendance as Chair of the Council.
2. On behalf of the Council, the Chair thanked Elinor Smith, who had stepped down from the Council in December 2014, for her service to the NMC.

### **NMC/15/02 Apologies for absence**

1. Apologies for absence were received from Alison Sansome.

### **NMC/15/03 Declarations of Interest**

1. Louise Scull declared an interest in paper NMC/15/06, "Review of midwifery regulation"; and paper NMC/15/12, "Revalidation update; Provisional standards and guidance for the pilots", by virtue of being the Chair of a NHS Trust which employed registrants.
2. Carol Shillabeer declared an interest in paper NMC/15/06, "Review of midwifery regulation", by virtue of being a Nursing Director at a Trust employing Local Supervising Authority Midwifery Officers.
3. Lorna Tinsley declared an interest in paper NMC/15/06, "Review of midwifery regulation", by virtue of being a registered midwife.
4. The Chair determined that the interests declared were not material and that all members would be permitted to participate in discussion and, on paper NMC/15/06, decision of the item concerned.
5. The Secretary to the Council declared an interest in paper NMC/15/11, "Appointment of Assistant Registrars", by virtue of being a nominee for the Assistant Registrar position. While not a member of the Council, the Secretary's interest was noted.

### **NMC/15/04 Minutes of previous meetings**

1. The minutes of the previous meeting of the Council held on 3 December 2014; and the decision of the Council by correspondence on 11 December 2014; were confirmed as a correct record.

### **NMC/15/05 Summary of actions**

1. The Council received and noted a report on progress in implementing actions from previous meetings of the Council.

**NMC/15/06 Review of midwifery regulation**

1. The Council welcomed Richard Murray and Beccy Baird from the King's Fund, which had been commissioned by the NMC to undertake a review of the current regulatory framework for the midwifery profession.
2. The Council received a presentation from the King's Fund outlining the scope, methodology, conclusions and recommendations arising from the review. The following points were noted:
  - a) The Council had, in considering the report by the Parliamentary and Health Service Ombudsman (PHSO) in January 2014, accepted the PHSO position that the current framework had 'structural flaws' from the perspective of public protection; this had been the starting point for the King's Fund review;
  - b) The methodology employed by the King's Fund in undertaking the review. A range of views had been expressed from partners and stakeholders; the importance that the midwifery profession attached to the role of supervision was noted, although evidence around the impact of supervision in general was weak.
  - c) Recommendations were primarily based on qualitative analysis; this analysis pointed to confusion among stakeholders on the clarity of responsibilities within the current framework. The King's Fund had also found limited quantitative evidence that the current supervisory framework improved the quality of midwifery fitness to practise cases considered by the NMC.
  - d) The King's Fund recognised the importance that the midwifery profession attached to the supervision function but concluded that the current role of the NMC in statutory supervision was not the role of a professional regulator; and that the NMC had limited powers of intervention under the current framework.
  - e) On the basis of evidence gathered through the review, the King's Fund recommended that the additional layer of regulation currently in place for midwives and the extended role for the NMC over supervision should end and that legislation pertaining to the NMC should be revised to reflect this. The King's Fund also recommended that the LSA structure should be removed from statute as it pertained to the NMC; and that the sub-Fitness to Practise process involving additional investigations and sanctions should be removed from statute.

- f) The King's Fund had considered the NMC's primary function of ensuring public protection. However, public protection was not solely a matter for the NMC. The King's Fund had therefore made a number of recommendations for partner organisations, alongside the NMC, in considering the future delivery of supervision arrangements for supporting, developing and leading midwifery.
- g) A number of risks had been identified in association with the recommendations. It would fall to a range of partners, including the NMC, to identify and manage these risks.

3. The Chair of the Council thanked colleagues from the King's Fund for their presentation and invited questions from members of the audience. The following points were noted:

- a) Once introduced, the model of revalidation for nurses and midwives would provide a number of opportunities to ensure that some aspects of supervision, including regular appraisal, would continue.
- b) The NMC recognised its obligation to work with partners, including devolved administrations, to ensure a careful transition.
- c) The expertise and contribution of the Local Supervising Authority Midwifery Officers, as well as the leadership role they played for the profession, was recognised as an important resource for the sector; members of the audience stressed the importance of examining the scope for this expertise and leadership role to be incorporated in any new arrangement.
- d) The King's Fund had not been tasked with expressing a view on patient safety in the current system.
- e) Should the Council agree the recommendations, there would be no immediate change to the current supervision model. The concerns expressed by members of the audience, and the wider midwifery community, on future timeframes and uncertainties arising from any prospective change, were acknowledged and understood. The timeframes for implementation of recommendations were contingent upon parliamentary time for the introduction of legislative change. Any changes to the NMC's standards and guidance would be subject to consultation.

4. The Chair of the Council invited the Chair of the Midwifery Committee to report on the Committee's discussions of 21 January 2015 on the King's Fund report. The Chair of the Midwifery

Committee noted that the Committee had carefully scrutinised the report and considered the advice it wished to offer to the Council. The Committee:

- a) had considered the NMC's primary regulatory function of public protection; and had agreed that the current model was not consonant with the NMC's duty to protect the public;
- b) was satisfied that the King's Fund had engaged with the right stakeholders and explored the right issues, that the methodology employed for the review was appropriate and that the process had been undertaken with integrity. The Committee was satisfied that it had been given sufficient opportunity to understand and interrogate the King's Fund's work;
- c) agreed that the evidence base underpinning the recommendations had been derived on a sound and reliable basis; and, while there was no particular feeling emerging from the profession that supervision should within the NMC's regulatory function, there was concern from the profession that, without statutory force, supervision would cease;
- d) was assured that four-nation considerations had been adequately considered by the King's Fund;
- e) stressed the importance of transition addressing the detail of the current provisions; for example, the intention to practise form (ITP) and protected title.

5. The Committee had wished to emphasise the need for all partners to work collaboratively, both in the short term to support transition arrangements, and in the longer term to effect and implement the changes proposed by the King's Fund. Particular consideration should be given to the value that the profession attaches to supervision.

6. In this context, the Committee:

- a) stressed the need for a robust risk-management approach to be taken to identify the risks associated with change; and to identify and agree mitigations for those risks and who was accountable for managing risks.
- b) noted revalidation as an important context; and the Committee stressed the potential of revalidation requirements to reinforce best practice in professional support and development;
- c) stood ready to continue to advise the Council on progress on transition toward, and implementation of, a new regulatory

framework for the midwifery profession;

- d) noted that this work underlined the urgent need for data improvements.

7. The Chief Executive noted that a wide range of stakeholders had been engaged throughout the review, including the PHSO, the Professional Standards Authority (PSA), the Department of Health and devolved administrations in the other three UK nations, patients, service users, the Public Administration Select Committee, the Health Select Committee, and Chief Nursing Officers in all four nations. Stakeholders had endorsed the King's Fund recommendations; and the Council noted that all Chief Nursing Officers had agreed to play a leadership role in transition.
8. The Chair of the Council invited views from members of the Council. In discussion, the following points were noted:
  - a) The King's Fund review was based both on sound evidence and logic; and clearly articulated the need for removal of supervision from within the NMC's regulatory framework.
  - b) The importance that the midwifery community attached to supervision was understood. It was therefore vitally important that the NMC worked with partners to secure an effective transition.
  - c) Once introduced, a model of revalidation for nurses and midwives provided a natural opportunity for some valued activities to continue for midwives, including reflection, discussions with another midwife and appraisal.
  - d) The NMC would continue to consider the implications of the recommendations for crown dependencies and overseas territories in the UK.
9. **Decision: The Council agreed:**
  - a) **To accept the recommendation of the King's Fund as its position on the future of midwifery regulation;**
  - b) **To call upon the government to provide an urgent opportunity to amend the NMC's legislation accordingly;**
  - c) **To the preparation of amendments to the standards component of the Midwives Rules and Standards for consultation;**
  - d) **To the NMC taking a proactive role in working with partners across the four nations on transitional**

arrangements;

- e) That the development of a model of revalidation for nurses and midwives should consider how some of the components of supervision might be encouraged for all registrants.
- f) To press for early representations on legislative change, either through the draft Law Commission Bill or through section 60 arrangements.
- g) That it would be important to ensure that the NMC continued to take a proactive role in communicating with stakeholders, including the profession and service users, on transitional arrangements.

**NMC/15/07 Report from the Midwifery Committee**

1. The Chair of the Midwifery Committee detailed further discussions held at the Committee meeting on 21 January 2015.
2. The Committee had discussed the provisional standards and guidance for revalidation pilots, which was also on the Council agenda for discussion. The Committee had raised the importance of ongoing communications and engagement with the profession as learning from the pilots was identified; and had noted that the pilots will identify further points on the usability of the documents.
3. The Committee had also discussed draft social media guidance underpinning the Code. The Committee had made a number of detailed comments on the guidance and had noted the intention to provide the guidance in a range of different formats.

**NMC/15/08 Chief Executive's report**

1. The Council discussed the Chief Executive's report on key developments in the external environment, key internal developments and strategic engagement activity.
2. In discussion, the following points were noted:
  - a) Phase 3 of NMC Online had been launched on 15 December 2014. A growing number of registrants were using the system and feedback had been positive.
  - b) The revised Code, agreed by the Council in December 2014, would be published on 29 January 2015 and would become effective from late-March 2015. The revised Code had been awarded a Crystal Mark from the Plain English Campaign.
  - c) The consultation on the future funding model for the PSA had

closed. Concern was expressed that any future model that funded the PSA through contributions from healthcare regulators posed a financial risk to the NMC and meant that the PSA would be funded by registration fees. The Council was concerned by the lack of robust governance arrangements for determining the PSA's budget and the levy. Further information would be shared with the Council on the Department of Health's decision on future funding of the PSA once available.

- d) The NMC would continue to engage with stakeholders on the introduction of the NMC overseas registration test of competence. The test was an important measure in ensuring public protection.
- e) The Council welcomed the forthcoming publication of guidance on the duty of candour, a joint piece of work with the General Medical Council.

<b>Action:</b>	<b>Report to the Council on the DH decision on future funding of the PSA</b>
<b>For:</b>	<b>Chief Executive and Registrar</b>
<b>By:</b>	<b>25 March 2015</b>

**NMC/15/09 Performance and risk report**

1. The Council discussed a report on operating performance and risk, including a summary of performance for the third quarter of 2014 / 15, progress against the NMC's corporate key performance indicators (KPIs) and the corporate risk register.
2. In discussion on the report, the following points were noted:
  - a) NMC Online offered a facility for registrants to use the online system to print a fee and tax receipt for tax relief purposes; the Executive would consider the scope for NMC Online to automatically offer a prompt of this facility to users upon their payment of the annual registration fee. Tax relief entitlements for registrants would be further promoted during communications on the revised Code.
  - b) No specific target had been set for the number of registrants expected to register with NMC Online. Revalidation would only be available through NMC Online - except where reasonable adjustments were required - and take up would therefore increase rapidly.
  - c) There had been an increase in interim order extension applications from 31 in October 2014 to 48 in November 2014, which was attributable primarily to a number of delayed cases. The number was forecast to steadily decrease over future

months.

- d) The Council noted development on the Employer Link Service project, which was designed to build more effective relationships between the NMC and employers. The initial project model would be based on a centrally located service with an outreach capability; as the model developed, the scope for further regional liaison would be carefully examined.

3. In discussion on progress on the Corporate Plan 2014 – 17, the following points were noted:

- a) Quality standards had been agreed in all directorates and were in the process of being implemented. The introduction of a complaints database and 'learning hub', which would serve to derive learning from complaints and quality assurance activity, had been delayed due to ICT and resourcing issues. The Audit Committee would continue to review progress on the implementation of the quality assurance programme and report to the Council.
- b) The NMC was engaging with partners on developments in the healthcare landscape, including the Safe Staffing initiative. The NMC was a member of the senior level programme board that had been initiated at Chief Nursing Officer level to take this initiative forward.

4. In discussion on performance against the NMC's corporate Key Performance Indicators (KPIs), the following points were noted:

- a) KPI 1 (Registrations): Performance varied significantly for those registered in the UK against those registered from overseas. The Council would consider in March 2015, as part of discussions on refreshing the corporate KPIs, whether it was appropriate to reflect performance along these lines in future.
- b) KPI 2 (Interim Orders): Performance in December 2014 had dipped below the cumulative year average but remained about the KPI target.
- c) KPI 3 (Investigations): The year-end average forecast was rated as amber because of a number of older cases - a significant proportion of which had been held up by third party delays - working through the system.
- d) KPI 4 (Adjudications): Performance for December 2014 exceeded the KPI target. The Council welcomed this achievement, and thanked the Director of Fitness to Practise, FtP directorate staff, panel members and legal assessors. The

Executive was confident that performance would continue to remain at or near the target and was developing a target for Fitness to Practise cases completed within 15 months from start to end.

- e) KPI 5 (Available free reserves): Available free reserves at December 2014 were £9.9 million; the full year forecast currently predicted that available free reserves at March 2015 would be £8.7m. The principal full year variances were expected to be in periodic income, and the full release of the contingency had more than offset higher than budgeted spend in a number of areas including Strategy, ICT, FtP and capital expenditure.
- f) KPI 6 (Staff turnover rate): Permanent staff turnover remained above the KPI target and it was unlikely that the year-end target would be achieved. This was attributable, in part, to more robust performance management, including probation processes. While the Executive was of the view that the cultural issues for staff identified by the PSA in 2012 had been successfully managed, there was more to do in respect of staff development opportunities and pay.
- g) The Council noted current performance; and agreed that future reporting set out staff turnover rates in comparator organisations. The Council agreed to receive a proposed Key Performance Indicator and targets, alongside appropriate benchmarking, in March 2015; and agreed that further discussion on staff turnover, pay and reward be scheduled.

- 5. In discussion on the Fitness to Practise dashboard, the Council noted that the increased number of referrals was of concern and would continue to monitor this figure.
- 6. In discussion on the Risk Register, the Council:
  - a) noted that Risk CR12 (ICT business systems) would be refreshed, in terms of scoring and expression of the risk, by the Executive in the near future.
  - b) agreed that, in view of discussions on KPI 6, the Executive reconsider the pre- and post-mitigation scoring on CR9 (Staffing).
- 7. **Decision: Subject to the above considerations, the Council endorsed the corporate risk register.**

**Action: Report to the Council on scope for NMC Online to automatically offer a prompt of tax relief facility to users upon their payment of the annual registration fee**

<b>For:</b>	<b>Director of Registration</b>
<b>By:</b>	<b>25 March 2015</b>
<b>Action:</b>	<b>Provide benchmarking information to the Council on staff turnover in comparator organisations in March 2015; and further discussion on staff turnover, pay and reward be scheduled.</b>
<b>For:</b>	<b>Director of Corporate Services / Secretary</b>
<b>By:</b>	<b>25 March 2015</b>
<b>Action:</b>	<b>Consider revising risk CR9 as per the Council's discussions</b>
<b>For:</b>	<b>Director of Corporate Services</b>
<b>By:</b>	<b>25 March 2015</b>

**NMC/15/10 Financial monitoring report**

1. The Council discussed the report, which set out financial performance information for current and forthcoming reporting periods.
2. In discussion, the Council noted that the NMC had managed the extent to which it was exposed to significant pension liabilities through closure of the Defined Benefit scheme, but that this would continue to be an area that the Executive would monitor closely.
3. The Council noted an overspend in capital expenditure on the fit-out of leased premises at Stratford Place, and that the Executive would identify lessons learnt.

**NMC/15/11 Appointment of Assistant Registrars**

1. The Council considered the report, which sought the Council's approval to appoint two Assistant Registrars to undertake the 'power to review' no case to answer decisions. Such a power would arise if there was reason to believe that a no case to answer decision was materially flawed, if new information came to light or it was considered in the public interest to review the decision.
2. **Decision: The Council agreed the appointment of two Assistant Registrars to consider no case to answer reviews requests:**
  - a) **Lorraine Ladlow, Assistant Director, Adjudication;**
  - b) **Matthew McClelland, Assistant Director, Governance and Planning**

**NMC/15/12 Revalidation update; Provisional standards and guidance for the pilots**

1. The Council discussed the report, which provided an update on the revalidation programme, including the provisional standards and guidance for use in the pilots. The provisional standards and

guidance had been considered by the NMC's Revalidation Strategic Advisory Group and the Midwifery Committee, who had made a number of detailed comments; and would be further revised following feedback through the pilots currently underway.

2. In discussion, the following points were noted:
- a) The NMC would continue to assess system readiness to implement the revalidation model across all four UK nations throughout 2015. There was also a concurrent need to ensure that the NMC was ready to support revalidation once introduced; including the development of robust online systems and identifying contingencies.
  - b) Pilot organisations had been selected to ensure that the model was tested across a range of healthcare provider settings to cater for the various differing requirements of registrants.
  - c) It was important that clear and regular communications with employers and registrants continued on the implications of the introduction of revalidation, including transition arrangements, to assuage any concerns. The Council would receive a report at its March 2015 meeting on proposed transitional arrangements; and on the methodology for evaluating the pilots.
  - d) The NMC's Revalidation Strategic Advisory Group would continue to consider progress on pilots and transition arrangements throughout 2015.

<b>Action:</b>	<b>Report on proposed transitional arrangements relating to the introduction of a model of revalidation for nurses and midwives; and on the methodology for reviewing revalidation pilots</b>
<b>For:</b>	<b>Director of Continued Practice</b>
<b>By:</b>	<b>25 March 2015</b>

**NMC/15/13    ICT update**

1. The Council discussed the report, which set out an update on progress in developing the NMC's ICT capability. The Council noted that a Chief Information Officer (CIO) and Chief Technology Officer (CTO) had been appointed on an interim basis, and were leading on recommendations arising from the KPMG review in 2014. Progress had been made on those recommendations but the Executive recognised that more needed to be done in this area.
2. In discussion, the following points were noted:
- a) The ICT function was core to the NMC and core to the successful delivery of the developing NMC Strategy. It was

recognised that the focus in the short-term should be on stabilising the ICT function but it was important that a longer term vision and capabilities were identified as part of the discussions on the organisational strategy. While the appointment of a CIO and CTO were welcomed by the Council, it was important to ensure that there were appropriate staffing capabilities in place on a permanent basis to ensure long-term, sustainable improvement.

- b) The Council noted that it was difficult to fully scrutinise developments in this area, given the technical nature of discussions. While the internal audit function performed a valuable role in, for example, reviewing contract management in ICT, there was a potential need for further external validation of the longer term strategic proposals for the ICT function. The Executive would consider the most appropriate vehicle through which to deliver this and report to the Council in March 2015.
- c) The Council asked for further information on data cleansing processes and future requirements at the March 2015 meeting.

<b>Action:</b>	<b>Report to the Council on external validation on progress on development of ICT capability; and on data cleansing processes and requirements</b>
<b>For:</b>	<b>Director of Corporate Services</b>
<b>By:</b>	<b>25 March 2015</b>

#### **NMC/15/15 Guidance underpinning the Code**

1. The Council considered the report, which set out the guidance to be issued by the NMC in future to underpin the revised Code and revalidation.
2. The Council noted that, as part of the consultation to inform revisions to the Code, a broad consensus had emerged that the Code should be a comprehensive document and that the numbers of supporting guidance documents should be relatively small. The revised Code took into account those views.
3. Criteria agreed by the Council had been applied as to which pieces of guidance remained necessary to support the revised Code. The Council noted proposals to withdraw certain existing guidance, either as it was provided for under the revised Code or because it was out-of-date. The Council agreed that the Executive consider further whether revised guidance on the care of older people should be published in the future.

#### **NMC/15/14 Questions from observers**



## Council

### Summary of actions

**Action:** For information.

**Issue:** A summary of the progress on completing actions agreed by the meeting of Council held on 28 January 2015 and progress on actions outstanding from previous Council meetings.

**Core regulatory function:** Supporting functions.

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

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

**Annexes:** None.

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

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## Summary of actions outstanding (Council)

### Actions arising from the Council meeting on 28 January 2015

Minute	Action	For	Report back to: Date:	Progress
NMC/15/08	<b>Report to the Council on the DH decision on future funding of the PSA</b>	Chief Executive and Registrar	25 March 2015	An update is provided in the Chief Executive's report (NMC/15/22 (Item 6))
NMC/15/09	<b>Report to the Council on scope for NMC Online to automatically offer a prompt of tax relief facility to users upon their payment of the annual registration fee</b>	Director of Registration	25 March 2015	An update is provided in the Chief Executive's report (NMC/15/22 (Item 6))

NMC/15/09	<b>Report to the Council further benchmarking information on staff turnover in comparator organisations in March 2015; and further discussion on staff turnover, pay and reward be scheduled</b>	Director of Corporate Services/ Secretary	25 March 2015	<p>Benchmarking information is included in the report on progress against our key performance indicators (KPIs) (NMC/15/23, Item 7, Annexe 2)</p> <p>Pay and reward is implicitly covered within budget principles. A further seminar session on staff turnover, pay and reward is scheduled for June 2015, with input from the Remuneration Committee on pay and reward.</p>
NMC/15/09	<b>Consider revising risk CR9 as per Council's discussions</b>	Director of Corporate Services	25 March 2015	<p>CR9 Staffing, has been revised and increased in score from 9 (amber) to 12 (amber): the permanent staff turnover remains above the KPI target and the year-end target is unlikely to be achieved. The impact of a continuing high staff turnover has been reassessed and the impact score has increased from 3 to 4 in both the inherent and post-mitigations scores.</p>

NMC/15/12	<b>Report on proposed transitional arrangements relating to the introduction of a model of revalidation for nurses and midwives; and on the methodology for reviewing revalidation pilots</b>	Director of Continued Practice	25 March 2015	These points are addressed in the revalidation update paper (Item 13, NMC/15/29)
NMC/15/14	<b>Report to the Council on external validation on progress on development of ICT capability; and on data cleansing processes and requirements</b>	Director of Corporate Services	25 March 2015	<p>An update on ICT is included in Item 14, NMC/15/30. Data cleansing processes and requirements are factored into the programme management process and are currently at the scoping stage. A further, more substantive update can be provided at the May 2015 Council.</p> <p>The Council will receive an update in confidential session on the external validation of progress on development of ICT capabilities.</p>

## Council

### Chief Executive's report

**Action:** For information.

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

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

**Corporate objectives:** Corporate objective 4: "We will maintain open and effective regulatory relationships with patients and the public, other regulators, employers, parliamentarians and the professions. This will help us positively influence the behaviour of nurses and midwives to make the care of people their first concern, treat them as individuals, and respect their dignity."

**Decision required:** None.

**Annexes:** None.

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

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**Context:** 1 This is a standing item on the Council agenda and reports on (a) key developments in the external environment; (b) developments internally; (c) key strategic engagement activity. Updates on operating performance – including the strategic development programmes – can be found in the Performance and Risk Report.

**Discussion: Health Select Committee**

2 Following our annual accountability hearing with the Health Select Committee on 13 January 2015, we have now responded in writing to the Committee's additional questions. As there is only a short time before the dissolution of Parliament, we do not now anticipate that a report will be published.

**Professional Standards Authority (PSA) issues**

**Performance review 2014-2015**

3 Our performance review meeting with the PSA (Chief Executive level) took place on 26 February 2015 and we have provided further follow up information as requested by the PSA. We will be required to submit our year end data in early April and should receive a draft of the performance report for comment in mid-April 2015.

**Review of the performance review process**

4 As a result of the meeting with Chairs and Chief Executives in January 2015, the PSA held a further officer level consultation meeting to discuss the proposed changes to the performance review process in mid-February. In addition, the PSA Audit Committee Chair has invited all his counterparts to a meeting in March. The PSA Board is now expected to consider consultation proposals on changes to the process on 18 March 2015, with a formal public consultation to begin shortly after. The PSA still aims to introduce the new approach in autumn 2015.

**Future funding of the PSA: Department of Health consultation**

5 The Department of Health published the outcomes of the consultation on 12 February 2015. Regulations providing for the new funding arrangements are to come into effect on 1 August 2015.

6 The Privy Council is responsible for determining the fee and the amount each regulator must pay based on proposals from the PSA. The required process includes a duty on the PSA to consult with regulators before submitting its proposal for funding to the Privy Council. There will be an opportunity at this stage to raise any concerns about the quantum of the PSA budget and the consequent share that the NMC will have to pay. The proposed budget provisions to be considered by the Council (Agenda Item 10) take

account of the need to meet the costs of the levy.

### **NMC overseas registration test of competence**

- 7 During February 2015 we met with over 20 Trusts and six agencies to brief them on the new test of competence for nurses and midwives who trained outside Europe and to assist in clarification of the new overseas registration process. Other engagement has taken place with NHS Employers.
- 8 As at 5 March 2015, 695 people had sat the multiple-choice, scenario-based examination which is the first part of the test of competence, of whom 408 (59%) passed. A further 276 people have currently booked to take this examination during the remainder of March and April 2015. A small number of applicants have now completed the submission of the evidence and documentation which have been assessed and are being notified that they can move to the OSCE stage.

### **NMC Online**

- 9 Registrants continue to sign up to our online system with 129,995 active accounts (approximately 20% of the register) at 28 February 2015. The survey of online users has been running since late 2014 and we continue to monitor and analyse this on a monthly basis to make appropriate changes or updates based on feedback and learning. We are developing an action plan to promote online take up and we will look at a sensible target as part of that. Our aim is for around two thirds of registrants to be online by the end of the year to support revalidation. We will report further on this in May 2015.
- 10 In January 2015 the Council asked about the scope for NMC Online to automatically offer a prompt regarding the tax relief facility to users upon payment of their registration fee. Currently, information about tax relief is provided in the fees receipt screen. We have reviewed the opportunities to highlight this further and information on tax relief will be added to the payment confirmation emails. We also publicise information about tax relief in a variety of other forms, including in a booklet that we now send to registrants with the renewal and retention pack and through our website.

### **Payment of registration fees by instalments**

- 11 Following legislative provision to enable us to provide a facility for nurses and midwives to pay the fee by instalments, the Executive Board agreed a number of principles to underpin the development of high level policy, which will be subject to the Council's approval in due course.

## **Report into maternity and neonatal services at University Hospitals Morecambe Bay NHS Foundation Trust**

- 12 The Kirkup report into maternity and neonatal services at University Hospitals Morecambe Bay NHS Foundation Trust was published on 3 March 2015. We made submissions to the investigation and gave oral evidence. We also involved the Kirkup team in deliberations over the future of midwifery supervision. The report highlights failings at every level of the health economy from frontline practitioners to the Department of Health. Comments about the NMC focus primarily on the inadequacy of the model and operation of midwifery supervision. The report supported an urgent response to our call for legislative change. The Secretary of State for Health's statement to the House of Commons said that he wanted proposals to be complete by the end of July 2015.
- 13 The report recommended that professional regulators review open or potential fitness to practise cases, and this work is underway. It recommended standards for clinical leaders including nurse directors. The Secretary of State has asked Professor Sir Bruce Keogh, NHS England Medical Director, to review the Codes of the NMC and the General Medical Council (GMC) to see whether coverage of issues such as raising concerns is sufficient. The Chair and the Chief Executive met with Sir Bruce, Niall Dickson and Terence Stephenson from the GMC on 6 March 2015 to discuss how far the respective regulatory codes deal with candour and the reporting of concerns by registrants. We consider that, having just reviewed our Code and developed guidance on candour, we have a good story to tell in this regard.
- 14 Following publication of the report, the Chief Executive undertook interviews with BBC News 24 and Radio 5 Live. In addition, she spoke with *The Times*.

### **Duty of candour**

- 15 We received the final report of the consultation on the joint draft guidance on the professional duty of candour for doctors, nurses and midwives in February 2015. We are now reflecting on the final content of the joint guidance in the light of the recommendations emerging from the publication of the Kirkup report. We now anticipate that the guidance will be published in May 2015. This revised timescale will also enable us to complete the development of case studies with the GMC, which should be ready for publication at the same time.

### **Code review and relevant guidance**

- 16 Following approval of the content by the Council in December 2014 and the attainment of a Plain English crystal mark, the Code was published on 29 January 2015 and will become effective from 31

March 2015. A strategic programme of communications for the Code has been developed in partnership with key stakeholders and is being rolled out. We are sending out a hard copy of the Code to all nurses and midwives on our register. We are also sending out copies to Approved Education Institutions to give to current students. We are working with over 100 influencers to help us raise awareness of the Code and on 18 March we hosted a working dinner with senior colleagues to discuss the Code and its potential to improve standards.

- 17 Guidance to support the Code has been finalised and includes guidance on the use of social media and the refreshed guidance for raising concerns, which has been mapped against the Kirkup findings. These will be published on 31 March 2015.
- 18 The approach we are taking is that any guidance should be relevant to all nurses and midwives (as opposed to any specialism or particular setting) and all patient and public groups (as opposed to a particular patient group).
- 19 The previous guidance on the care of older people is now six years old and consequently no longer reflects a contemporary evidence base. Instead we have sought to address the issues through the Code. We have strengthened the Code so that it now includes greater emphasis on involving patients in decision-making about their care and fundamentals such as hydration, nutrition, patient cleanliness and hygiene. We also contributed to wider guidance on *Priorities of care for the dying person – the duties and responsibilities of health and care staff*. Early feedback on the content of the revised Code in relation to these areas is positive.

### **Whistleblowing**

- 20 We are setting up a programme under the Regulation Board to take forward the development of our approach to whistleblowing in light of a range of recent reports and developments including:
  - 20.1 Freedom to Speak Up Report.
  - 20.2 A forthcoming new statutory obligation on us and other regulators (and others) as 'prescribed persons' to report annually on whistleblowing concerns raised by workers.
  - 20.3 Extension of protection to students under the whistleblowing legislation.
- 21 We have our own internal corporate whistleblowing policy and are, as a signatory to the Public Concern at Work (PCAW) First 100 campaign, working towards the PCAW good practice standard, including strengthening staff training and awareness. We are conscious of the need to ensure consistency between what we say

and what we do.

### **Midwifery issues**

- 22 The quality assurance (QA) review team returned to Guernsey on 24-25 February 2015 to monitor progress against the NHS England South West Local Supervising Authority (LSA) and Guernsey's Health and Social Services Department (HSSD) action plans. High level findings were reported to NHS England South West LSA, Ministers of the States of Guernsey and HSSD. They found that progress against the action plans was in accord with expectations at this stage and that the care was safe but fragile. The third year students returned to practice learning environments in January 2015 and the University of East Anglia continues to monitor the situation. We continue to monitor progress and have recommended that they consolidate their actions into one overarching action plan. This will also enable the actions from the recently published Royal College of Obstetricians and Gynaecologists report to be incorporated appropriately as part of a multidisciplinary programme of change. The Chief Executive has continued to liaise closely with key colleagues, including a visit to Guernsey on 26 and 27 February 2015.
- 23 South East Coast LSA conducted a review in Gibraltar during the week commencing 19 January 2015; we have received assurances that the Director of Nursing is addressing the necessary actions for compliance with our standards. We are working closely with the LSA and monitoring its ongoing findings. We are due to receive its report on 20 March 2015.
- 24 South West LSA reported concerns in Jersey following their annual LSA audit. We are continuing to monitor progress against the action plan and will receive a report by the end of March 2015.

### **Updating the NHS Constitution: Department of Health consultation**

- 25 The Department of Health has consulted on updating the NHS Constitution. The consultation focused on giving greater prominence to mental health, bringing in more of the recommendations made in the Francis Inquiry report and updating the content in line with latest legislation. Our response is available on our website. We have welcomed the proposed changes and highlighted the close synergy and link to our revised Code.

### **Engagement activities**

- 26 On the 3 February 2015 NMC staff attended a joint regulators' parliamentary reception at the Welsh Assembly. During this event we met David Rees AM (Labour), Chair of Health and Social Care Committee and Darren Miller AM (Conservative).

- 27 The Patient and Public Advisory Group, chaired by the Chief Executive, met on 4 February 2015. The meeting focused on co-producing resources for patients and the public about the revised Code. We will also be producing an Easy Read version for people with learning disabilities and a Welsh version. The NMC's education strategic delivery plan was also a discussion item at the meeting.
- 28 A Westminster Hall parliamentary debate on the Council's decision to increase the registration fee, led by Labour MP David Anderson, is scheduled for 23 March 2015. We briefed Mr Anderson and other MPs in advance on Council's rationale for its decision on the fee rise and our desire for legislative change.
- 29 Additionally, we have participated in a number of conferences including:
- 29.1 Nursing and Midwifery Summit – Leadership and Partnership Working hosted by Health Education East Midlands on the 6 February 2015;
  - 29.2 Attracting and retaining your overseas nursing workforce - sharing good practice conference on 4 March 2015;
  - 29.3 Safe Midwife Staffing in Maternity Settings focusing on implementing the new NICE guidance on 10 March 2015;
  - 29.4 Effective Ward Manager conference on 16 March 2015;
  - 29.5 CPHVA Question time event on 18 March 2015; and
  - 29.6 The Queen's Nursing Institute conference on 23 March 2015.

### **Education**

- 30 We completed the five planned listening events for the education strategic delivery plan in February and March 2015 across the UK. Engagement has been good and the feedback will be analysed in order to inform priorities for the education strategic delivery plan. Engagement with students has been positive and there is eagerness to continue to establish enduring ways of engaging with us.
- 31 The Director of Continued Practice sits on the General Medical Council Education and Training Advisory Board. The February 2015 meeting involved discussions on the evidence from the student and trainer surveys and the consultation on the review of education standards for doctors and education institutions.

### **Chief Executive's activity**

- 32 The January 2015 Council decision on the future of midwifery supervision was the main issue discussed when the Chief Executive met Cathy Warwick, Chief Executive, and Louise Silverton, Director

for Midwifery, Royal College of Midwives, on 18 February 2015.

- 33 The introduction of revalidation at the end of 2015 continues to be a focus for the Chief Executive's engagements. Since the last report to Council, she has undertaken the following activity:
- 33.1 Discussions with Eileen Sills, Chief Nurse and Director of Patient Experience, Guy's and St Thomas' NHS Foundation Trust, and Graham Scott, Editor, Nursing Standard, on 30 January 2015.
  - 33.2 A Twitter chat on revalidation organised by Derek Barron, Associate Nurse Director, NHS Ayrshire and Arran, on 12 February 2015.
  - 33.3 Participation in a CPHVA/Unite webinar on 25 February 2015.
  - 33.4 Participation in the Association of UK University Hospitals conference on 5 March 2015. The Chief Executive spoke about the shape of caring review and revalidation.
- 34 In other activity related to progress with revalidation, the Chief Executive attended the NHS England revalidation implementation board meeting on 10 February 2015 and the Nurses Programme Board, chaired by Jane Cummings, Chief Nursing Officer (England) on 11 February 2015. The Chief Executive also met with Jane Cummings for a regular catch-up meeting on 19 February 2015.
- 35 On 12 February 2015, the Chief Executive took part in a teleconference hosted by the GMC on its proposals for a series of events designed to promote medical professionalism. The NMC will participate in a proposed event on doctors working collaboratively with other healthcare professionals. Other participants in the discussion included Professor Clare Marx, President, Royal College of Surgeons of England, and Professor Jane Dacre, President, Royal College of Physicians.
- 36 As part of her engagement with UK Parliamentarians, the Chief Executive held discussions with Rosie Cooper MP on 9 February 2015 and Baroness Audrey Emerton on 18 February 2015.
- 37 The Chief Executive and the Chair met with Niall Dickson, Chief Executive, and Terence Stephenson, Chair, GMC on 10 February 2015 to discuss a range of issues, including the development of the joint guidance on candour.
- 38 On 17 February 2015, the Chief Executive met Peter Blythin, Director of Nursing, and Jacqui McKenna, Deputy Director, Trust Development Agency, to discuss a variety of issues.
- 39 The Chief Executive met Harry Cayton and Niall Dickson to speak

about the Law Commission Bill on 4 February 2015.

- 40 On 13 February 2015, the Chief Executive and the Chair attended the PSA's annual symposium event in London. The theme of the event was 'understanding complaints'.

**Public protection implications:**

- 41 No direct public protection implications.

**Resource implications:**

- 42 No direct resource implications.

**Equality and diversity implications:**

- 43 No direct equality and diversity implications.

**Stakeholder engagement:**

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

**Risk implications:**

- 45 No direct risk implications.

**Legal implications:**

- 46 No direct legal implications.



## Council

### Performance and risk report

**Action:** For discussion.

**Issue:** The report details how we are embedding performance and risk management across the NMC.

**Core regulatory function:** All of our core regulatory functions.

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

**Decision required:** The Council is invited to:

- Discuss the KPI information provided (paragraph 13).
- Discuss the content of the Registration performance dashboard and approve it for inclusion in future Performance and risk reports (paragraph 14).
- Note and discuss the assessment and management of risks on our corporate risk register (paragraph 21).

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

- Annexe 1: Key operational updates
- Annexe 2: Progress against our key performance indicators (KPIs)
- Annexe 3: FtP performance dashboard: Sept-Feb 2015
- Annexe 4: Registration performance dashboard: April-Feb 2015
- Annexe 5: Corporate risk register
- Annexe 6: Risk map of corporate and directorate risks
- Annexe 7: PSA Standards of Good Regulation and map
- Annexe 8: Summary of Francis commitments

**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 the organisation's performance and management of risk, with a focus on updates since the last Council meeting on 28 January 2015.
  - 2 The format of this report has changed slightly. Some of the detail is now presented within the annexes rather than in the main body of the report. We are continuing to review the format, with the aim of streamlining the presentation of information.
  - 3 The updates provided in this report are referenced to Professional Standards Authority (PSA) Standards of Good Regulation and Francis actions where relevant. A copy of the PSA Standards and a summary of our Francis actions are at **Annexes 7 and 8** for reference.

## Performance

### Performance 2014–2015

- 4 This paper provides key operational updates, not found elsewhere on the Council agenda, since the January Council meeting. These updates are at **Annexe 1**.

### Key performance indicators (KPIs)

- 5 The latest information available is for February and this is presented at **Annexe 2**. Supplementary Fitness to Practise (FtP) information is presented at **Annexe 3**. Supplementary Registration information is at **Annexe 4**.
- 6 The Council will receive an end of year summary of KPIs for 2014-2015 at its May 2015 meeting.

## Risk

- 7 Since the January 2015 Council meeting, directorates have continued to review and update their respective risk registers and the corporate risk register was considered by the Executive Board at its meetings in February and March 2015.
- 8 The Risk Scrutiny Group continues to undertake a monthly scrutiny of risk registers and shares the outcomes with directorates.
- 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.

## Discussion: **KPI reporting**

- 10 The KPI report<sup>1</sup> at **Annexe 2** shows mixed performance during February. February forecasts suggest that we will not meet our March targets for KPIs 1 (registrations), 3 (investigations) and 6 (staff turnover).
- 11 A performance dashboard from the Registration directorate is included in this Performance and Risk report to the Council for the first time. The dashboard covers a timeframe of April 2014 to February 2015. It provides a picture of performance in areas of customer service, applications, the call centre, usage of NMC Online and registration appeals.
- 12 It is intended to include the Registration dashboard alongside the registration KPI in future Performance and risk reports, similarly to how the FtP dashboard is currently included.
- 13 **Recommendation: The Council is invited to discuss the KPI information provided.**
- 14 **Recommendation: The Council is invited to discuss the content of the Registration performance dashboard and approve it for inclusion in future Performance and risk reports.**

## **Supplementary Fitness to Practise information**

- 15 We continue to report the number of FtP cases completed within 15 months from start to end in this Performance and risk report. The graph for February 2015 is within **Annexe 1**. This measure is being proposed as a new corporate KPI elsewhere on the Council meeting agenda.
- 16 The FtP performance dashboard is at **Annexe 3**.

## **Corporate risk register**

- 17 The Council will undertake its annual review of corporate risks within the next couple of months. We have been looking at corporate risks as part of our business planning and outcomes will feed into the Council's review. Some of the corporate risks, as currently worded, need revision and this will be picked up as part of this work.
- 18 Since the January 2015 Council meeting, mitigating and planned actions have been updated where relevant. The following corporate risk score has changed:
  - 18.1 CR9 *Staffing*, has increased in score from 9 (amber) to 12

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<sup>1</sup> Relates to PSA Standard Registration 2, which we did not meet; FtP 4, which we met inconsistently and; FtP 6, which we did not meet.

(amber), as the permanent staff turnover remains above the KPI target and the year-end target is unlikely to be achieved. The impact of a continuing high staff turnover has been reassessed and the impact score has increased from 3 to 4 in both the inherent and post-mitigations scores.

- 19 Two new corporate risks have been added to the risk register:
- 19.1 CR14 *Midwifery supervision*; and
- 19.2 CR15 *Effective management of risk intelligence about settings by the NMC, including sharing with others who protect the public.*
- 20 A map of all corporate and directorate risks is presented at **Annexe 6** for consideration. This map shows the distribution of risks across our 5 x 5 matrix and also shows recent changes in risk scoring.
- 21 **Recommendation: The Council is invited to note and discuss the assessment and management of risks on our corporate risk register.**
- Public protection implications:** 22 Public protection implications are considered when reviewing performance and the factors behind poor or good performance, plus also when rating the impact of risks and determining mitigating actions.
- Resource implications:** 23 Internal staff time has been accommodated as business as usual.
- Equality and diversity implications:** 24 Equality and diversity implications are considered when rating the impact of risks and determining action required to mitigate risks.
- Stakeholder engagement:** 25 The corporate risk register, KPI information and performance dashboards are in the public domain.
- Risk implications:** 26 The impact of risks is assessed and rated on the risk register. Future action to mitigate risks is also described.
- Legal implications:** 27 Failure to identify and effectively manage risks potentially exposes the NMC to legal action.



## Key operational updates

### Strategic Development Programmes

- 1 Two Strategic Development Boards have been set up to provide overall management and oversight of development activities and programmes required to deliver the draft strategy:
  - 1.1 The Organisational Effectiveness Board, chaired by the Director of Registration.
  - 1.2 The Regulation Board, chaired by the Director of Strategy.

### Organisational Effectiveness Strategic Development Programme

#### Customer service

- 2 The overarching aim of the customer service excellence project is to ensure that the experience of the people we deal with is as good as possible. We will do this by adopting the Cabinet Office's Customer Service Excellence ® standard across the organisation.
- 3 We have identified customer service champions across the organisation who will ensure the standards are embedded within business areas. During March, April and May 2015 the champions will receive training in the Customer Service Excellence ® standards from a Cabinet Office approved supplier who was selected through a competitive tender process in accordance with our procurement framework. The supplier will also carry out an initial assessment against the standard in July, which will identify areas for improvement. A detailed project plan will then be produced to embed the standards across all areas of the organisation.

#### Witness experience improvement work in Fitness to Practise

- 4 In January 2015, we provided the Council with an overview of witness improvement work in Fitness to Practise (FtP). Since then, we have reviewed data collected via our online witness feedback forms (WFFs) between February 2014 and January 2015 and face-to-face interviews with witnesses to measure the impact of the improvement initiatives.
- 5 In October 2014, our Witness Liaison team (WLT) began piloting a service to provide on-the-day support to the most distressed and vulnerable witnesses, to ensure that on arrival witnesses receive appropriate information regarding what to expect from the hearing, and that they are provided with appropriate updates throughout. Our findings indicate this service has been well received; from October 2014 there was a notable improvement in scores against the WFF question 'did we give you enough information during the hearing?'. Since then over 40 per cent of witnesses completing WFFs have, unprompted, identified the assistance and support they received at the hearing as an area in which we did particularly well. Exclusively positive comments were made in relation to the WLT service at face-to-face interviews with witnesses.

- 6 In November 2014, we started holding hearings at our new centre in Stratford, which has a purpose-built witness waiting room. The current WFF does not specifically ask witnesses to comment on the quality of our facilities, but all witnesses interviewed at Stratford indicated satisfaction in this area. Witnesses giving evidence in Edinburgh were also content with the facilities, but those at the Aldwych hearing centre were less satisfied, largely due to the lack of comfortable seating and the waiting room being windowless. As discussed below, work is underway to address this.
- 7 Our findings suggest that, overall, we are performing adequately in terms of witness care, and a discernable trend of increased customer satisfaction was observed over the period analysed. The feedback also indicates that the period of increased hearings activity in October 2014 did not have a negative impact on witness experience. We have identified areas of good practice and areas for future focus which will be incorporated into the improvement programme. Current areas of activity include:
- 7.1 Weekly review of management information regarding witness attendance and waiting times to inform changes aimed at improving the witness experience.
  - 7.2 Training staff to manage challenging and emotional conversations effectively.
  - 7.3 Reviewing all standard letters sent to witnesses to ensure appropriate information is provided at each stage.
  - 7.4 The WLT piloting additional support to particularly distressed and vulnerable witnesses from first contact by our investigations teams to beyond the conclusion of the hearing.
  - 7.5 Improving our WFF to make it more user-friendly and ensure it covers all relevant feedback areas.
  - 7.6 Moving the witness waiting room at our Aldwych hearing centre to one with a window, and fitting it with more comfortable furniture.
  - 7.7 Working with an external provider to deliver a virtual tour of our Stratford hearing centre; this will be added to our website by September 2015.
- 8 The impact of these initiatives will be assessed in future witness experience reviews, and reported to the Council in due course.

### **Introduction of case examiners**

- 9 Case examiners started in January 2015 and became effective on 9 March. Comprehensive training and induction activities have been provided to ensure that they are fully equipped to exercise their independent decision-making powers.

## Regulation Strategic Development Programme

### The European Directive on Mutual Recognition of Professional Qualifications (MRPQ)

- 10 A full programme structure is now in place to deliver the changes required to comply with the EU Directive on Mutual Recognition of Professional Qualifications (MRPQ).
- 11 The Department of Health (DH) will undertake a public consultation from mid-July 2015 on changes to the NMC Order. The Department for Business, Skills and Innovation will also undertake a consultation on legislation to implement the Directive in early summer.
- 12 We continue to discuss the implementation of the European Professional Card with the European Commission and other regulators.

### Registration<sup>1</sup>

- 13 In January and February the Registration centre received 88,172 calls. The top five call types for February were:
  - 13.1 EU nurse enquiry
  - 13.2 Annual retention payment
  - 13.3 Annual retention enquiry
  - 13.4 Address change
  - 13.5 Overseas nurse enquiry.
- 14 In January and February 2015, 1,528 UK, 1,212 EU and 466 overseas applicants were registered. EU applications received from Spain, Italy, Romania and Portugal remained consistently high.
- 15 In January and February 2015, 13 registration appeals were heard, all of which were completed within six months of the appeals being lodged.

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<sup>1</sup> Relates to PSA Standards Registration 2 and 3, which we did not meet.

## Fitness to Practise<sup>2</sup>

### High Court appeal activity January and February 2015

16 Appeals received and determined:

Appeals since last report	Number
Judicial review by the originator of the case	1
Professional Standards Authority appeal	3
Appeal by registered nurse or midwife	5
<b>Total appeals since last report</b>	<b>9</b>

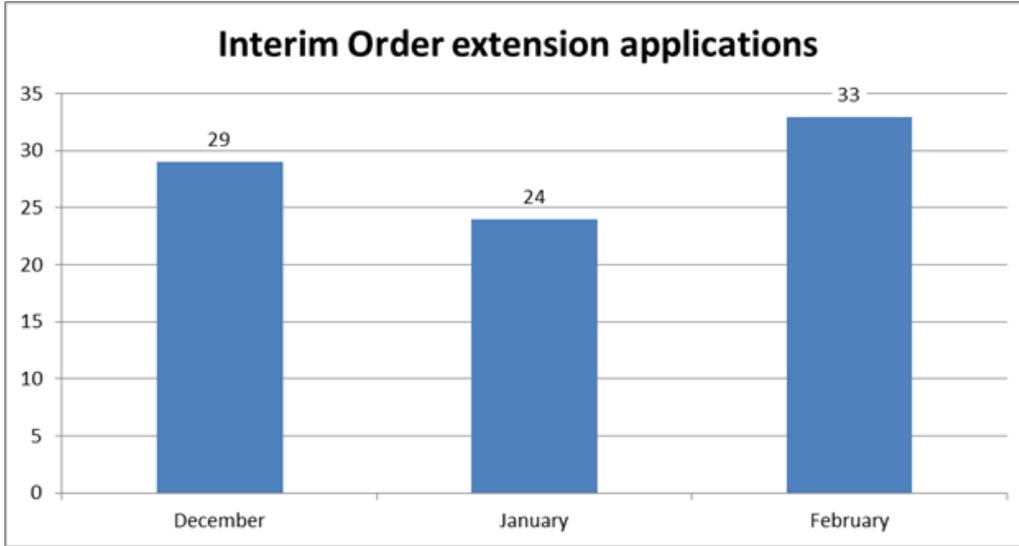
Outcomes of appeals January and February 2015	Number
Remitted back to practice committee to reconsider	5
Judgment pending	0
New sanction imposed/agreed	0
Upheld NMC decision	6
Other agreement	0
<b>Total</b>	<b>11</b>

Current caseload March 2015	Number
Judicial review by the originator of the case	1
Professional Standards Authority appeal	2
Appeal by registered nurse or midwife	23
<b>Total</b>	<b>26</b>

<sup>2</sup> Relates to PSA Standards FtP 6, 7 and 8, which we did not meet.

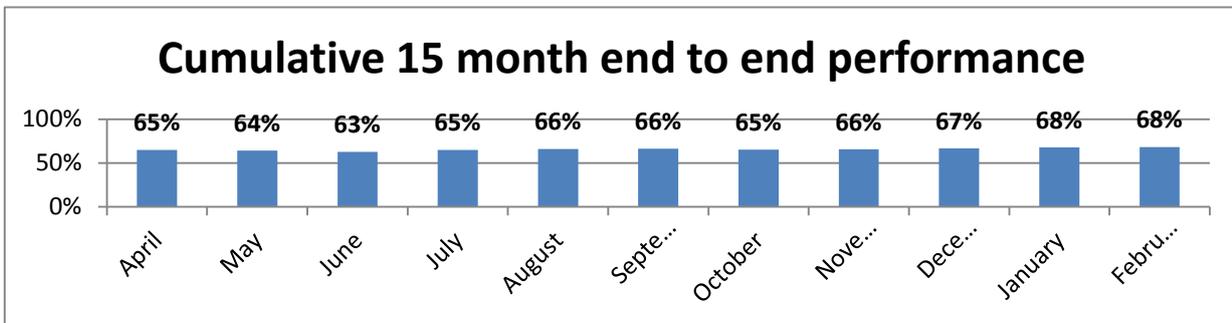
**Interim order extensions (High Court and Court of Session)**

17 Recent numbers of interim order extension applications are presented in the graph below:



**Fitness to Practise cases completed within 15 months from start to end**

18 We have previously reported the monthly average. The graph below now reflects a 12 month rolling average for each month, to align with the reporting format for the proposed corporate KPI for 2015-2016. The proposed corporate KPI is reported elsewhere on the Council meeting agenda.





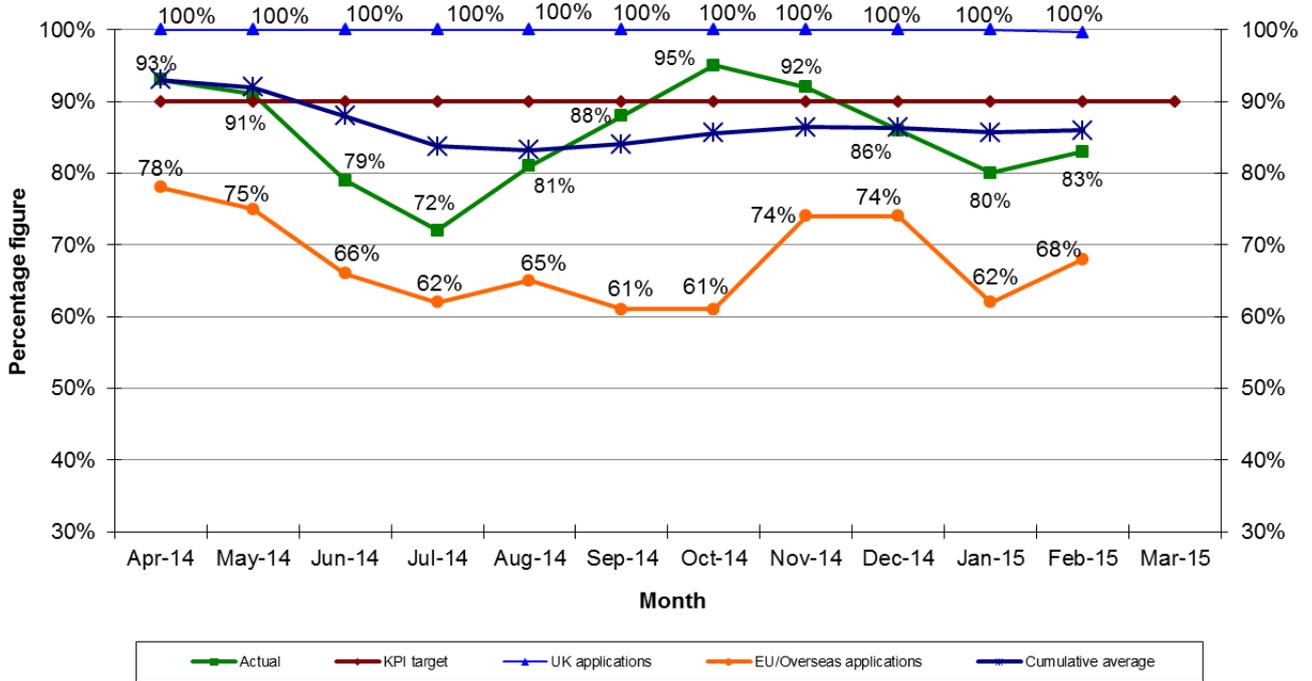
## Progress against our key performance indicators (KPIs)

This report is based on information as at **28 February 2015**.

During February, there was improved performance in Registration and against the staff turnover rate but there was a dip in performance against Fitness to Practise KPIs. Our current forecasts indicate that we are on track to achieve the March targets for KPIs 2, 4 and 5.

KPI 1						
Percentage of registration applications completed within 90 days						
<b>Rationale:</b>	<p>In the short term we are able to measure receipt of completed initial paperwork through to entry to the register. Over time we will refine this to enable us to isolate NMC processing time and a separate record of time with the applicant.</p> <p>Relates to increased efficiency in Registration and improved customer service / communication. (PSA standard not met – Registration 2)</p>					
<b>Definition:</b>	<p>The KPI will measure the time elapsed between receipt by the NMC of a new application and where appropriate the applicant joins the register. Ultimately we hope to develop reporting to include processing time (based on “stopping the clock” when information or decisions are required from the applicant for any reason).</p>					
<b>Corporate goal 1, objective 1</b>						
We will protect the public’s health and wellbeing by keeping an accessible accurate register of all nurses and midwives who meet the requirements for registration and who are required to demonstrate that they continue to be fit to practise.						
			Current performance		Year end (March 2015)	
Historical figure (Average for the year 2013-14)	December 2014	January 2015	February 2015	Year to date average	Year end average forecast	Year end average target
85%	86%	80%	83%	86%	87% (Amber)	90%
<p><i>YtD average:</i> Average of monthly percentages from April 2014 to February 2015.  <i>Year end average forecast</i> is based on the average of monthly actual and forecast figures.</p> <p><i>RAG rating:</i> Year end average forecast vs. Year end average target.</p> <p><b>Red/Amber/Green rating:</b>            Based on 10% variance threshold.            Green = figure matches or is higher than the target figure of 90%.            Amber = figure is between 80-89%.            Red = figure is 79% or lower.</p>						

**Graphical information and commentary:**



Although the figure for UK applications has been rounded up to 100%, there were three cases where further information was required in connection with declarations of cautions/convictions, and as a result took longer than 90 days to complete.

71% of EU applications were completed within 90 days. There are still large volumes of applications from Italy (173), Spain (149), Romania (126) and Portugal (117). This month we processed 243 Overseas applications, up from 223 in January. These applications are still being processed under the old overseas nurses programme (ONP) system as they pre-date the introduction of the test of competence.

We have previously revised the forecast figure to 87% and are maintaining this figure. Due to the deadline for final document submission through the old ONP system and the current recruitment strategies taking place we are still expecting high volumes of applications in the international registrations team.

## KPI 2

### Percentage of interim orders (IOs) imposed within 28 days of a referral being logged

**Rationale:** We aim to protect the public in the most serious cases by applying restrictions to a nurse or midwife's practice as quickly as possible after the need is identified.  
(PSA standard inconsistently met – FtP 4)

**Definition:** Percentage of interim orders imposed within 28 days of opening the case.

**Corporate goal 1, objective 3**

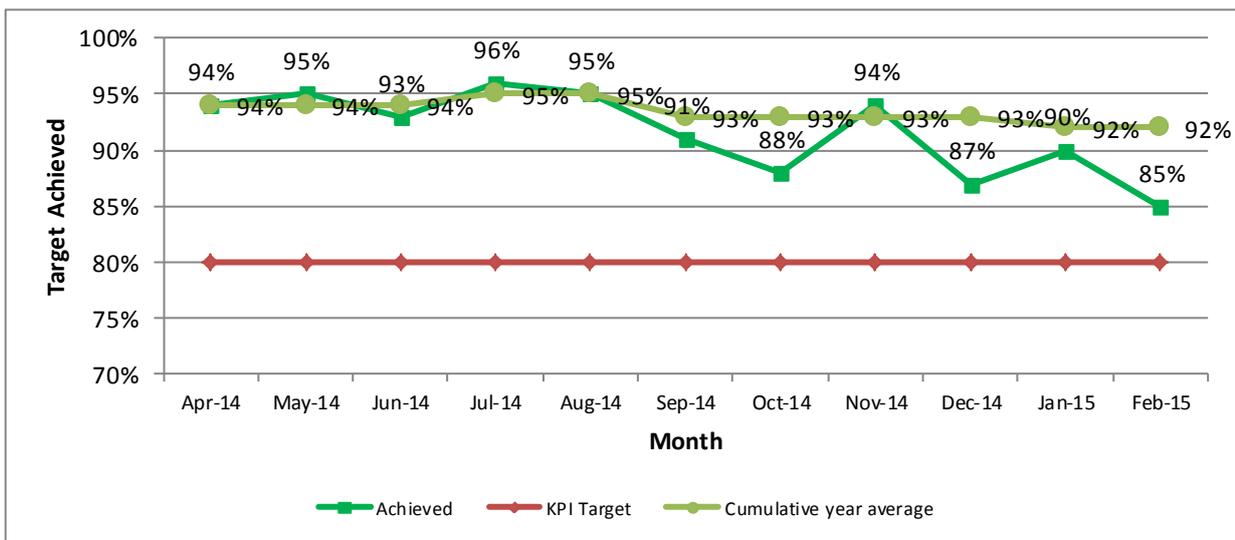
We will take swift and fair action to deal with individuals whose integrity or ability to provide safe care is questioned, so that the public can have confidence in the quality and standards of care provided by nurses and midwives.

			Current performance		Year end (March 2015)	
Historical figure (Average for the year 2013-14)	December 2014	January 2015	February 2015	Year to date cumulative average	Year end average forecast	Year end average target
84%	87%	90%	85%	92%	92% (Green)	80%

YtD cumulative average: Average of numbers from April 2014 to February 2015  
RAG rating: Year end average forecast vs. Year end average target

**Red/Amber/Green rating:**  
Based on 10% variance threshold.  
Green = figure matches or is higher than the target figure.  
Amber = figure is between 70-79.9%.  
Red = figure is 69.9% or lower.

**Graphical information and commentary:**



Performance of 90% in January was in line with what we have seen on average for the year to date. February, whilst being slightly lower, is still above the 80% target and does not impact on the year to date cumulative average. There is no reason to expect any significant change in the final month of the year.

## KPI 3

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

<b>Rationale:</b>	We aim to screen and investigate referrals within 12 months. We have a responsibility to balance the need for a swift decision on whether to refer the case for a substantive decision with the need for a proportionately thorough investigation. (PSA standard not met – FtP 6)
<b>Definition:</b>	The percentage of investigations which have been completed within 12 months of opening the case.

#### Corporate goal 1, objective 3

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

			Current performance		Year end (March 2015)	
Historical spot figure (March 2014)	December 2014	January 2015	February 2015	Year to date average	Year end average forecast	Year end average target
87%	82%	80%	79%	86%	80% (Amber)	90%

*YtD average:* Average of monthly percentages from April 2014 to February 2015.

*RAG rating:* year end average forecast vs. year end average target

#### Red/Amber/Green rating:

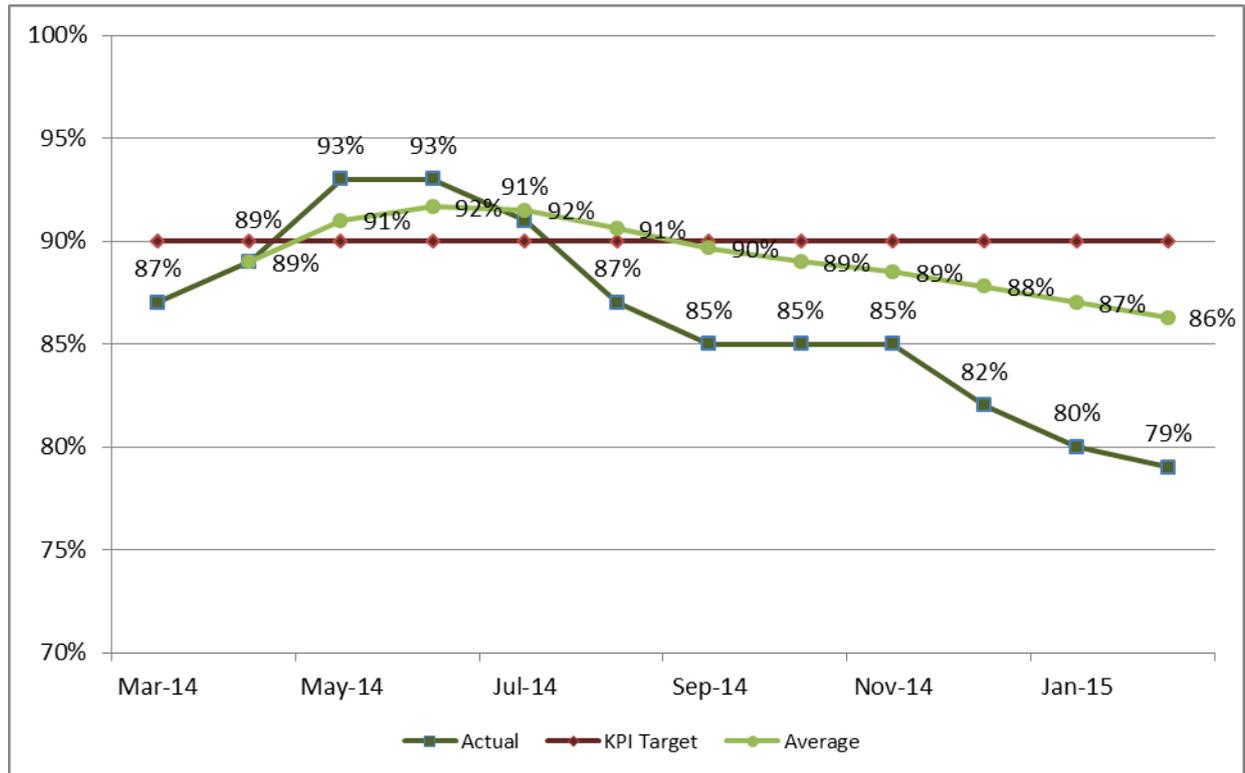
Based on 10% variance threshold.

Green = figure matches or is higher than the target figure.

Amber = figure is between 80-89%.

Red = figure is 79% or lower.

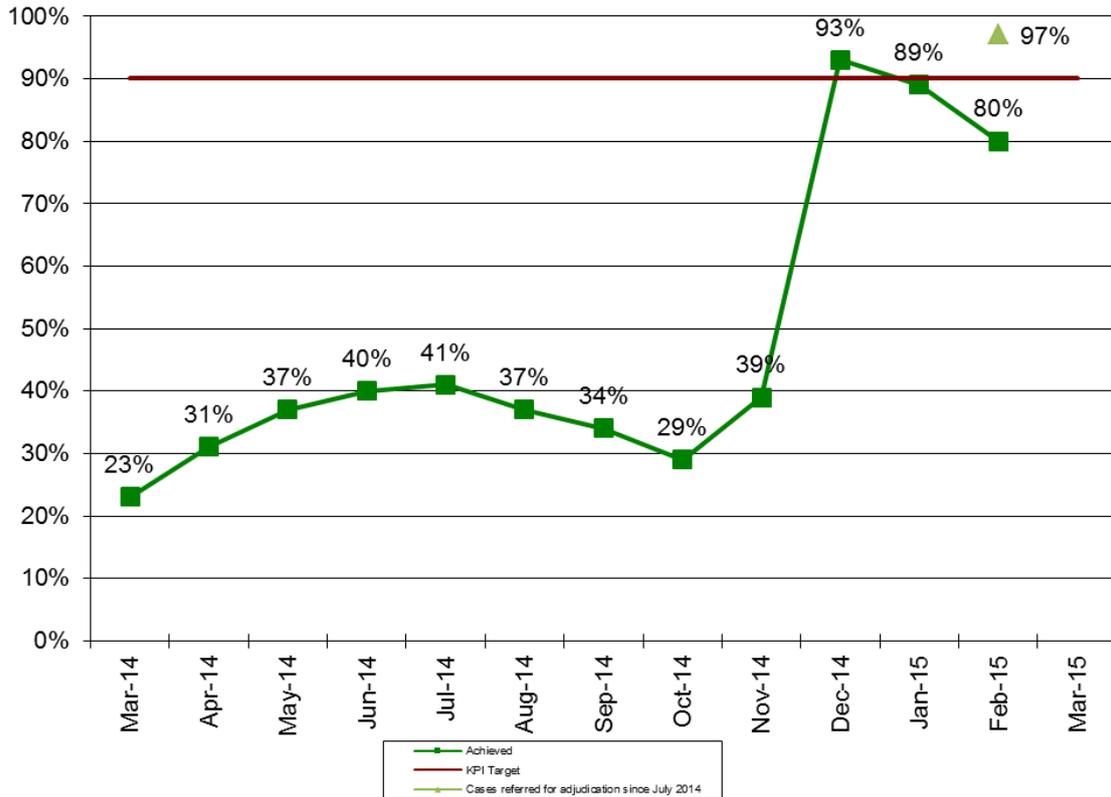
## Graphical information and commentary:



January saw a slight fall in performance to 80% and February was similar at 79%. The last six months has seen a downward trend as a cohort of older cases passes through the investigating committee. These cases are much more likely to have been subject to third party decisions which will have delayed the progress of their investigation. There are still a number of similar cases within the caseload so performance is not expected to improve before the end of the financial year.

<b>KPI 4</b>					
<b>Percentage of cases progressed through the adjudication stage to the first day of a hearing or meeting within 6 months</b>					
<b>Rationale:</b>	When the investigating committee decides that there is a case to answer we have a responsibility to put it to a substantive committee as swiftly as possible. (PSA standard not met – FtP 6)				
<b>Definition:</b>	The percentage of cases which have reached their first day of a hearing or meeting within six months of referral from the investigating committee.				
<b>Corporate goal 1, objective 3</b>					
We will take swift and fair action to deal with individuals whose integrity or ability to provide safe care is questioned, so that the public can have confidence in the quality and standards of care provided by nurses and midwives.					
			Current performance	Year end	
<b>Historical figure</b> (Average for the year 2013-14)	<b>December 2014</b>	<b>January 2015</b>	<b>February 2015</b>	<b>March 2015 forecast</b>	<b>March 2015 target*</b>
31%	93%	89%	80%	90% (Green)	90%
*Target we are aiming for at the end of this financial year					
RAG rating: March 2015 forecast vs. March 2015 target					
<b>Red/Amber/Green rating:</b>					
Based on 10% variance threshold.					
Green = figure matches or is higher than the December 2014 target figure of 90%.					
Amber = figure is between 80-89%.					
Red = figure is 79% or lower.					

### Graphical information and commentary:



Performance in January was very slightly below the KPI target at 89%. In the interests of reporting our performance fairly and transparently, we have reported two figures for February: (1) our performance for cases referred for adjudication since July 2014 stands at 97%; (2) performance for all cases at adjudication stands at 80%. Further explanation of these two figures follows.

Of the 1,106 cases referred for adjudication before 1 July 2014, 849 were closed in six months and 257 were carried over. As shown in the table below, at the beginning of March, 172 of these cases remained open, of which 95 are part-heard and 77 are yet to have their first day of hearing.

	Position at 1 January 2015	Position at 1 March 2015	Scheduled	Unscheduled
Open cases	257	172	96	76
Part-heard	148	95	68	27
Have not had a first day	109	77	28	49

By definition, all pre-July cases which have not yet had a first hearing day have already missed the KPI. We are seeking to conclude them as quickly as possible. In February 2015, 14 such cases were concluded, contributing to our overall KPI performance of 80%.

February 2015 was the first month in which cases referred for adjudication since 1 July 2014 could miss the KPI. Performance on those cases was 97% in February, with only two cases falling outside the six month target, showing strong underlying performance in progressing newly referred cases.

## KPI 5

### Available free reserves

<b>Rationale:</b>	<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>
<b>Definition:</b>	The level of available free reserves at month end compared with budgeted available free reserves at that month end.

#### Corporate goal 3, objective 8

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

			Current performance		Year end (March 2015)	
Historical figure (March 2014)	December 2014	January 2015	February 2015	February 2015 budget	March 2015 current forecast	March 2015 budget
£7.6m	£9.9m	£10.6m	£11.5m	£7.5m	£10.5m (Green)	£7.5m

*RAG rating:* current forecast vs. March 2015 budget

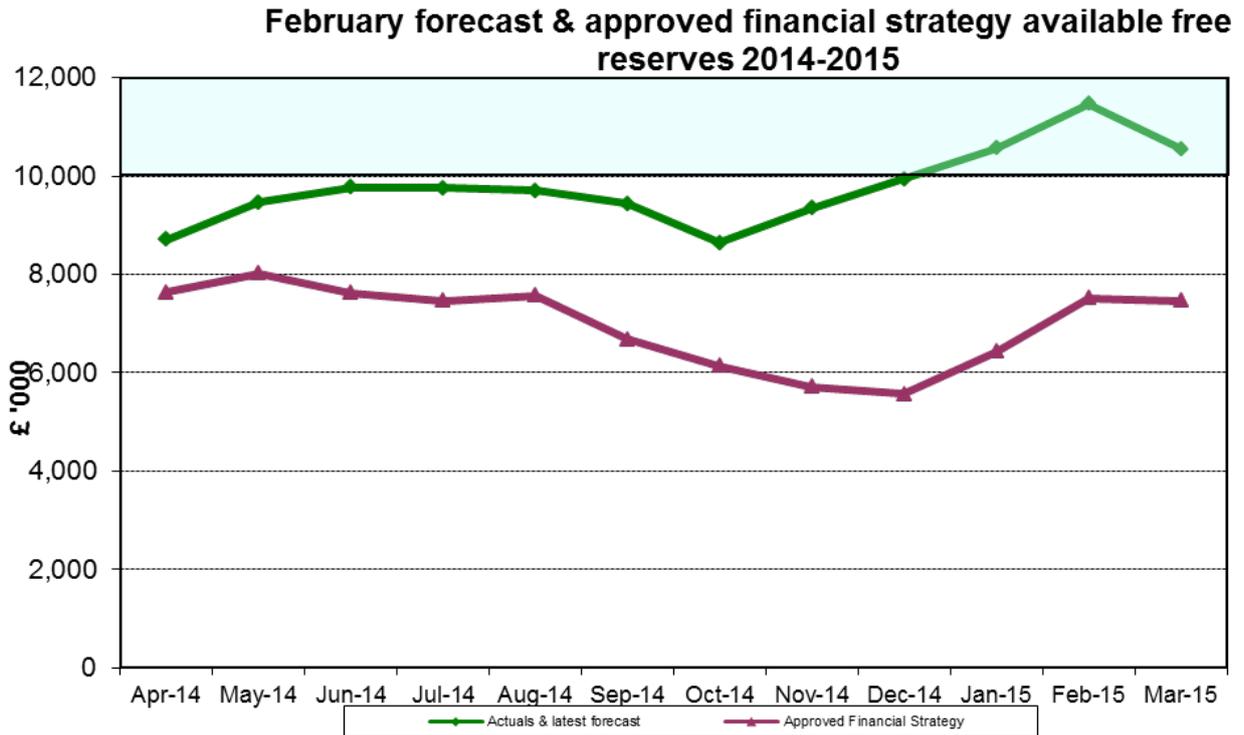
#### Red/Amber/Green rating:

Green = the figure matches or is above the target figure.

Amber = within 5% of the target figure.

Red = greater than 5% of the target figure.

## Graphical information and commentary:



At February 2015, available free reserves were £11.5 million compared to the planned level of £7.5 million. This was due principally to higher than budgeted periodic fee income, the release of unspent contingency, lower than budgeted ICT capital expenditure deferred into 2015–2016, and lower than profiled expenditure in Continued Practice/revalidation and Facilities Management.

The Continued Practice revalidation variance is driven by the phasing of activity to date but the costs are increasing significantly in the final quarter. The Facilities Management variance is due to a VAT rebate and lower rental costs. The ICT capital variance is driven principally by a deferral of the Wisser replacement project. The underspend to February 2015 on ICT capital expenditure is partly offset by higher than budgeted capital expenditure on the refit of the Stratford office.

The full year forecast predicts that available free reserves at March 2015 will be £10.5 million, which is £3 million higher than the target of £7.5 million. The principal full year variances are expected to be in income, and capital expenditure. FtP costs are expected to be broadly on budget for the year.

Activity levels, their financial impact and forecasts are reviewed monthly by the Executive Board.

## KPI 6

### Staff turnover rate

<b>Rationale:</b>	<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>
<b>Definition:</b>	<p>Sum of permanent leavers in last 12 months Average number of permanent staff in post in last 12 months</p>

#### Corporate goal 3, objective 9

We will build an open culture which engages and empowers staff to perform to their best and which encourages learning and improvement.

			Current performance		Year end (March 2015)	
Historical figure (as at March 2014)	December 2014	January 2015	February 2015	February 2015 profile*	March 2015 current forecast***	March 2015 target**
26.3%	28%	27.7%	26.7%	23.7%	26.2% (Red)	23%

\* Profile here is based on a forecast from July 2014

\*\* Target is a spot target

\*\*\*Current forecast for March 2015 is based on July 2014 profile

RAG rating: March 2015 current forecast vs. March 2015 target.

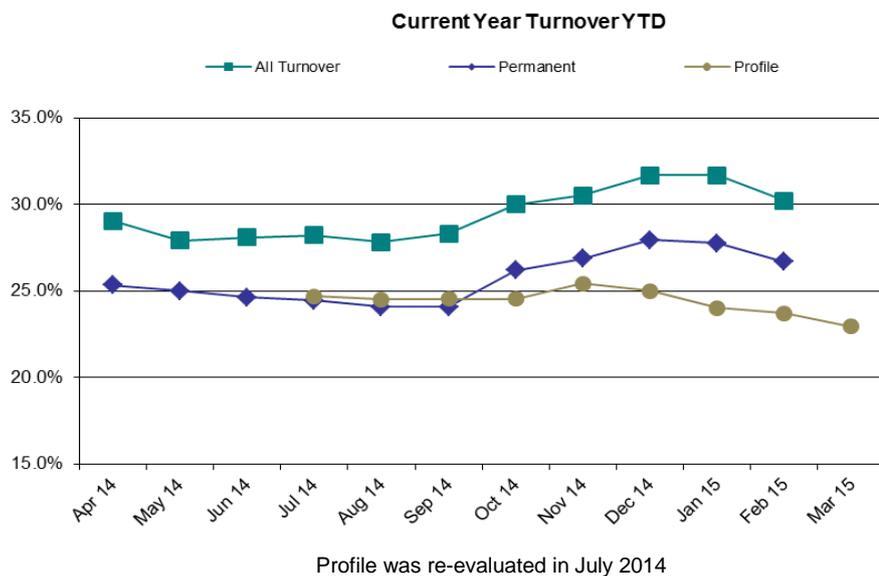
#### Red/Amber/Green rating:

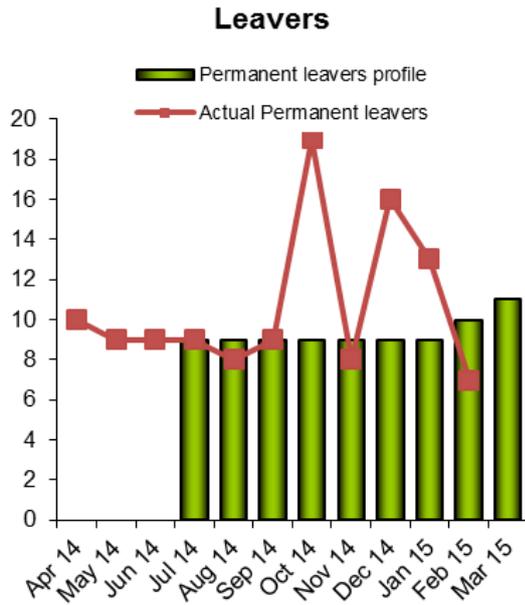
Green = the figure matches or is below the target figure.

Amber = within 1% of the target figure.

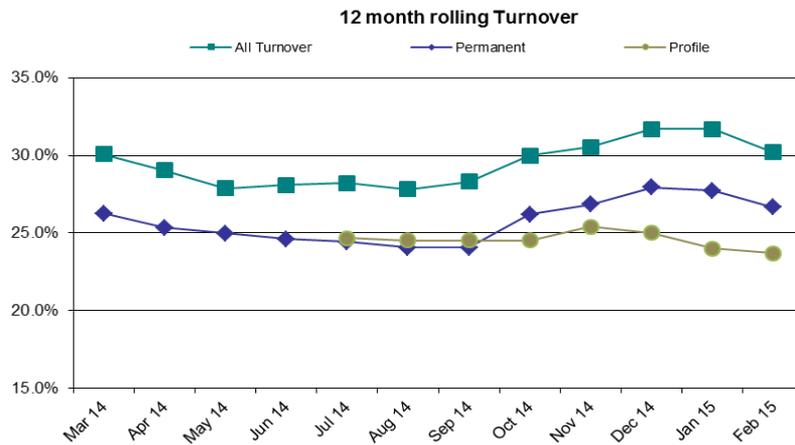
Red = where there is a difference of greater than 1% of the target figure.

#### Graphical information and commentary:





Permanent leaver's data for July onwards was profiled in July 2014, based on the average of actual leavers in the first quarter of 2014 and trends in previous years.



For reference, this graph shows all and permanent turnover for the last 12 months, including the profile for the year to date (re-calculated in July 2014).

**Commentary**

For a second consecutive month there has been a continued reduction in the annualised permanent turnover figure. This has been due to a significant increase in staff growth during quarter 4 so far, (currently 526 permanent employees as opposed to 502 in December) combined with three fewer leavers in February than the ten that was predicted. Out of the seven permanent leavers in February one was due to a failed probation, one was a dismissal and the remaining five were resignations for a variety of reasons including career progression, direction of the department, and changes in personal circumstances. Given the improved turnover figure the gap between the year end forecast and the year end target has narrowed and the forecast is now at 26.2%.

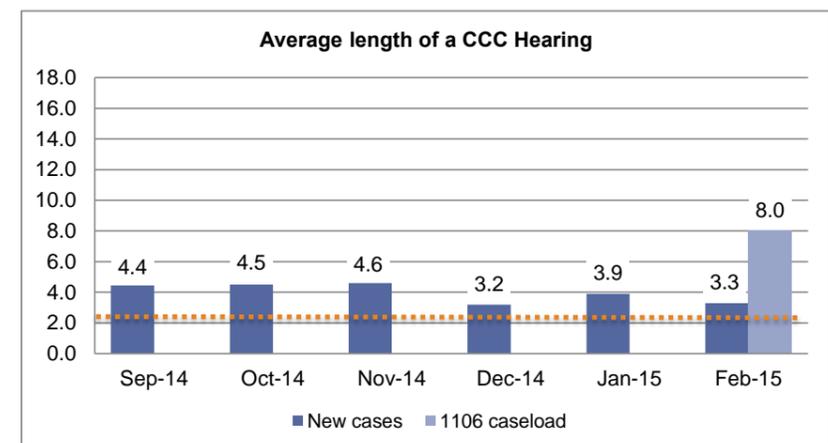
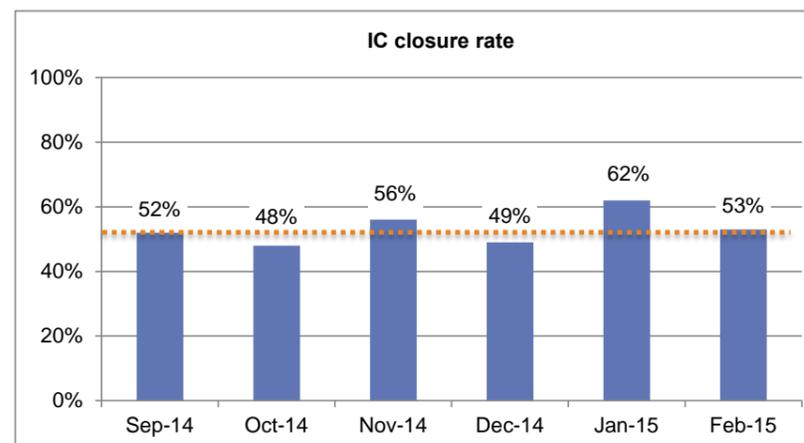
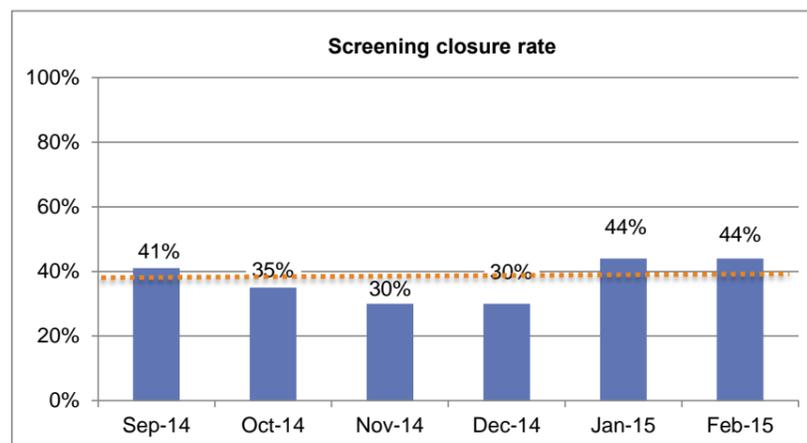
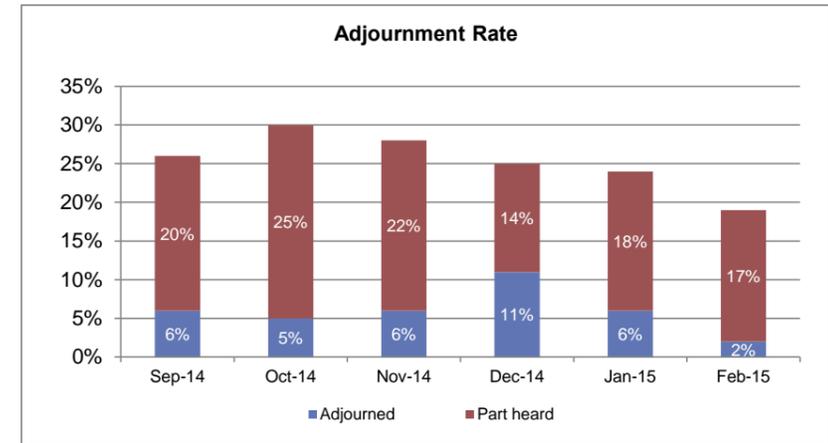
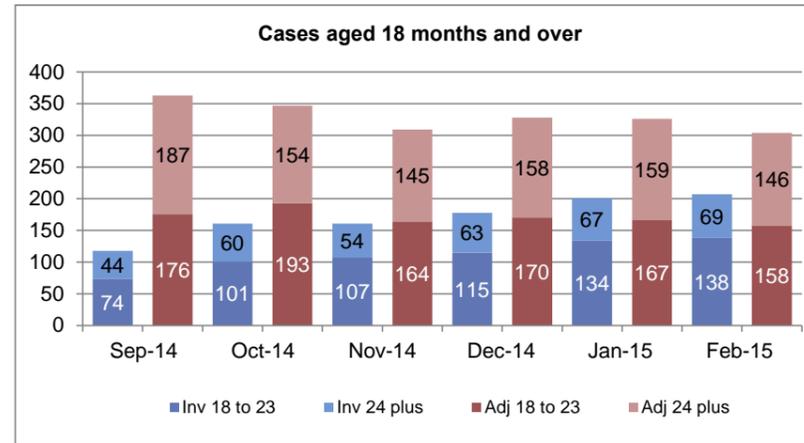
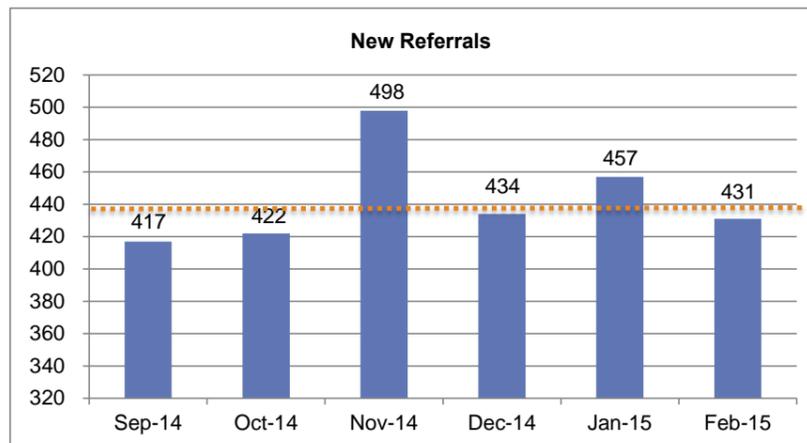
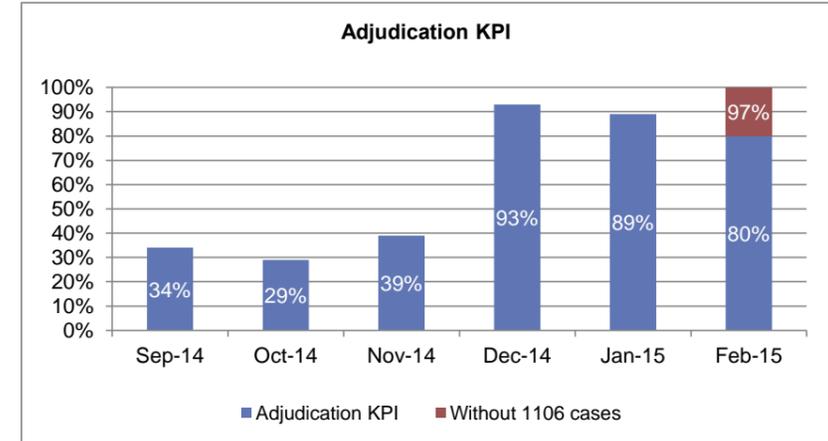
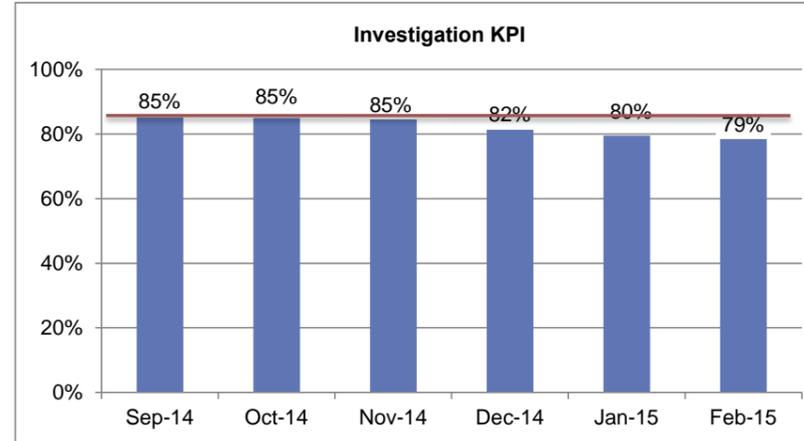
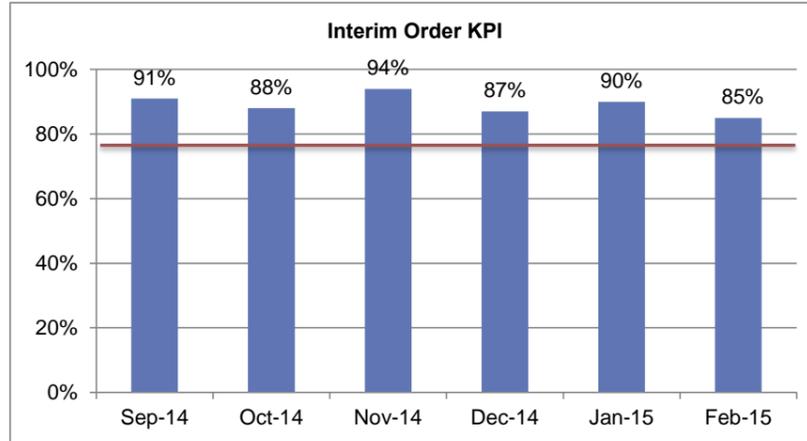
**Benchmark comparators**

From information gathered from other professional health regulators, their turnover figures lie broadly in the range of 11.6 - 17%, with one outlier at 39%. Whilst benchmarks are helpful, they cannot be relied upon as exact comparators and are subject to a range of circumstances and organisational maturity.



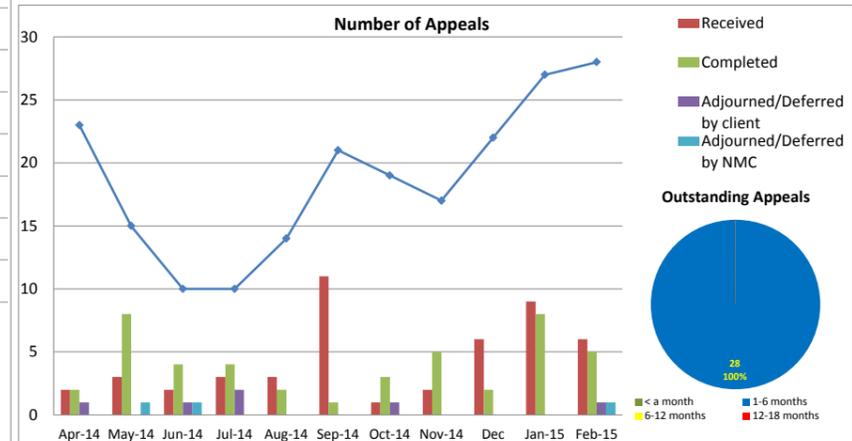
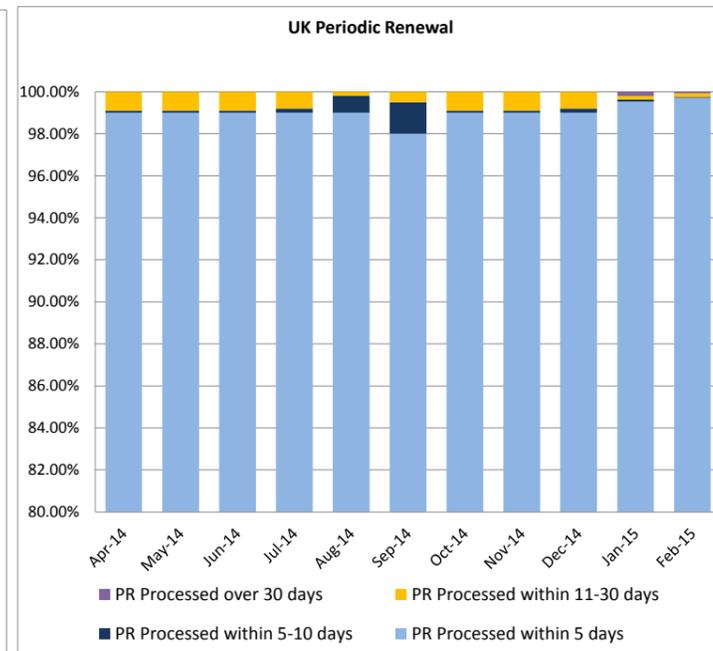
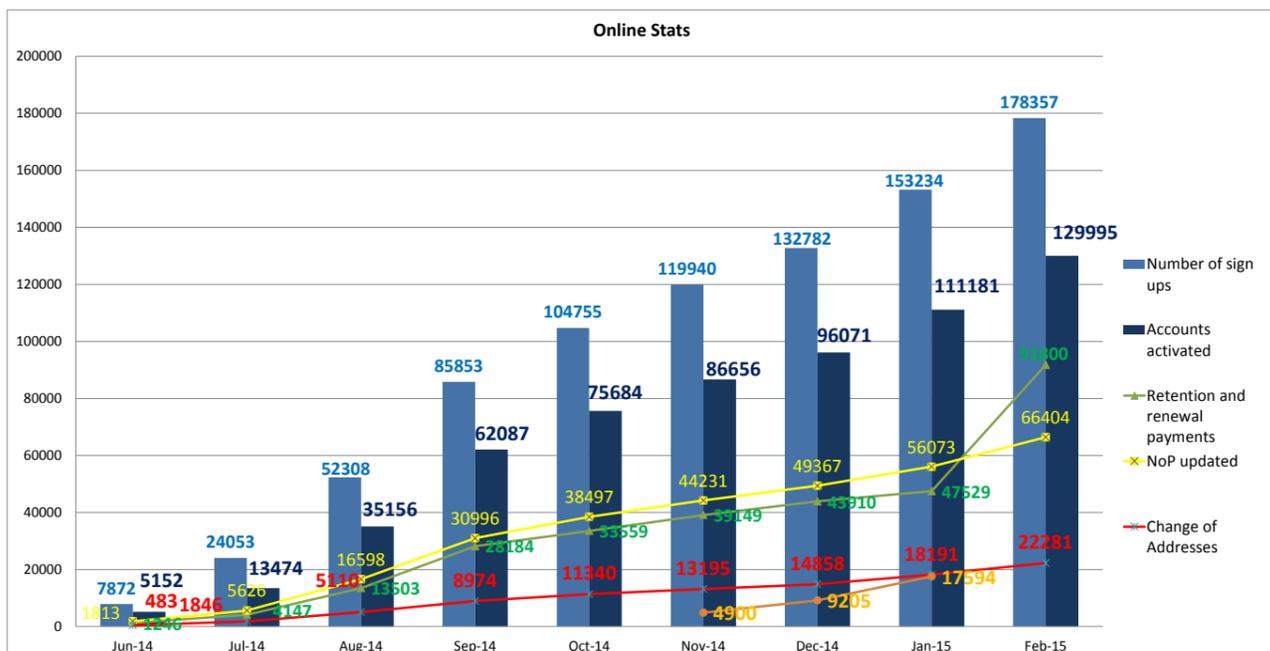
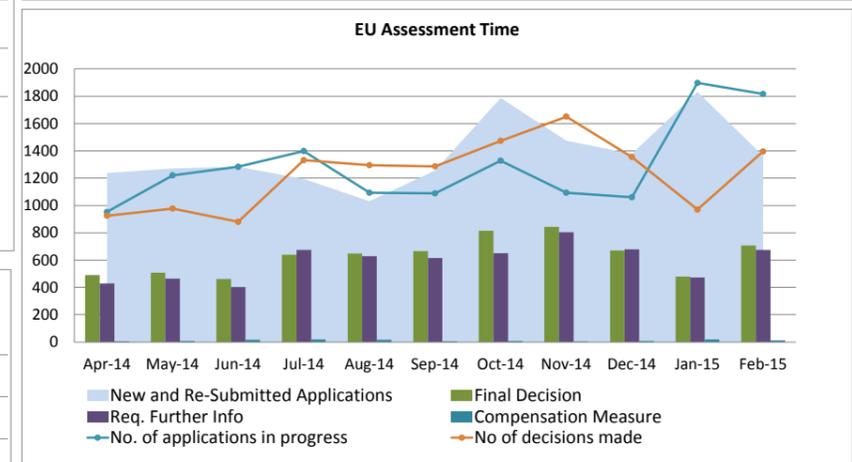
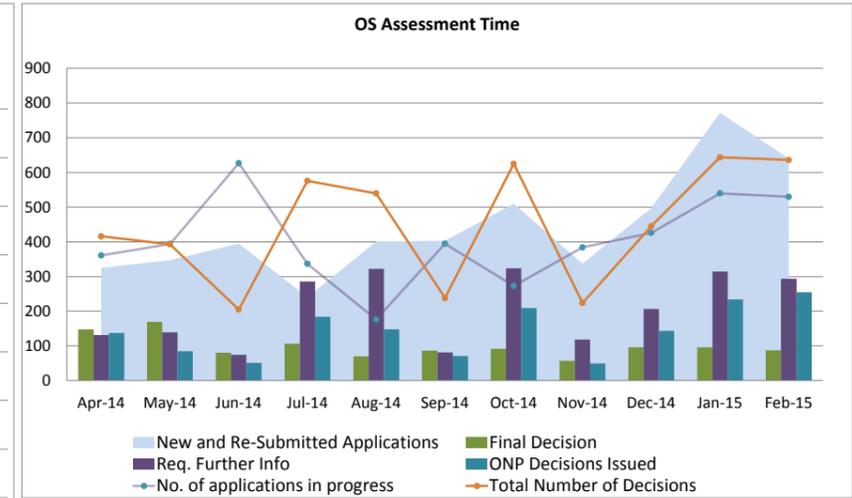
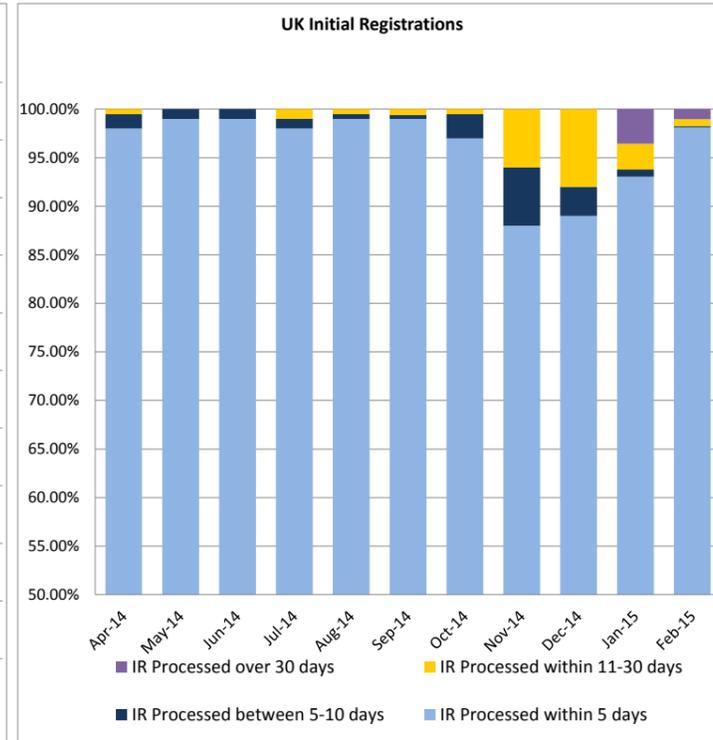
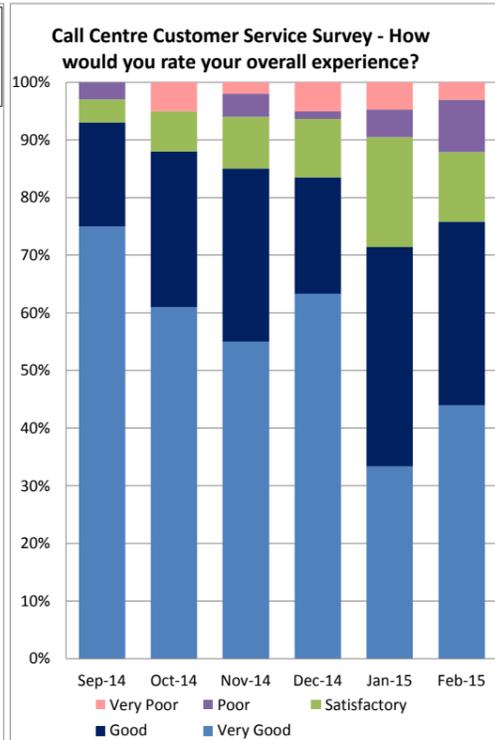
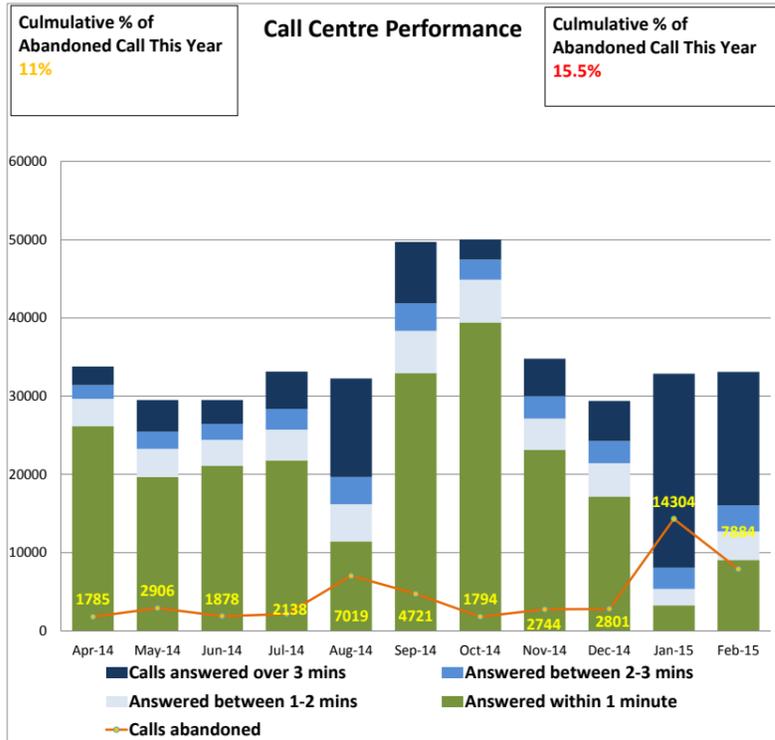
# FtP Performance for September 2014 to February 2015

12 month average





Registrations performance dashboard April 2014-February 2015 - March 2015 Council meeting





## Annexe 5 Corporate risk register

		Date: 17 March 2015			Issue No: 23 (following Executive Board 04.03.15)			Note: The 'inherent risk scoring' column does not take into account any mitigation. The 'post-mitigation scoring' involves taking into account the mitigation in place but not the planned action.									
No.	Date of origin	Risk Scenario			Inherent risk scoring			Mitigation in place / Planned action			Post-mitigation scoring			Risk Owner (and Mitigation Owner)	Dates up-dated (log of dates for when risk was updated)	Status (open / closed plus clear indication of whether and when on track / not on track to reduce scoring)	Direction (of risk score from the previous issue)
		Root cause(s)	Potential situation	Consequences	Likelihood	Impact	Score	Likelihood	Impact	Score							
CR1 A	May-13  (previously risk Reg 2011/02. Date of origin: Apr 2011)	<b>Integrity of the register - Current</b>						<b>Mitigation in place:</b> (1) Standard operating procedures and improved training. (2) Daily reconciliation reports and manual processes to address system anomalies. (3) Overseas registration procedures strengthened following pause and review. (4) We have adjusted the weekly checks carried out so that these now include checks back to the determination on the website to ensure that the information recorded is an accurate reflection of the made by the panel.  <b>Planned action:</b> (1) WISER improvements continue to be implemented in 2015(ongoing) (2) Further process refinements and alignment of FtP and Registration data (ongoing). (3) Implementation of Internal audit recommendations on registration control framework and registrant data integrity. We committed to implementing the second recommendation by December 2014 to undertake periodic checks of data on the registration system that has been subject to changes outside the normal changes arising from a fitness to practise hearing. <i>Checks are being carried out on changes to the register arising from change of address and change of name requests etc dating from December 2014.</i> The Registration performance improvement team will undertake additional, independent, periodic checks of data on the registration system which has been subject to changes to provide additional assurance. (4) Guidance for revalidation will be developed (December 2015). (5) Further investigation to take place of APD Database and its veracity and possible impact on integrity of the register - joint Continued Practice/Registration review of this area is ongoing and will be reported in December 2014. <i>Review not completed - to be determined whether it should continue.</i> (7) Implement audit of Professional Indemnity Arrangement declarations (early 2015). (8) Council has committed to introduce a proportionate and effective model of revalidation by the end of 2015.			3	4	12	Director, Registrations	13/12/13 - likelihood reduced to 3 due to recruitment and appointment of IC verification officer.  Change to expected risk reduction to June 2014 to enable major planned actions to embed.  16/9/14 Update to add root cause (3) and potential situation with planned action. Update to planned action 7, ongoing to be reviewed in December 2014  17/11/14 - Planned action about the new overseas process was moved to Mitigation in place.  12/1/15 Historic mitigations removed and planned action (5) updated  6/2/15 Mitigation 4 (introduction of revalidation model) moved to planned actions. Mitigation 5 (overseas applicants required to attend NMC inperson\ removed as this is now BAU	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 March 2015	No change
Cross ref: R7		(1) Wiser and Case Management System (CMS) not fully integrated. (2) Current policies, processes and procedures may be ineffective or inconsistently applied. (3) Relying on registrants to make full and accurate declarations in respect of their Professional Indemnity Arrangements	1) The online register may be inaccurate. 2) Registrants may be practising without appropriate indemnity arrangement in place.	(1) Public protection compromise (2) Negative impact on registrants. (3) Reputation damaged. (4) PSA Standards of Good Regulation not being met.	5	5	25										

No.	Date of origin	Risk Scenario			Inherent risk scoring			Mitigation in place / Planned action	Post-mitigation scoring			Risk Owner (and Mitigation Owner)	Dates up-dated (log of dates for when risk was updated)	Status (open / closed plus clear indication of whether and when on track / not on track to reduce scoring)	Direction (of risk score from the previous issue)
		Root cause(s)	Potential situation	Consequences	Likelihood	Impact	Score		Likelihood	Impact	Score				
CR1 B	May-13  (previously risk Reg 2011/01. Date of origin: Apr 2011)	<b>Integrity of the register - Historic</b>						<b>Mitigation in place:</b> (1) Initial OS Audit (April 2002 - 2013) results indicate a strengthening of process over time (since 2007). Standard operating procedures and improved training. (2) FtP/Registration working group who have identified issues relating to historical inaccuracies. Daily reports available to FtP/Registration to identify anomalies to be rectified (3) Obtained duplicate records data identifying a number of registrants who have separate entries on the register. These duplicate records are being amalgamated. Report from Fortesium on WISER anomalies being actioned in stages. Aim to complete by February 2015.  <b>Planned action:</b> (1) Analysis of specific cohorts where potential issues/risks are identified - to provide assurance or scope any issues (on-going). (2) Continuous improvement manager in post from 9/2/15 who will interrogate register to establish areas of risk. (3) Investigate gathering employer data to allow analysis of appropriate registration (ESR). This will form phase 2 of the NMC Online project and is dependent on obtaining a change to legislation (early 2015) - ONGOING. (4) Further risk based audits as required (ongoing). (5) Council has committed to introduce a proportionate and effective model of revalidation by the end of 2015.				Director, Registrations	07/10/2013 Update in relation to agreed revalidation model - risk based prep audit removed from planned action.  6.11.2013: Update in relation to historical inaccuracies around FtP case statuses  16/9/14 - update to date of recruitment of continuous improvement manager. Update to planned action 3 (now in progress interviews being held on 26 November).  6/2/15 Continuous improvement manager now in post. Mitigation 2 (introduction of a revalidation model) moved to planned action.	Open - on track.  Risk reviewed monthly. Involves a long lead time for any action to play forward and impact the risk scoring. Very marginal improvement predicted until after revalidation in place from 2015. Reduction in post mitigation scoring of likelihood to 3 in December 2014	No change
Cross ref: R7		(1) Policies and procedures may have been absent, ineffective or inconsistently applied in the past. (2) Historic decisions may have been made on a different basis, but cannot be reversed. (3) Circumstances may have changed after initial admission to the register, however these are not routinely checked. (4) Historic inaccuracies in recording FtP case statuses.	We may identify individuals currently on the register who would not meet current requirements for admission, and we may not have appropriate plans in place to respond to this.	(1) Public protection compromised. (2) Reputation damaged. (3) PSA Standards of Good Regulation not being met.	5	5	25		3	4	12				
CR2	26/06/2013	<b>Fitness to practise performance</b>						<b>Mitigation in place:</b> (1) Detailed profiling and forecasting of caseload and activity and oversight by the Executive Board. (2) Increased focus on quality of early stage decision making. (3) Ongoing review of investigation cases at or near KPI deadline. (4) Quality management mechanisms being embedded. (5) Case examiners and power to review introduced 9 March 2015.  <b>Planned action:</b> (1) Closer working with employers (June 2015). (2) Successful delivery of FtP Programme (April 2015)				Director, Fitness to Practise	05/03/2015	Open - on track  Weekly performance/delivery against target reviewed at weekly management meeting and risk reviewed monthly.  The adjudication KPI was met in December however this risk remains amber due to pressures across FtP to further reduce the time to deal with fitness to practise cases.  <b>Linked to FtP Programme Risk Register</b>	No change
Cross ref: See FtP Programme Risk Register		(1) Historic under investment in FtP. (2) Inflexible legislative framework. (3) Fluctuations in referrals above the forecast levels. (4) Possibility that processes may be unable to sustain required volume of case progression/hearings at the expected quality.	The quality of our decision making may be compromised and we may not achieve continued improvements to timeliness.	(1) Public protection compromised. (2) Negative impact on registrants. (3) Negative impact on referrers. (4) Reputation damaged. (5) PSA Standards of Good Regulation not met (6) Adverse PSA initial stages audit'	5	5	25		3	5	15				

No.	Date of origin	Risk Scenario			Inherent risk scoring			Mitigation in place / Planned action	Post-mitigation scoring			Risk Owner (and Mitigation Owner)	Dates up-dated (log of dates for when risk was updated)	Status (open / closed plus clear indication of whether and when on track / not on track to reduce scoring)	Direction (of risk score from the previous issue)
		Root cause(s)	Potential situation	Consequences	Likelihood	Impact	Score		Likelihood	Impact	Score				
CR13 A	May-13  (previously risk CR3/CP1. Date of origin: May-13)	<b>Revalidation - programme delivery</b>			3	4	12	<p><b>Mitigation in place:</b></p> <p>(1,2) Close working with DH around revalidation priorities and future legislation (if/as required following phase one). Close working relations with all four UK governments around readiness and delivery.            (2,4) Evidence report on revalidation published in November 2014.            (2, 4) Recruitment of Pilot Coordinators.            (1,2,4) Provisional revalidation policy developed based on existing legislation. Agreed by Council in December 2014.            (2,4) Standards and guidance developed to support the pilots. To be seen as PROVISIONAL by Council in January 2015.            (3) Refreshed programme board structure around governance and delivery with senior input and report to Executive Board.            (3) Clear IT requirements for effective IT delivery.            (4) Extensive ongoing stakeholder engagement activities across settings and four countries.            (4) Stakeholder groups (RSAG and Revalidation Pilot Group (RPG) meeting regularly.            (5) Ongoing engagement via Revalidation Strategic Advisory Group, Patient and Public Advisory Group, Stakeholder Summits between March July 2014 and consultation - helped to shape the revalidation model and manage stakeholder expectations.            (5)Pilot organisations selected to reflect the diversity of the register, organisations announced in November 2014.            (5) Four country Revalidation Programme Boards already set up.</p> <p><b>Planned action:</b></p> <p>(4,5) A number of detailed materials to be developed in collaboration with the pilot organisations between December 2014 and March 2015.            (5)Pilot phase to test revalidation model, process and compliance (Jan to June 2015).            (3) Full system requirement to be developed in parallel with pilot to allow sufficient time for development work (April to July 2015).            (3) Resource requirements to be agreed for 2015/16 as identified in the business plan and draft budget for next year (March 2015).</p>	2	4	8	Director, Continued Practice	03/11/2014  17/11/2014: this risk supercedes CR3. The old wording has been moved to the 'Closed risks' tab.  19/11/2014  14.01.2015 Mitigations and planned actions updated	Open - Programme to be achieved in Dec 2015  Recruitment of Strategic Engagement Lead underway & Coordinators have been appointed.  Engagement activity has moved to focus on strategic partnership building. Stakeholder groups have been re-shaped to support programme's needs.	No change
		<p>(1) Change in government priorities.</p> <p>(2) NMC revalidation model is developed within current legislative framework.</p> <p>(3) Time and resource constraints (including IT) around delivery for December 2015 launch.</p> <p>(4) Stakeholders expect to have a detailed and fully developed model during the consultation/pilots stages.</p> <p>(5) Complexity of revalidation model delivery at four country level.</p>	<p>(1) Decreasing support from government for revalidation.</p> <p>(2) Revalidation seen as not improving on existing PREP process.</p> <p>(3) Revalidation is not delivered to set time/quality/budget.</p> <p>(4) Stakeholders not fully supporting the model going forward due to lack of detail.</p> <p>(5) Delivered model may be ineffective and/or fail to be applicable to all scopes of practice and registrants across four countries.</p>	<p>(1) Impact on public protection due to lack of support for implementing revalidation. Impact on the views of employers, other regulators, media etc.</p> <p>(2) Model is not widely understood and is criticised by stakeholders.</p> <p>(3,4) Impact on public protection and credibility of NMC around delivery.</p> <p>(5) Public protection compromised.Negative impact on registrants and employers.</p>											
CR13 B	May-13  (previously risk CR3/CP1. Date of origin: May-13)	<b>Revalidation - system impact and readiness</b>			4	4	16	<p><b>Mitigation in place:</b></p> <p>(1) PSA update provided through annual performance review and face to face meetings.            (2) Implications on system project report delivered in August 2014.            (2) Oversight and scrutiny by Revalidation Programme Board and Executive Board, to address issues of complexity and cost of model.            (3) Extensive stakeholder engagement activities.            (1,2,3) Updated approach to comms and engagement focussing on high-level strategic resource to manage the stakeholder engagement and system readiness strand of project (February 2015 onwards).            (1,2,3) Appointment of strategic engagement lead.            (1,2,3) Establishment of five organisation partnership group with the NMC working across the four country programme groups.            (2,3) Preliminary development of readiness requirements with key stakeholders.</p> <p><b>Planned action:</b></p> <p>(1,2,3) Robust evaluation of the pilots both from the registrants' perspective (registration experience evaluation) and the impact on the system perspective (evaluation of the impact on the system, employers and governments at four country level) (Feb to July 2015).            (3) Organisational readiness toolkit and other material to assess impact on the system in development for the pilots December 2014-March 2015 (Jan 2015 to July 2015).            (2,3) Development of strategic communication plan.</p>	4	4	16	Director, Continued Practice (sponsor)	03/11/2014  17/11/2014: this new risk supercedes CR3/CP1. The old wording has been moved to the 'Closed risks' tab.  19/11/2014  05.01.2014: Post-mitigation likelihood score increased from 3 to 4, as agreed by EB.  14.01.2015 risk updated  16.03.2015 risk updated - planned actions moved into mitigation in place and additional mitigation added.	Open - Programme to be achieved in Dec 2015  Recruitment of Strategic Engagement Lead underway & Coordinators have been appointed.  Engagement activity has moved to focus on strategic partnership building. Stakeholder groups have been re-shaped to support programme's needs.	No change
<p>(1) Lack of buy-in from stakeholders and accountability authorities (PSA, HSC) regarding revalidation model and how it aligns to corporate objectives.</p> <p>(2) Costs for organisations to prepare for, and to put resources/ processes/ infrastructure in place, to support revalidation.</p> <p>(3) Inconsistent levels of buy-in across the system and register.</p>	<p>(1) Lack of positive promotion from key stakeholders.</p> <p>(2) Organisations may lack the resources/ infrastructure required to enable them to introduce revalidation by the set timeframe.</p> <p>(3) Inadequate preparations made to support/allow compliance with revalidation process due to lack of knowledge/ understanding or unaddressed resistance.</p>	<p>(1) Criticism drawn as PSA standards of good regulation, and expectations of HSC are not met.</p> <p>(2) Individuals are not able to adopt revised procedures and requirements leading to inability to introduce revalidation.</p> <p>(3) Criticism/confusion from registrants/ stakeholders. Unable to implement full revalidation process.</p>													

No.	Date of origin	Risk Scenario			Inherent risk scoring			Mitigation in place / Planned action	Post-mitigation scoring			Risk Owner (and Mitigation Owner)	Dates up-dated (log of dates for when risk was updated)	Status (open / closed plus clear indication of whether and when on track / not on track to reduce scoring)	Direction (of risk score from the previous issue)
		Root cause(s)	Potential situation	Consequences	Likelihood	Impact	Score		Likelihood	Impact	Score				
CR5	May-13  (previously risk G39. Date of origin: Mar-13)	<b>Financial resources</b>						<b>Mitigation in place:</b> (1) Prudent budgeting aligned to corporate planning and change management programmes. (2) Risk based reserves policy. (3) Monthly finance and planning meetings with each directorate. (4) Detailed financial reporting. (5) Targeted efficiency savings monitored through Corporate Efficiency Board. (6) Contingency built into the budget. (7) Annual review of fee requirement.  <b>Planned action:</b> (1) Development of revised financial plan (March 2015). (2) Legal advice on pension scheme risks (2015).				Director, Corporate Services	06.02.15  06.03.15	Open - on track.  Risk reviewed monthly ----- Linked to Department of Health KPI of January 2016 -----	No change
Cross ref: CS1		(1) Limited sources of income and pressure to contain fee rises. (2) Possible increase in resource requirements as a result of external factors e.g. external reviews, inquiries, government policy etc. (3) Possible increase in fitness to practise referrals above forecast rate. (4) Resource requirements arising from several, simultaneous improvement projects. (5) Possibility that we do not achieve targeted efficiency savings. (6) Lack of control over potential charges under PSA levy. (7) The NMC's participation in its defined benefits pension scheme and the possibility of becoming the sole member.	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		2	5	10				
CR6 (CS4)	May-13  (previously risk T24. Date of origin: Oct-12)	<b>Information Security</b>						<b>Mitigation in place:</b> (1) Information security and data protection policies. (2) Mandatory training for staff and panellists. (3) Oversight by Information Governance Steering Group. (4) Laptop encryption programme. (5) Information security gap analysis completed and independently validated, identifying risk areas. Improvement Plan in place. (6) Internal audit activity on data security completed, with amber rating. (7) New email encryption solution rolled out. (8) Nearly 100% compliance with mandatory training. (9) December 2014 - 37 of 51 high priority actions complete. (10) Review meeting held with Information Commissioner's Office.  <b>Planned action:</b> (1) Continue to implement information security improvement plan, addressing remaining highest risk areas as priority (2014-15 as per planned schedule). (2) Further work with ICO on benchmarking good practice and specific risk reviews (March 2015). (3) Implement agreed findings from QA review (March 2015).				Director, Corporate Services	06.02.15  06.03.15	Open - on track.  Risk next reviewed by IGSB in March 2015 and after the ICO visit in March 2015.	No change
Cross ref:		(1) Large volume, complex information processing. (2) Possibility that policies and procedures may be ineffective or inconsistently applied. (3) Security enhancements to some systems needed.	Sensitive information may be accessed by, or disclosed to, unauthorized individuals.	(1) Negative impact on data subject. (2) Regulatory intervention and/or fine by the Information Commissioner's Office. (3) Reputation damaged. (4) Failing to meet PSA standard of good regulation.	5	4	20		4	4	16				

No.	Date of origin	Risk Scenario			Inherent risk scoring			Mitigation in place / Planned action	Post-mitigation scoring			Risk Owner (and Mitigation Owner)	Dates up-dated (log of dates for when risk was updated)	Status (open / closed plus clear indication of whether and when on track / not on track to reduce scoring)	Direction (of risk score from the previous issue)
		Root cause(s)	Potential situation	Consequences	Likelihood	Impact	Score		Likelihood	Impact	Score				
CR7	May-13  (previously risk G20 & G35. Date of origin: 26.3.2012)	<b>Quality of information</b>						<b>Mitigation in place:</b> (1) Short term improvements to strengthen understanding of management information across registration and fitness to practise systems. (Cross reference CR1) (2) Short term improvements to support stakeholder engagement intelligence needs underway, including liaison with other regulators. (3) Improved FtP MI to support corporate KPIs. (4) Initial intelligence shared with CQC. (5) High level data strategy completed and approved. (6) Some reviews of the quality of data and management of corporate KPIs were undertaken by the QA team and learning shared with directorates - Q2.  <b>Planned action:</b> (1) Further reviews of the quality of data and management of corporate KPIs are included in the QA team's programme of work for Q4. (2) Knowledge manager recruited in Q4. (3) Data Strategy Steering Group established Q4. (4) Data definition and cleansing activities underway (Q4).				Director, Strategy  Assistant Director, Strategy and Comms	04.04.2014 Updated to reflect production of Corporate Data Strategy and increased traction on this work strand, consequent reduction of likelihood of risk.  20.06.2014- planned action 2 updated following advice from Change Programme Manager.  17/11/14 - Mitigation and Planned actions updated re. quality of data reviews.  08.01.2014 - Planned actions 2, 3 and 4 shifted to Q4. Recruitment of manager may be further delayed.	Open.  High level strategy will provide framework for a range of activities to deliver the strategic benefits outlined. A follow on project to address the identified priority activities and an ongoing data and intelligence capability provided for in ongoing business plan.	No change
<b>Cross ref:</b> S15, S16, FtP9, FtP10, R6, R10, CP3, CP4	(1) Inconsistency in collection and use of data. (2) Ownership and governance arrangements for data and information management fragmented. (3) Enhanced system and analysis tools needed.	We may not consistently provide a coordinated response to management information and data requests.	(1) Inability to deliver corporate objectives and/or improvement programme. (2) Barrier to making sound business decisions and prioritisation of work. (3) Ineffective use of resources. (4) Reputation damaged.	5	3	15	4		3	12					
CR9  (CS3)	May-13  (previously risk T25. Date of origin: Oct-12)	<b>Staffing</b>						<b>Mitigation in place:</b> (1) Improved employee communication and engagement in place. (2) Human Resources and Organisational Development Strategy in place and being implemented. (3) Staff surveys held annually and directorate action plans developed in response. (4) Learning and development programme for 2014 implemented. (5) Improved management information reports produced and used in directorate discussions to aid decision making. (6) Pay and grading review partially implemented with overall pay levels augmented. (7) Job family structure created to support career pathways, but with more work to make these effective.  <b>Planned action:</b> (1) Long term workforce planning aligned to strategic direction (in 2015-18 Business Plan). (2) Further development of career and reward (ongoing). (3) 2015 annual staff survey. (Q1). (4) Further analysis of workforce composition and turnover to identify trends (Q1) (3) Ongoing review of approach to pay and reward and NMC's position in market (2015-16).				Director, Corporate Services  AD HR & OD	06.02.15  06.03.15: Updates to planned actions. Post-mitigation impact score has increased to 4 as agreed by Exec Board on 4 March.	Open - on track.  Linked to KPI on employer turnover.	Increasing
<b>Cross ref:</b>	(1) 2014 Staff survey indicates that only 48% of staff see themselves staying with the NMC for 2 years. (2) Staff perception of pay progression remains an issue. (3) Career progression opportunities within the NMC is limited in some areas. (4) A relatively young and mobile workforce.	In a recovering economy we may continue to lose staff due to competing offers externally.	(1) Impact on delivery of corporate objectives and directorate business plans. (2) Negative impact on staff morale, motivation, and performance. (3) Organisational reputation damaged. (4) For specific roles e.g. IT, a continued reliance on consultants and contractors for key roles. (5) Loss of knowledge holders.	3	4	12	3		4	12					

No.	Date of origin	Risk Scenario			Inherent risk scoring			Mitigation in place / Planned action	Post-mitigation scoring			Risk Owner (and Mitigation Owner)	Dates up-dated (log of dates for when risk was updated)	Status (open / closed plus clear indication of whether and when on track / not on track to reduce scoring)	Direction (of risk score from the previous issue)
		Root cause(s)	Potential situation	Consequences	Likelihood	Impact	Score		Likelihood	Impact	Score				
CR10	May-13  (previously risk T29. Date of origin: Feb-13)	<b>Profile and proactivity</b>						<b>Mitigation in place:</b> (1) 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. (2) Patient and public engagement through Patient and Public Advisory Group. (3) Met with Patient and Client Council in Northern Ireland. (4) Changes made to NMC website in response to Patient and Public Engagement Forum feedback. (5) System in place for tracking and recording FtP referrals. (6) Programme of MoU development and review in progress. (7) Public facing leaflets approved and published. (8) Programme of parliamentary receptions and Council meetings and engagement in each of the four countries of the UK. (9) Professional Strategic Advisory Group established and meeting quarterly. (10) Expert agency employed to drive strategic communications for the Code and revalidation.  <b>Planned action:</b> (1) Developing plans for engagement work in Wales and Northern Ireland, alongside a review and evaluation of our existing patient and public engagement work. (2) Employer engagement on revalidation. (3) Website relaunch to make it more public focused and interactive (in early 2015). (4) Memorandums of understanding to be underpinned with information and data sharing protocols (March 2014 and ongoing). (5) FtP developing employer link service model (for implementation in early 2015). (6) Next CMS release to enable capture of referrals to and from other regulators (Q2 2014-2015). (7) Planned internal audit activity to look at communication and engagement in Q4 2014 - 15. (8) Next seminar following on from professionalism being planned to coincide with Code becoming effective (March 2015). (9) Proactive media strategy being developed in line with emerging corporate strategy (Spring 2015). (10) Four nations stakeholder mapping completed and final report received. Next steps to be determined (Q4). (11) QA function reviewing our arrangements for sharing information with others (Q4). (12) Promotional campaign for the Code, including public-facing material in place (2015).				Director, Strategy  Assistant Director, Strategy and Comms	28.11.13 - Risk likelihood decreased following Executive Board (26 October) support for the website refresh proposals to be progressed.  13.02.14: risk reviewed and scoring increased following Council discussion, to reflect the extent of the challenge faced.  07.11.14 Code promotion added to planned action  19.11.14 - updates made.  13.01.15 Historic mitigations removed and planned actions updated.  10.02.15 Planned actions updated.	Open  10/01/2014: Note that the KPMG report noted good progress with stakeholders.	No change
Cross ref: CR7, CP2, S18	(1) Engagement with patients, public and stakeholders not yet fully embedded. (2) Complex healthcare landscape and regulatory environment. (3) Joint working with other regulators inconsistent.  The NMC's lack of public profile means we may not communicate our role effectively and therefore our role is not properly understood.  Ineffective joint working inhibits sharing of information about potential identification of unsafe practice or health provision settings where nurses and midwives provide care.  (1) Inability to deliver public protection effectively. (2) Reputation damaged. (3) Inappropriate or lack of referrals to fitness to practise. (4) Inappropriate recommendations from external reviews.	4	4	16	3	3	9								

No.	Date of origin	Risk Scenario			Inherent risk scoring			Mitigation in place / Planned action	Post-mitigation scoring			Risk Owner (and Mitigation Owner)	Dates up-dated (log of dates for when risk was updated)	Status (open / closed plus clear indication of whether and when on track / not on track to reduce scoring)	Direction (of risk score from the previous issue)
		Root cause(s)	Potential situation	Consequences	Likelihood	Impact	Score		Likelihood	Impact	Score				
CR11 (S11)	14-Feb-14	<b>Legislative change</b>						<b>Mitigation in place:</b> (1) We have an engagement plan in place to work with, and alongside, other key stakeholders to continue to exert pressure and influence on all parties to include this Bill in the next parliament. (2) We engaged directly with DH with a view to influencing their response to the draft Bill. We are also engaging with other regulators, PSA and patient groups to secure consensus on many key issues. (3) The new Regulation Board is now overseeing all our legislation-related work. (4) Joint regulators working group and CEOs forum set up to share information and agree joint regulatory approaches where possible. (5) Corporate legislation adviser is leading this work towards developing a new legislative framework. (6) On 21 October 2014 we published a position statement <i>Better legislation for better regulation</i> which outlines the case for urgent legislative reform. (7) On 29 January 2015 we issued a joint statement (with representatives of patients' groups, nursing and midwifery professional bodies, unions, and systems and education representatives) welcoming the Government's response to the Law Commissions' proposals, which reflected many of the changes we had been seeking.				Chief Executive Corporate Legislation Adviser	20.08.14: updated by Corporate Legislation Adviser - planned action (2) added. 18.09.14: Title amended, potential situation 2 added and status updated. 19.11.14: Mitigation 6 added. 09.01.15: Risk scenario updated. 10.02.15: Mitigation 7 added. 10.03.15: mitigations and planned actions reviewed. Scores remain the same as there has been no significant change to majorly affect the risk of the Bill not being introduced.	Open Post-mitigation scoring reflects concern that the Bill or alternative legislative change may not be introduced within a reasonable timescale, rather than expected contents of Bill.	No change
		(1) Our current legislative framework is outdated and limits our ability to improve the effectiveness of our processes.  (2) The government has decided not to introduce a Bill to change our legislation. ----- (3) The Department of Health may not make all the amendments we are seeking to the Law Commission draft Bill in its own draft Bill, whenever this is taken forward.	(1) The Bill may not be introduced by the government at all.  (2) In the absence of a Bill, the government may not prioritise our request for further legislative change. ----- (3) We may be unable to secure all our desired amendments or correct all the oversights.  (4) The Bill may reserve too many powers to the government.	(1) We will be left operating within our current unsatisfactory legislative framework, which limits our ability to improve the effectiveness of our processes. ----- (2) The DH Bill does not deliver the promised streamlined and flexible legislative framework, but actually either maintains too many of our existing legislative problems or creates more mandatory requirements so that the additional burdens outweigh the benefits.  (3) A requirement for further legislation leading to long delays before some of the benefits can be felt.	4	4	16		4	4	16				

Cross ref:  
CR2,  
FtP6,  
FtP12

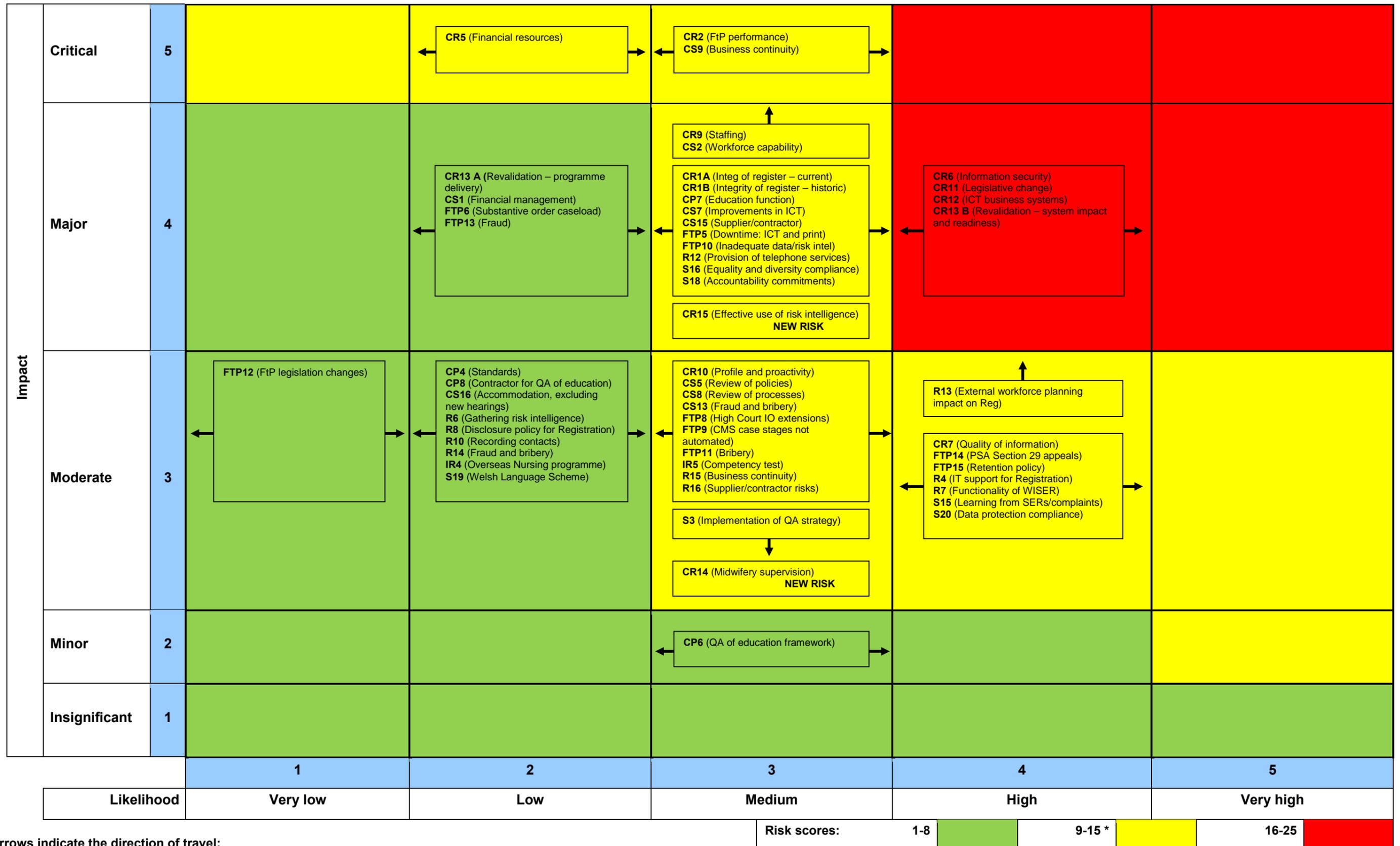
No.	Date of origin	Risk Scenario			Inherent risk scoring			Mitigation in place / Planned action	Post-mitigation scoring			Risk Owner (and Mitigation Owner)	Dates up-dated (log of dates for when risk was updated)	Status (open / closed plus clear indication of whether and when on track / not on track to reduce scoring)	Direction (of risk score from the previous issue)
		Root cause(s)	Potential situation	Consequences	Likelihood	Impact	Score		Likelihood	Impact	Score				
CR12	May-14	<b>ICT business systems</b>						<b>Mitigation in place:</b> (1) Review of servers completed with operational loads more even spread to reduce risk of server failure. (2) Change Management process updated to improve quality of ICT changes. (3) Testing policy updated to improve quality of testing and roll-out. (4) Upgrades to our operating platforms and telephony system to supported and more up to date versions, thereby reducing risk. (5) Series of enhancements to Windows 7 environment to improve concerns over performance. (6) Replacement of old hardware for newer machines. (7) Performance testing taking place as normal practice on all major upgrades. (8) Upgraded storage to provide additional capacity and performance. (9) Upgraded servers to provide additional processing power. (11) Hardware upgrades completed. Like for like capabilities in place between production and disaster recovery for most applications. (12) Healthcheck of processes and controls completed (December 2014)					06.02.15		No change
Cross ref: CS7		1. Lack of robust procedures and controls over the management, testing and roll-out of changes to hardware and software, and development of new products and systems. 2. Ongoing use of critical business systems that are now unsupported by suppliers. 3. Insufficient capacity in our telephony system to handle peak periods in the Registration call centre. 4. Inadequate management of key third party ICT supply contracts and lack of contracts in some cases. 5. Lack of quality-assured ICT service support. 6. Lack of planning for business continuity and disaster recovery. 7. IT infrastructure insufficient to cope with our operational requirements.	Current systems are either already at risk of failure or become at risk of failure.	1. Critical business operations either stop or performance is negatively impacted. 2. Key performance targets or corporate commitments are not met or are put at risk. 3. Staff frustration contributes to poor motivation and increases staff turnover. 4. Wasted resources used in reacting to events. 5. Loss of confidence by staff, the Council and external stakeholders.	4	4	16		4	4	16	Director, Corporate Services	06.03.15 - risk considered but intend to do a more detailed review of ICT risks in the near future.		

No.	Date of origin	Risk Scenario			Inherent risk scoring			Mitigation in place / Planned action	Post-mitigation scoring			Risk Owner (and Mitigation Owner)	Dates up-dated (log of dates for when risk was updated)	Status (open / closed plus clear indication of whether and when on track / not on track to reduce scoring)	Direction (of risk score from the previous issue)
		Root cause(s)	Potential situation	Consequences	Likelihood	Impact	Score		Likelihood	Impact	Score				
CR14	Sep-14	<b>Midwifery Supervision</b>						<b>Mitigation in place:</b> (1) Guernsey Extraordinary review completed with recommendations and publication of action plans. (2) Engagement with key stakeholders and partners as part of the Kings Fund review. (3) King's Fund review (accepted by NMC Council) recommended new model of regulation and the removal of statutory supervision from NMC legislation. This decision requires legislative change.  <b>Planned action:</b> (1) Increased engagement with LSAMO forum and partners in the four countries on supervision. (2) Ensure CNOs take leadership on transitional arrangements. (3) Effective oversight and advice to Council by Midwifery Committee. (4) Employer link fully embedding messages around midwifery regulation as part of their engagement with employers and LSAMOs. (5) Short term effective review of standards that support midwives rules (start April 2015 complete December 2015).				Director, Continued Practice  Director, Strategy		Open  <b>NEW CORPORATE RISK</b>  <b>31.01.2015</b>	
Cross ref:		(1) NMC Council agreed current supervisory framework does not meet regulatory public protection aims. (2) NHS England re-structure and the King's Fund review result in uncertainty amongst midwifery community. (3) Complex and remote nature of LSA relationship with maternity service providers in crown dependencies and overseas territories.	(1) Supervisory investigations are inadequate due to conflicts of interest or lack of resources. (2) Ineffective collaboration between LSAMOs and the NMC.	(1) Public protection compromised due to failure to identify promptly areas of risk within the LSAs. (2) Supervisory investigations do not adequately identify, address and correct poor practice.	4	4	16		3	3	9				
CR15	20.1.15	<b>Effective management of risk intelligence about settings by the NMC, including sharing with others who protect the public</b>						<b>Mitigation in place:</b> 1. Cross representation on current fora such as RESQ and FtP High Profile Cases. 2. Participation in RQSG (England only) and strengthening understanding of risk surveillance in NI, Scotland and Wales. 3. Development of an appropriate suite of MoU.  <b>Planned action:</b> 1. Establishment of new function in the Strategy directorate. 2. Internal audit review of data sharing across regulators (Q2 of 2015-16). 3. Implementation of recommendations of QA team review of information sharing [Meeting to discuss March 2015]. 4. Employer link function feeding intelligence to Regulatory risk manager [ELS start up date]. 5. Shared database enables effective storage and use of risk intelligence [business case end of Feb 2015]. 6. Work to improve staff awareness of and compliance with MoU [tba].				Director, Strategy	20.1.15 19.2.15 09.03.15	<b>NEW CORPORATE RISK</b>	
Cross ref:		1. Inadequate capture of the risk landscape as it concerns health and care settings. 2. No corporate approach to risk measurement. 3. Inconsistent operationalisation of MoU. 4. Non-alignment of systems, processes and resources relating to managing risk intelligence. 5. Lack of clarity around roles and responsibilities. 6. Lack of staff awareness.	1. Inability to receive and maintain risk intelligence from third parties. 2. Inability to supply third parties with risk intelligence. 3. Multiple, and potentially divergent, discussions of and responses to risk in different parts of the organisation. 4. Inadequate basis for tracking regulatory action in response to risk and escalating/de-escalating risks.	1. Public protection risk of over- and under-investment in responses to risks posed by settings. 2. Reputational risks associated with not knowing what we know and not being an effective partner in public protection. 3. Inefficiencies caused by duplicative processes in different parts of the organisation. 4. Reactive, disproportionate responses to some risks while others may go below the radar. 5. Weak evidence base for evaluating impact of related activity and/or accountability for actions and decisions.	5	5	25		3	4	12				



### Risk map of all corporate and directorate risks as at 11 March 2015

This map shows the most recent post-mitigation score changes for corporate and directorate risks (between 28 January Council meeting and 11 March 2015).



Arrows indicate the direction of travel:

- ↑ Risk score has increased since 28 January 2015
- ↓ Risk score has decreased since 28 January 2015
- ↔ Risk score has stayed the same since 28 January 2015

**Risk references:**

- CR: Corporate risk
- FTP: Fitness to Practise risk
- IR: Registration risk (International Reg)
- R: Registration risk

- S: Strategy risk
- CS: Corporate Services risk
- CP: Continued Practice risk

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



## Annexe 7 Professional Standards Authority Standards of Good Regulation (2010)

The Standards in full are provided here. A key to the additional text and red/amber/green ratings is provided below.

Guidance and standards	
1	Standards of competence and conduct reflect up-to-date practice and legislation. They prioritise patient and service user safety and patient and service user centered care
2	Additional guidance helps registrants to apply the regulators' standards of competence and conduct to specialist or specific issues including addressing diverse needs arising from patient and service user centered care
3	In development and revision of guidance and standards, the regulator takes account of stakeholders' views and experiences, external events, developments in the four countries European and international regulation and learning from other areas of its work
4	The standards and guidance are published in accessible formats. Registrants, potential registrants, employers, patients, service users and members of the public are able to find the standards and guidance published by the regulator and can find out about the action that can be taken if the standards and guidance are not followed

Education and training	
1	Standards for education and training are linked to standards for registrants. They prioritise patient and service user safety and patient and service user centred care. The process for reviewing or developing standards for education and training should incorporate the views and experiences of key stakeholders, external events and the learning from the quality assurance process
2	Through the regulator's continuing professional development/revalidation systems, registrants maintain the standards required to stay fit to practice PSA's view is that the model on which we consulted lacks a robust evidence base, particularly around risk; that a "one size fits all" approach may not be appropriate; that the model is incomplete in not addressing how it will operate in practice; and that there is insufficient information available about the financial viability and operational impact of model.
3	The process for quality assuring education programmes is proportionate and takes account of the views of patients, service users, students and trainees. It is also focused on ensuring the education providers can develop students and trainees so that they meet the regulator's standards for registration
4	Action is taken if the quality assurance process identifies concerns about education and training establishments
5	Information on approved programmes and the approval process is publicly available

Key to 2013-2014 performance	Standard met	Inconsistently met	Standard not met
Where Standards are rated red or amber in the tables, areas identified by the PSA for improvement are listed underneath the Standard.			

Registration	
1	Only those who meet the regulator's requirements are registered
2	The registration process, including the management of appeals, is fair, based on the regulators' standards, efficient, transparent, secure, and continuously improving Customer service (including % of unanswered calls) and efficiency of registration processing, including timeliness, despite foreseeable peaks in applications.
3	Through the regulators' registers, everyone can easily access information about registrants, except in relation to their health, including whether there are restrictions on their practice PSA concerns are about the accuracy and integrity of the register, due to discrepancy/error rates between Registration database (WISER) and FTP Case Management System.
4	Employers are aware of the importance of checking a health professional's or social worker's registration. Patients, service users, and members of the public can find and check a health professional's or social workers registration
5	Risk of harm to the public and of damage to public confidence in the profession related to non-registrants using a protected title or undertaking a protected act is managed in a proportionate and risk based manner

Fitness to practice	
1	Anybody can raise a concern, including the regulator, about the fitness to practise of a registrant
2	Information about fitness to practise concerns is shared by the regulator with employers/local arbitrators, system and other professional regulators within the relevant legal frameworks
3	Where necessary, the regulator will determine if there is a case to answer and if so, whether the registrant's fitness to practise is impaired or, where appropriate, direct the person to another relevant organisation
4	All fitness to practise complaints are reviewed on receipt and serious cases are prioritised and where appropriate referred to an interim orders panel Large number of High Court extensions:- in PSA's view this demonstrates that cases are not being prioritised and concluded promptly, and that also interim orders are lapsing without review.
5	The fitness to practise process is transparent, fair, proportionate and focused on public protection Weaknesses in voluntary removal and consensual panel determination processes and decisions, premature publication of a panel decision and weaknesses in approach to reviewing closed cases.
6	Fitness to practise cases are dealt with as quickly as possible taking into account the complexity and type of case and the conduct of both sides. Delays do not result in harm or potential harm to patients or service users. Where necessary the regulator protects the public by means of interim orders Timeliness of case progression:- in PSA's view, poor performance against adjudication KPI during 2013-2014 and high adjournment rate.
7	All parties to a fitness to practise case are kept updated on the progress of their case and supported to participate effectively in the process Customer service: failure to adequately support witnesses and failure to learn from customer feedback.
8	All fitness to practise decisions made at the initial and final stages of the process are well reasoned, consistent, protect the public and maintain confidence in the profession Inconsistency in quality of decisions by staff and panel members, number of PSA section 29 appeals and number of PSA learning points on final FTP outcomes.
9	All final fitness to practise decisions, apart from matters relating to the health of a professional, are published and communicated to relevant stakeholders
10	Information about fitness to practise cases is securely retained Number and seriousness of data security breaches involving personal information.

**Map of corporate objective activities, risks and performance in 2013-2014 against PSA Standards of Good Regulation**

Guidance and Standards	1 Nursing and Midwifery Standards <u>CO2</u> : 2.2, 2.4, 2.7	2 Nursing and Midwifery Guidance <u>CO2</u> : 2.2, 2.3	3 External input to Standards <u>CO2</u> : 2.2, 2.3, 2.4 <u>CO4</u> : 4.1, 4.2 <u>CO5</u> : 5.4	4 Public Information on Standards <u>CO2</u> : 2.1, 2.2., 2.3 <u>CO5</u> : 5.2, 5.3, 5.4, 5.7						
						<p><b>Key</b></p> <p><b>CO</b> Corporate objective activity (see quarterly progress reports)  <b>CR</b> Corporate risk (see risk register)  <b>KPI</b> Corporate key performance indicator (see KPI report)</p> <p><b>Key to 2013-2014 performance:</b></p> <p>Standard met (Green)                  Inconsistently met (Yellow)                  Standard not met (Red)</p>				
Education and training	1 Education Standards <u>CO2</u> : 2.6, 2.7	2 Revalidation <u>CO2</u> : 2.1, 2.2 CR13 A and B	3 Education QA process <u>CO2</u> : 2.5, 2.6	4 Education QA monitoring <u>CO2</u> : 2.5	5 Public information about Education QA <u>CO2</u> : 2.5 <u>CO5</u> : 5.2, 5.3					
Registration	1 Registration requirements <u>CO1</u> : 1.1, 1.3, 1.6 KPI 1	2 Applications and appeals including customer service <u>CO1</u> : 1.1, 1.2, 1.3, 1.4, 1.5 KPI 1	3 Register accuracy and integrity <u>CO1</u> : 1.4, 1.5 CR1 A and B KPI 1	4 Public register and employer checks <u>CO1</u> : 1.4 <u>CO5</u> : 5.2	5 Protected titles <u>CO1</u> : 1.1					
Fitness to practise	1 Referrals <u>CO3</u> : 3.1 <u>CO4</u> : 4.4 <u>CO5</u> : 5.2	2 Information sharing <u>CO3</u> : 3.1 <u>CO4</u> : 4.4 <u>CO6</u> : 6.3 CR10	3 Screening <u>CO3</u> : 3.1, 3.4	4 IOs/Prioritising serious cases <u>CO3</u> : 3.1 CR2 KPI 2	5 Fair and transparent processes <u>CO3</u> : 3.1, 3.8 <u>CO5</u> : 5.2 CR2 KPIs 3, 4	6 Timeliness <u>CO3</u> : 3.1, 3.2, 3.4, 3.8 CR2 KPIs 3, 4	7 Customer service <u>CO3</u> : 3.7 <u>CO8</u> : 8.4	8 Decision-making <u>CO3</u> : 3.4, 3.5 CR2	9 Publication of outcomes <u>CO3</u> : 3.1	10 Information security <u>CO3</u> : 3.1, 3.6 <u>CO8</u> : 8.7 CR6

## Summary of the NMC's planned actions in response to the Francis report recommendations

### For reference

This table is a summary of the actions taken from our formal response, dated 18 July 2013, to the Francis report recommendations.

Our full response, including the table presented here, can be read on the NMC website: <http://www.nmc-uk.org/About-us/Our-response-to-the-Francis-Inquiry-Report/>

Planned action	
1	Raising our public profile and encouraging appropriate referrals to improve our ability to act promptly to protect the public.
2	Developing more risk-based and proportionate fitness to practise processes to ensure that our resources are effectively targeted on public protection and introducing regional advisors to provide employer liaison and advice.
3	Improving our joint working and intelligence sharing arrangements with other professional and systems regulators.
4	Improving the NMC witness experience for those involved in fitness to practise proceedings.
5	Reviewing the Code and other practice standards.
6	Evaluating our pre-registration education standards.
7	Making changes to our legislation so that our processes are more efficient and allow us to more effectively protect the public.
8	Developing a proportionate revalidation model.



## Council

### Financial monitoring report: January 2015 results

**Action:** For information.

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

**Core regulatory function:** Supporting functions

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

**Decision required:** None.

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

- Annexe 1: Management results for 2014-2015 by month and year to date as at January 2015, plus the latest projections for the year to go and the full year 2014-2015.
- Annexe 2: Actual results and forecast projections by month to March 2015.
- Annexe 3: Graph showing forecast available free reserves versus the approved financial strategy available free reserves for 2014-2015.
- Annexe 4: Waterfall graph showing the main variances in available free reserves between the full year budget and forecast for 2014-2015, by cost category.
- Annexe 5: Efficiency performance 2014-2015.

**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 26 March 2014.
- 2 The budget was set in the context of the three year plan to achieve our Fitness to Practise KPIs by December 2014 and the minimum available free reserves target by January 2016. Progress towards meeting the available free reserves target is also regularly presented to 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.
- 4 Detailed month end reporting packs are produced for the Executive Team, showing results by directorate, cost centres and projects, together with summary reports, commentary and an update of the contingency position.
- 5 The Executive Board reviews and approves the financial results and forecast each month.
- 6 Where significant variances are identified during the year which would impact our achievement of our reserves target, directors will determine the necessary corrective actions.

**Discussion: Executive summary**

- 7 The latest forecast is for available free reserves at March 2015 to be £9.9 million, which is £2.4 million above the target of £7.5 million. This variance represents 3.3% of total income.
- 8 Available free reserves at January 2014 were £10.6 million, which is £4.1 million higher than the planned level of £6.4 million. This increase was principally due to:
  - 8.1 higher registration fee income (based on higher numbers on the Register than expected);
  - 8.2 lower than budgeted expenditure in FtP (with lower than budgeted spend on ICIOs and ICs outweighing higher hearing activity and staff costs to date);
  - 8.3 lower than budgeted spend to date in Continued Practice, which is ramping up in the final quarter;
  - 8.4 lower than budgeted ICT capital spend (mainly the deferral of the Wisser replacement project);

- 8.5 release of contingency funds budgeted to date.
- 9 The principal full year forecast variances are projected to be in periodic income, and capital expenditure. Revenue expenditure is forecast to be broadly on budget at a total level. The FtP and Continued Practice timing variances to January total some £1.6 million, and these funds are reforecast to be spent in the final two months - additional external support for Revalidation has been secured, and FtP hearing activity is forecast to run at higher than budgeted levels for the final two months (based on 20 and 18 hearings per day in February and March respectively versus budgeted 14 hearings per day).
- 10 As we progress through the final part of the year, directorates are being asked to ensure that their forecasts only reflects activity that can be delivered in-year; and activity which cannot be delivered in 2014-15 is being re-profiled to 2015-16. This would have the effect of raising the yearend available free reserves figure. In particular, Continued Practice and FtP are being monitored.
- 11 We have been notified by our tax advisers that our claim for repayment of income tax and National Insurance paid on FtP panellist expenses in prior years has been partially accepted by HMRC, and we are awaiting written confirmation from HMRC to this effect. The partial repayment is expected to be approximately £0.5 million. This has not yet been factored into the forecast given the length of time such matters take and the difficulties experienced to date in progressing the claim.

### **Monthly management results**

- 12 The detailed management results and forecast for January are set out at Annexe 1.

### **Actual results versus budget**

- 13 The principal variances for the ten months to January against budget are as follows:
- 13.1 Income is £1.1 million higher than budget, with lower interest income offset by higher grant, periodic fee and overseas income. Following the approval of the grant funding, the income and project costs associated with the test of competence have now been reflected in the profit and loss account.
- 13.2 Costs in the Office of the Chair & Chief Executive were lower than budget by £0.3 million (73%). This is due to the re-allocation of the Programme & Change Management team to the Strategy directorate.
- 13.3 This re-allocation, partially offset by reduced expenditure

relating to research & website development, has resulted in the Strategy directorate expenditure being higher than budget by £0.3 million to date.

- 13.4 Costs in Registration were higher than budget by £0.2 million (7%) due to increased temporary staff required during the peak period and to service increased overseas volumes. This is matched by an increase in related fee income.
- 13.5 Costs in Continued Practice were £0.7 million (28%) lower than budget, due to lower than budgeted QA of education costs, professional costs and engagement costs relating to revalidation to date. There are a number of significant initiatives currently underway in the directorate.
- 13.6 Costs in ICT were higher than budget by £1.0 million (20%). This is due to increased contractor spend which has been transferred from capital expenditure, combined with the requirement for additional specialist resource.
- 13.7 Costs in Facilities were lower than budget by £0.2 million (3%). This is principally due to a VAT rebate received relating to the rent on 61 Aldwych, partly offset by an increase in the dilapidations provision for the newly leased hearing accommodation at Stratford Place, and increased business continuity costs.
- 13.8 FtP costs were £0.3 million (1%) lower than budget. This is principally due to lower than budgeted hearing activity (mainly ICIOs and IC hearing days) resulting in lower hearing-associated costs. This is partly offset by increased temporary resource and external venue costs, both of which were utilised to help ensure that the December 2014 KPI was met.
- 13.9 Capital expenditure was £0.8 million (28%) lower than budget. This is due to lower ICT capital expenditure arising from the timing of spend on the replacement registration system and the transfer of contractor spend to ICT directorate expenditure, partly offset by the approved capital spend on the fit-out of leased premises at Stratford Place.

#### **Full year forecast versus budget**

- 14 The principal variances for the full year forecast compared to budget are as follows:
  - 14.1 Total income is forecast to be higher than budget by £1.5 million, 2% favourable to budget, reflecting higher volumes on the register than budgeted, higher overseas and EU

applications volumes and higher grant income. The increased grant income is offset by the associated increase in project costs.

- 14.2 FtP expenditure is forecast to be £0.2 million higher than budget. The forecast reflects the updated hearing activity and additional headcount that was required to ensure the December 2014 KPI was met. Hearing activity is forecast to run at higher than budgeted levels for the final two months (based on 20 and 18 hearings per day for February and March respectively versus budgeted 14 hearings per day).
- 14.3 Costs are forecast to be £0.5 million (12%) higher than budget in Strategy. £0.6 million has been added to the Governance forecast; £0.5 million in relation to the Programme & Change Management team (including £0.3 million budget transferred from OCCE) and £0.15 million for the independent review of progress against the PSA 2012 Strategic Review recommendations (including £0.1 million budget transferred from OCCE). £0.3 million additional costs have been incurred in Policy due to the external review of midwifery regulation; this work was budgeted as part of the contingency as it was not fully defined at the time of the budget. This has been partly offset by deferred research expenditure of £0.2 million, which will now fall into 2015-2016.
- 14.4 Costs are forecast to be £0.4 million lower than budget in OCCE owing to the re-allocation of budgeted funds for both the Programme & Change Management team and the independent review of progress against the PSA 2012 Strategic Review recommendations to the Strategy directorate. These are now reported and controlled in the Strategy directorate.
- 14.5 ICT expenditure is forecast to be £1.3 million (22%) higher than budget. This is primarily due to the requirement for specialist resource. £0.9 million has been funded by the contingency, and £0.4 million reflects a transfer from the capital budget. The latter has no impact on projected reserves.
- 14.6 Finance is forecast to be £0.2 million (8%) higher than budget as costs associated with the appointment of a Strategic Information Advisor are incorporated into the forecast.
- 14.7 Facilities is forecast to be £0.3 million (5%) lower than budget resulting from vacating the Old Bailey earlier than expected and a VAT rebate received on the 61 Aldwych rent, offset by an increased dilapidation provision for the

newly leased hearing accommodation at Stratford Place and increased business continuity costs.

- 14.8 NMC General costs are forecast to be £0.3 million (84%) higher than budget, which includes a £0.1 million provision for unused employee annual leave days carried over to 2015-16, which is a new requirement under Financial Reporting Standard 102. These have been funded by the contingency.
- 14.9 The forecast reflects the capital expenditure required to fit out the leased hearing accommodation at Stratford Place. Although this is higher than the budgeted amount, this overspend will be offset by lower than budgeted rental payments in future years. The total agreed for Stratford Place (rental costs and fit-out) is within the envelope agreed by the Council. The budget was based on the costs incurred with the Old Bailey fit-out. Since then the market has changed and the new accommodation will provide extra capacity, hence the increased costs this year.
- 14.10 A number of IT projects budgeted to take place this year, are now expected to be delivered in 2015-2016 and therefore the costs have been released from the forecast.
- 14.11 Increases in forecast expenditure have been funded from the contingency. The contingency fund is set up as part of the budget to fund items which could not be budgeted at the time, either because they could not be accurately quantified or were not envisaged.

### **Efficiencies**

- 15 Performance against efficiency initiatives is set out in Annexe 6.
- 16 As part of the financial strategy, efficiency savings of £55 million were identified in Fitness to Practise for 2014-2015 to 2016-2017 and are being actively targeted. £10.4 million of savings are currently forecasted to be achieved for 2014-2015, and although this currently shows a shortfall to the budget, the overall target is expected to be met by the end of the three year period.
- 17 Further efficiency savings are being monitored, identified and targeted via the Corporate Efficiency Steering Group, which reports to the Executive Board.

### **Public protection implications:**

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

<b>Resource implications:</b>	19	The key financial indicators for current and projected levels are discussed in this paper.
<b>Equality and diversity implications:</b>	20	None.
<b>Stakeholder engagement:</b>	21	None.
<b>Risk implications:</b>	22	<p>There are a number of risks which should be considered on an ongoing basis when reviewing the financial position.</p> <p>22.1 The Council's risk-based reserve policy is that available free reserves should be held in a target range of £10 million to £25 million. At the October meeting, the Council considered the latest position on risks to be covered by reserves, and agreed that the target risk-based reserves level should remain in this range. Although this level has been achieved in January 2015, the March forecast position is currently for a level of £9.9 million which is in breach of our reserves policy. A reduction in reserves from the policy level should only be authorised by trustees where there is a clear and robust plan to rebuild reserves. In our case, our financial and fee strategy is designed to build reserves back up to the required level in a sustainable way.</p>
<b>Legal implications:</b>	23	None.



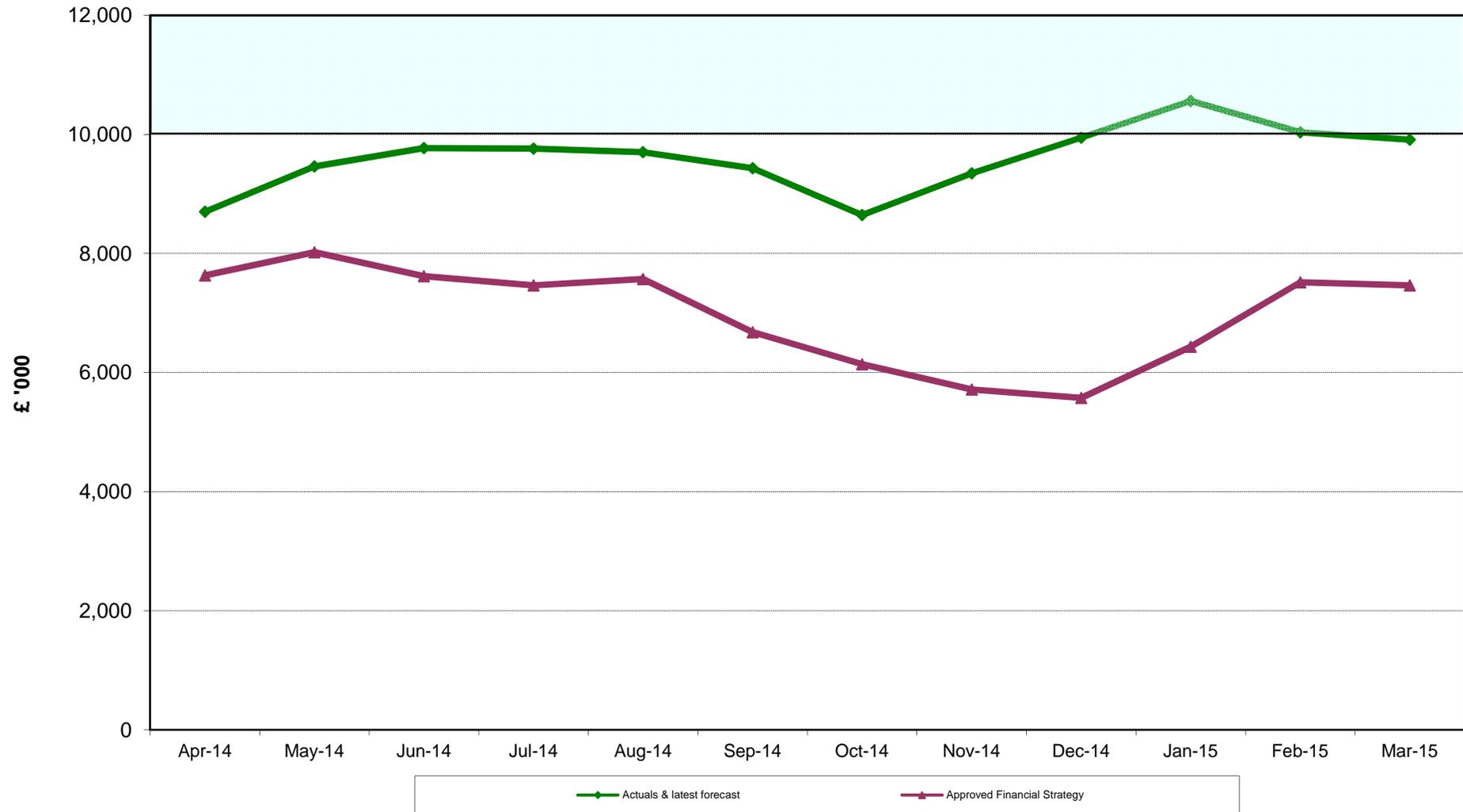
Actual, budget & forecast 2014-2015  
£000's

2014/2015	Month of January				April to January						February to March					Full Year					
	Actual	Budget	Prior Forecast	vs budget	Actual	Budget	Prior Forecast	vs budget	% vs budget	vs prior forecast	Forecast	Budget	Prior Forecast	vs budget	vs prior forecast	Actual/Forecast	Budget	Prior Forecast	vs budget	% vs budget	vs prior forecast
Grant Income	73	18	125	54	1,991	1,618	2,043	373	23%	(53)	396	37	362	359	34	2,387	1,654	2,406	732	44%	(19)
Periodic Fee Income	5,718	5,629	5,672	90	56,919	56,288	56,872	631	1%	47	11,418	11,332	11,418	86	0	68,337	67,620	68,291	717	1%	47
Overseas Applications	14	18	18	(4)	251	178	255	72	41%	(4)	36	36	36	0	0	286	214	290	72	34%	(4)
Eu Assessment Fee	52	40	45	12	675	398	668	277	69%	7	90	80	90	10	0	765	478	758	287	60%	7
Interest Income	50	73	56	(23)	535	762	541	(227)	(30%)	(6)	112	140	112	(28)	0	647	902	653	(255)	(28%)	(6)
Other Income	24	32	32	(8)	269	322	278	(53)	(16%)	(8)	64	64	64	0	0	334	386	342	(53)	(14%)	(8)
<b>Total Income:</b>	<b>5,936</b>	<b>5,810</b>	<b>5,948</b>	<b>126</b>	<b>60,645</b>	<b>59,566</b>	<b>60,657</b>	<b>1,079</b>	<b>2%</b>	<b>(13)</b>	<b>12,116</b>	<b>11,689</b>	<b>12,083</b>	<b>427</b>	<b>34</b>	<b>72,761</b>	<b>71,255</b>	<b>72,740</b>	<b>1,507</b>	<b>2%</b>	<b>21</b>
<b>Office of the Chair &amp; Chief Executive</b>	<b>45</b>	<b>78</b>	<b>48</b>	<b>33</b>	<b>458</b>	<b>791</b>	<b>461</b>	<b>333</b>	<b>73%</b>	<b>3</b>	<b>95</b>	<b>166</b>	<b>95</b>	<b>71</b>	<b>0</b>	<b>553</b>	<b>956</b>	<b>556</b>	<b>404</b>	<b>73%</b>	<b>3</b>
Communication	55	128	57	73	657	797	658	140	21%	1	205	119	250	(86)	45	862	916	908	54	6%	46
Council Services	30	33	34	3	377	390	381	13	4%	4	66	70	83	4	16	443	461	463	17	4%	20
Governance	162	108	188	(54)	1,530	1,120	1,555	(409)	(27%)	25	366	221	419	(145)	53	1,896	1,341	1,975	(555)	(29%)	79
Policy	48	80	63	31	922	896	937	(26)	(3%)	15	156	159	237	3	81	1,078	1,056	1,174	(23)	(2%)	96
<b>Strategy</b>	<b>296</b>	<b>349</b>	<b>341</b>	<b>53</b>	<b>3,485</b>	<b>3,204</b>	<b>3,531</b>	<b>(281)</b>	<b>(8%)</b>	<b>46</b>	<b>794</b>	<b>570</b>	<b>989</b>	<b>(224)</b>	<b>195</b>	<b>4,279</b>	<b>3,774</b>	<b>4,520</b>	<b>(505)</b>	<b>(12%)</b>	<b>241</b>
<b>Registration</b>	<b>361</b>	<b>297</b>	<b>309</b>	<b>(63)</b>	<b>3,325</b>	<b>3,104</b>	<b>3,273</b>	<b>(222)</b>	<b>(7%)</b>	<b>(52)</b>	<b>711</b>	<b>659</b>	<b>650</b>	<b>(52)</b>	<b>(61)</b>	<b>4,036</b>	<b>3,763</b>	<b>3,923</b>	<b>(273)</b>	<b>(7%)</b>	<b>(113)</b>
<b>Continued Practice</b>	<b>366</b>	<b>282</b>	<b>582</b>	<b>(84)</b>	<b>2,511</b>	<b>3,204</b>	<b>2,727</b>	<b>693</b>	<b>28%</b>	<b>216</b>	<b>1,275</b>	<b>659</b>	<b>1,104</b>	<b>(616)</b>	<b>(171)</b>	<b>3,786</b>	<b>3,863</b>	<b>3,831</b>	<b>77</b>	<b>2%</b>	<b>45</b>
ICT	595	317	463	(277)	4,914	3,940	4,783	(974)	(20%)	(131)	1,131	805	980	(326)	(151)	6,045	4,745	5,763	(1,300)	(22%)	(282)
Finance	233	168	241	(65)	1,909	1,837	1,917	(72)	(4%)	7	515	399	515	(115)	0	2,424	2,236	2,432	(188)	(8%)	7
Facilities Management	431	467	566	36	4,504	4,658	4,640	154	3%	136	740	873	959	132	219	5,245	5,531	5,599	286	5%	355
HR&OD	210	216	227	6	2,161	2,216	2,179	55	3%	17	531	431	514	(100)	(17)	2,693	2,647	2,693	(45)	(2%)	0
<b>Corporate Services</b>	<b>1,468</b>	<b>1,168</b>	<b>1,497</b>	<b>(300)</b>	<b>13,489</b>	<b>12,652</b>	<b>13,519</b>	<b>(838)</b>	<b>(6%)</b>	<b>29</b>	<b>2,917</b>	<b>2,508</b>	<b>2,968</b>	<b>(409)</b>	<b>51</b>	<b>16,407</b>	<b>15,160</b>	<b>16,486</b>	<b>(1,247)</b>	<b>(8%)</b>	<b>80</b>
Directors office	58	53	53	(5)	589	531	584	(59)	(10%)	(5)	120	106	120	(14)	0	709	636	704	(73)	(10%)	(5)
Screening	124	123	123	(1)	975	1,231	974	256	26%	(1)	246	246	246	0	0	1,221	1,477	1,220	256	21%	(1)
Case Investigations - Total	449	424	503	(25)	4,802	4,155	4,856	(647)	(13%)	54	1,122	864	1,122	(258)	0	5,924	5,019	5,978	(906)	(15%)	54
Investigations - IC	97	160	103	63	669	1,399	674	731	109%	5	143	186	156	43	14	811	1,585	830	774	95%	19
Case Management	0	24	24	24	44	243	69	199	448%	24	49	49	49	0	0	93	292	117	199	214%	24
Scheduling	98	80	80	(18)	821	789	803	(32)	(4%)	(18)	160	160	160	0	0	981	949	963	(32)	(3%)	(18)
Case Preparation	106	118	118	12	1,089	1,198	1,101	108	10%	12	236	236	236	0	0	1,326	1,434	1,337	108	8%	12
Admin / General	61	109	142	48	911	1,154	991	243	27%	80	282	239	282	(43)	0	1,192	1,393	1,273	200	17%	80
Adjudication	402	247	247	(155)	3,198	2,455	3,043	(743)	(23%)	(155)	512	513	512	1	0	3,710	2,967	3,555	(743)	(20%)	(155)
CCC	1,252	744	1,422	(507)	14,656	13,610	14,827	(1,046)	(7%)	171	2,596	2,067	2,442	(529)	(154)	17,253	15,678	17,269	(1,575)	(9%)	17
HC	117	51	53	(66)	1,147	905	1,083	(242)	(21%)	(64)	132	150	140	18	8	1,279	1,055	1,223	(224)	(18%)	(56)
Investigations - ICIO	163	344	195	181	1,673	3,347	1,706	1,673	100%	32	388	693	377	305	(11)	2,061	4,040	2,082	1,978	96%	21
Regulatory Legal Team	315	272	403	(43)	4,132	3,819	4,219	(313)	(8%)	88	749	663	778	(86)	29	4,881	4,482	4,997	(399)	(8%)	116
Panel support	62	60	66	(2)	780	673	784	(107)	(14%)	4	178	229	178	51	0	958	902	962	(56)	(6%)	4
Case Investigations Team 5	6	33	33	27	7	330	34	323	4,854%	27	66	66	66	0	0	73	396	100	323	445%	27
FiP Programme Initiatives	36	52	65	15	228	208	257	(20)	(9%)	29	130	103	130	(27)	0	358	312	387	(47)	(13%)	29
<b>FTP</b>	<b>3,347</b>	<b>2,896</b>	<b>3,631</b>	<b>(452)</b>	<b>35,722</b>	<b>36,046</b>	<b>36,005</b>	<b>325</b>	<b>1%</b>	<b>284</b>	<b>7,108</b>	<b>6,570</b>	<b>6,993</b>	<b>(539)</b>	<b>(115)</b>	<b>42,830</b>	<b>42,616</b>	<b>42,999</b>	<b>(214)</b>	<b>(0%)</b>	<b>169</b>
<b>Projects</b>	<b>85</b>	<b>101</b>	<b>140</b>	<b>16</b>	<b>2,267</b>	<b>2,082</b>	<b>2,321</b>	<b>(185)</b>	<b>(8%)</b>	<b>55</b>	<b>736</b>	<b>50</b>	<b>767</b>	<b>(686)</b>	<b>31</b>	<b>3,003</b>	<b>2,131</b>	<b>3,088</b>	<b>(871)</b>	<b>(29%)</b>	<b>85</b>
<b>Depreciation</b>	<b>222</b>	<b>264</b>	<b>300</b>	<b>43</b>	<b>2,855</b>	<b>2,905</b>	<b>2,933</b>	<b>49</b>	<b>2%</b>	<b>78</b>	<b>476</b>	<b>524</b>	<b>600</b>	<b>48</b>	<b>123</b>	<b>3,332</b>	<b>3,429</b>	<b>3,533</b>	<b>97</b>	<b>3%</b>	<b>202</b>
<b>NMC Corporate/General</b>	<b>25</b>	<b>5</b>	<b>25</b>	<b>(21)</b>	<b>241</b>	<b>47</b>	<b>241</b>	<b>(194)</b>	<b>(80%)</b>	<b>(1)</b>	<b>109</b>	<b>9</b>	<b>109</b>	<b>(100)</b>	<b>0</b>	<b>351</b>	<b>57</b>	<b>350</b>	<b>(294)</b>	<b>(84%)</b>	<b>(1)</b>
<b>Contingency</b>	<b>0</b>	<b>250</b>	<b>0</b>	<b>250</b>	<b>0</b>	<b>2,500</b>	<b>0</b>	<b>2,500</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>500</b>	<b>0</b>	<b>500</b>	<b>0</b>	<b>0</b>	<b>3,000</b>	<b>0</b>	<b>3,000</b>	<b>0%</b>	<b>0</b>
<b>Revenue Spend</b>	<b>6,215</b>	<b>5,691</b>	<b>6,873</b>	<b>(525)</b>	<b>64,354</b>	<b>66,534</b>	<b>65,011</b>	<b>2,180</b>	<b>3%</b>	<b>658</b>	<b>14,222</b>	<b>12,214</b>	<b>14,275</b>	<b>(2,008)</b>	<b>53</b>	<b>78,576</b>	<b>78,748</b>	<b>79,286</b>	<b>172</b>	<b>0%</b>	<b>710</b>
<b>Surplus / (Deficit)</b>	<b>(280)</b>	<b>119</b>	<b>(925)</b>	<b>(399)</b>	<b>(3,709)</b>	<b>(6,969)</b>	<b>(4,354)</b>	<b>3,260</b>	<b>88%</b>	<b>645</b>	<b>(2,106)</b>	<b>(525)</b>	<b>(2,192)</b>	<b>(1,581)</b>	<b>86</b>	<b>(5,815)</b>	<b>(7,493)</b>	<b>(6,546)</b>	<b>1,679</b>	<b>29%</b>	<b>731</b>
<b>Capital</b>	<b>(6)</b>	<b>185</b>	<b>119</b>	<b>191</b>	<b>2,929</b>	<b>3,754</b>	<b>3,053</b>	<b>825</b>	<b>28%</b>	<b>124</b>	<b>357</b>	<b>451</b>	<b>898</b>	<b>94</b>	<b>542</b>	<b>3,286</b>	<b>4,205</b>	<b>3,952</b>	<b>919</b>	<b>28%</b>	<b>666</b>
<b>Total free reserves</b>					<b>19,078</b>	<b>14,990</b>	<b>18,387</b>	<b>4,089</b>	<b>27%</b>	<b>691</b>						<b>18,234</b>	<b>15,680</b>	<b>17,038</b>	<b>2,554</b>	<b>16%</b>	<b>1,196</b>
<b>Pension deficit</b>					<b>8,519</b>	<b>8,555</b>	<b>8,519</b>	<b>36</b>	<b>0%</b>	<b>0</b>						<b>8,324</b>	<b>8,213</b>	<b>8,324</b>	<b>(111)</b>	<b>(1%)</b>	<b>0</b>
<b>Available free reserves (excluding pension deficit &amp; restricted funds)</b>					<b>10,560</b>	<b>6,435</b>	<b>9,868</b>	<b>4,125</b>	<b>64%</b>	<b>691</b>						<b>9,910</b>	<b>7,467</b>	<b>8,714</b>	<b>2,443</b>	<b>33%</b>	<b>1,196</b>
<b>Restricted funds</b>					<b>6,290</b>	<b>6,290</b>	<b>6,290</b>	<b>0</b>	<b>0%</b>	<b>0</b>						<b>5,148</b>	<b>5,148</b>	<b>5,148</b>	<b>0</b>	<b>0%</b>	<b>0</b>
<b>Cash at bank</b>					<b>73,455</b>	<b>67,260</b>	<b>70,658</b>	<b>6,195</b>	<b>9%</b>	<b>2,797</b>						<b>74,914</b>	<b>72,359</b>	<b>73,718</b>	<b>2,554</b>	<b>4%</b>	<b>1,196</b>
<b>Net inflow/(outflow) of funds</b>					<b>(4,795)</b>	<b>(10,990)</b>	<b>(7,592)</b>	<b>6,195</b>	<b>129%</b>	<b>2,797</b>						<b>(3,336)</b>	<b>(5,891)</b>	<b>(4,532)</b>	<b>2,554</b>	<b>77%</b>	<b>1,196</b>

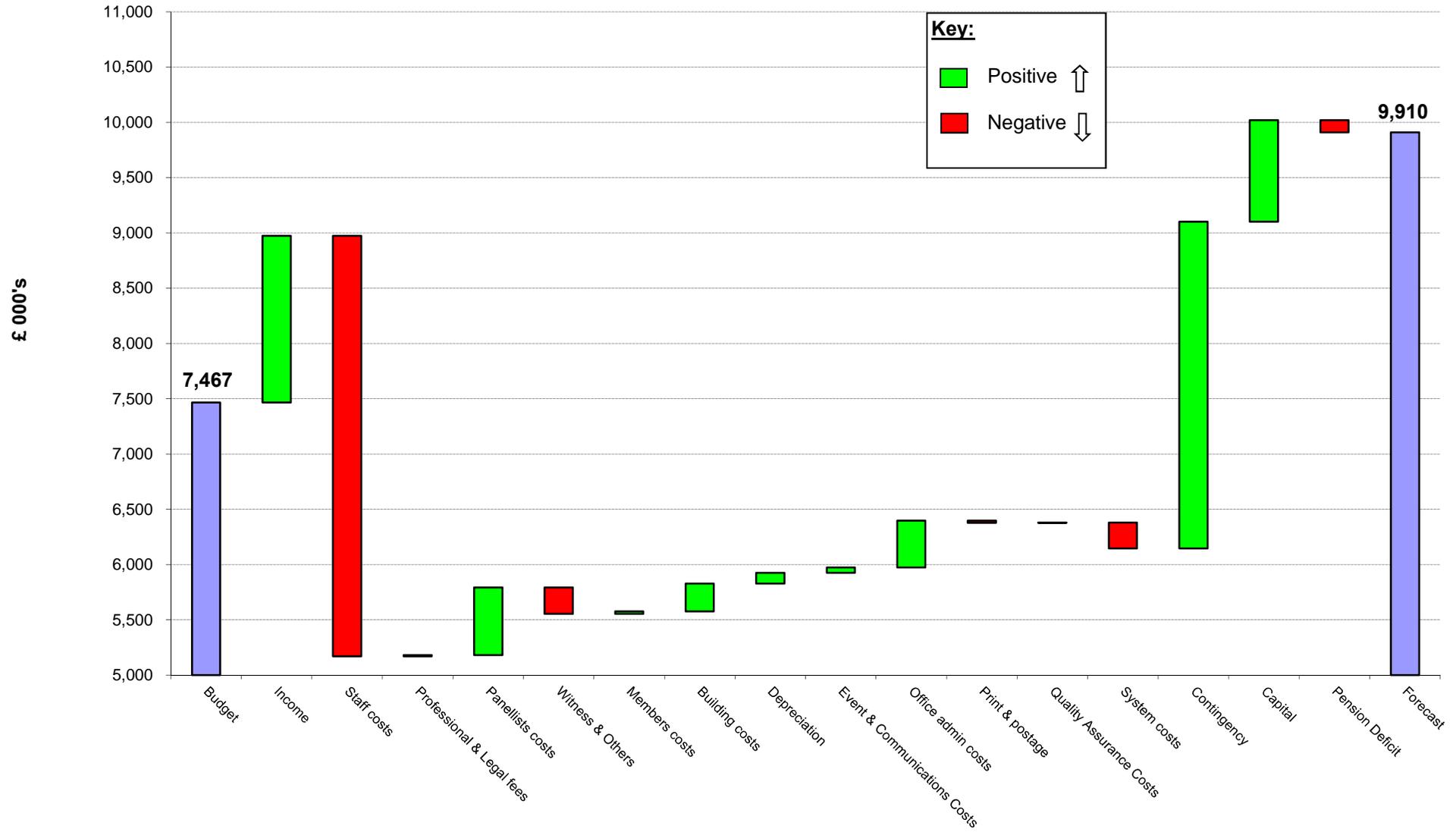
**Actual and Forecast per month 2014-2015**  
£000's

	Apr-14 Actual	May-14 Actual	Jun-14 Actual	Jul-14 Actual	Aug-14 Actual	Sep-14 Actual	Oct-14 Actual	Nov-14 Actual	Dec-14 Actual	Jan-15 Actual	Feb-15 Forecast	Mar-15 Forecast	Full Year 2014- 2015
Grant Income	73	41	44	21	10	16	(11)	0	1,724	73	207	189	2,387
Periodic Fee Income	5,670	5,674	5,675	5,671	5,664	5,662	5,717	5,741	5,727	5,718	5,672	5,747	68,337
Overseas Applications	22	25	37	28	9	23	35	56	3	14	18	18	286
Eu Assessment Fee	53	55	50	69	71	72	89	92	73	52	45	45	765
Interest Income	52	56	57	56	53	50	52	51	56	50	56	56	647
Other Income	23	18	21	27	23	29	50	32	24	24	32	32	334
<b>Total Income:</b>	<b>5,893</b>	<b>5,870</b>	<b>5,882</b>	<b>5,873</b>	<b>5,831</b>	<b>5,852</b>	<b>5,932</b>	<b>5,972</b>	<b>7,606</b>	<b>5,936</b>	<b>6,030</b>	<b>6,087</b>	<b>72,761</b>
<b>Office of the Chair &amp; Chief Executive</b>	<b>67</b>	<b>61</b>	<b>67</b>	<b>70</b>	<b>(44)</b>	<b>49</b>	<b>45</b>	<b>52</b>	<b>46</b>	<b>45</b>	<b>46</b>	<b>49</b>	<b>553</b>
Communication	47	68	70	66	54	84	78	81	53	55	52	153	862
Council Services	33	65	74	61	(14)	36	35	25	32	30	31	35	443
Governance	94	100	153	215	236	140	126	152	152	162	177	189	1,896
Policy	65	32	146	141	134	73	80	37	165	48	66	90	1,078
<b>Strategy</b>	<b>239</b>	<b>264</b>	<b>442</b>	<b>484</b>	<b>411</b>	<b>334</b>	<b>319</b>	<b>295</b>	<b>402</b>	<b>296</b>	<b>327</b>	<b>467</b>	<b>4,279</b>
<b>Registration</b>	<b>273</b>	<b>325</b>	<b>292</b>	<b>268</b>	<b>342</b>	<b>411</b>	<b>425</b>	<b>301</b>	<b>329</b>	<b>361</b>	<b>354</b>	<b>357</b>	<b>4,036</b>
<b>Continued Practice</b>	<b>209</b>	<b>192</b>	<b>285</b>	<b>307</b>	<b>270</b>	<b>206</b>	<b>230</b>	<b>180</b>	<b>266</b>	<b>366</b>	<b>532</b>	<b>743</b>	<b>3,786</b>
ICT	286	475	508	464	472	538	613	401	563	595	573	558	6,045
Finance	160	156	189	230	177	166	192	201	205	233	231	284	2,424
Facilities Management	448	435	443	431	485	467	516	259	591	431	298	443	5,245
HR&OD	183	226	228	195	229	204	248	218	220	210	289	242	2,693
<b>Corporate Services</b>	<b>1,077</b>	<b>1,292</b>	<b>1,367</b>	<b>1,320</b>	<b>1,362</b>	<b>1,375</b>	<b>1,569</b>	<b>1,079</b>	<b>1,579</b>	<b>1,468</b>	<b>1,391</b>	<b>1,527</b>	<b>16,407</b>
Directors office	60	68	60	60	60	63	59	59	43	58	53	66	709
Screening	118	112	101	97	75	86	91	73	97	124	123	123	1,221
Case Investigations - Total	422	365	458	480	421	433	552	602	619	449	548	574	5,924
Investigations - IC	88	56	89	48	69	99	40	45	38	97	130	13	811
Case Management	24	20	0	0	0	0	0	0	0	0	24	24	93
Scheduling	59	57	66	72	114	107	98	75	75	98	80	80	981
Case Preparation	101	106	108	111	126	94	106	111	120	106	118	118	1,326
Admin / General	112	140	95	104	95	85	58	56	105	61	130	152	1,192
Adjudication	273	259	281	284	302	381	387	307	321	402	247	265	3,710
CCC	1,403	1,437	1,363	1,518	1,464	1,660	2,030	1,580	949	1,252	1,562	1,035	17,253
HC	136	123	91	124	128	71	123	130	104	117	53	79	1,279
Investigations - ICIO	198	172	180	194	76	168	140	178	203	163	195	193	2,061
Regulatory Legal Team	383	469	486	426	385	409	477	407	375	315	398	351	4,881
Panel support	52	61	77	117	48	99	117	73	72	62	65	113	958
Case Investigations Team 5	0	0	0	(0)	0	0	0	0	0	6	33	33	73
FtP Programme Initiatives	0	0	0	8	0	12	67	37	67	36	65	65	358
<b>FTP</b>	<b>3,430</b>	<b>3,446</b>	<b>3,455</b>	<b>3,642</b>	<b>3,363</b>	<b>3,769</b>	<b>4,344</b>	<b>3,735</b>	<b>3,189</b>	<b>3,347</b>	<b>3,826</b>	<b>3,283</b>	<b>42,830</b>
<b>Projects</b>	<b>73</b>	<b>156</b>	<b>101</b>	<b>22</b>	<b>14</b>	<b>103</b>	<b>(11)</b>	<b>0</b>	<b>1,723</b>	<b>85</b>	<b>547</b>	<b>189</b>	<b>3,003</b>
<b>Depreciation</b>	<b>291</b>	<b>303</b>	<b>282</b>	<b>297</b>	<b>306</b>	<b>296</b>	<b>302</b>	<b>290</b>	<b>266</b>	<b>222</b>	<b>238</b>	<b>238</b>	<b>3,332</b>
<b>NMC Corporate/General</b>	<b>5</b>	<b>5</b>	<b>56</b>	<b>184</b>	<b>58</b>	<b>98</b>	<b>(241)</b>	<b>47</b>	<b>5</b>	<b>25</b>	<b>5</b>	<b>105</b>	<b>351</b>
<b>Contingency</b>	<b>0</b>	<b>0</b>	<b>0</b>										
<b>Revenue Spend</b>	<b>5,663</b>	<b>6,044</b>	<b>6,347</b>	<b>6,595</b>	<b>6,082</b>	<b>6,642</b>	<b>6,983</b>	<b>5,979</b>	<b>7,804</b>	<b>6,215</b>	<b>7,265</b>	<b>6,957</b>	<b>78,576</b>
<b>Surplus / (Deficit)</b>	<b>230</b>	<b>(174)</b>	<b>(465)</b>	<b>(721)</b>	<b>(252)</b>	<b>(790)</b>	<b>(1,051)</b>	<b>(7)</b>	<b>(199)</b>	<b>(280)</b>	<b>(1,235)</b>	<b>(871)</b>	<b>(5,815)</b>
<b>Capital</b>	<b>90</b>	<b>34</b>	<b>183</b>	<b>257</b>	<b>782</b>	<b>492</b>	<b>706</b>	<b>252</b>	<b>138</b>	<b>(6)</b>	<b>196</b>	<b>160</b>	<b>3,286</b>
<b>Total free reserves</b>	<b>18,100</b>	<b>18,766</b>	<b>18,971</b>	<b>18,861</b>	<b>18,704</b>	<b>18,342</b>	<b>17,457</b>	<b>18,060</b>	<b>18,560</b>	<b>19,078</b>	<b>18,456</b>	<b>18,234</b>	
<b>Pension deficit</b>	<b>9,397</b>	<b>9,303</b>	<b>9,199</b>	<b>9,102</b>	<b>9,005</b>	<b>8,907</b>	<b>8,810</b>	<b>8,713</b>	<b>8,616</b>	<b>8,519</b>	<b>8,421</b>	<b>8,324</b>	
<b>Available free reserves (excluding pension deficit &amp; restricted funds)</b>	<b>8,703</b>	<b>9,463</b>	<b>9,772</b>	<b>9,760</b>	<b>9,700</b>	<b>9,434</b>	<b>8,647</b>	<b>9,347</b>	<b>9,944</b>	<b>10,560</b>	<b>10,035</b>	<b>9,910</b>	
<b>Restricted funds</b>	<b>11,429</b>	<b>10,858</b>	<b>10,287</b>	<b>9,716</b>	<b>9,145</b>	<b>8,574</b>	<b>8,003</b>	<b>7,432</b>	<b>6,861</b>	<b>6,290</b>	<b>5,719</b>	<b>5,148</b>	
<b>Cash at bank</b>	<b>76,546</b>	<b>75,227</b>	<b>73,439</b>	<b>71,548</b>	<b>72,048</b>	<b>79,808</b>	<b>79,184</b>	<b>77,467</b>	<b>75,981</b>	<b>73,455</b>	<b>70,268</b>	<b>74,914</b>	
<b>Net inflow/(outflow) of funds - monthly</b>	<b>(1,704)</b>	<b>(1,319)</b>	<b>(1,788)</b>	<b>(1,891)</b>	<b>500</b>	<b>7,760</b>	<b>(624)</b>	<b>(1,717)</b>	<b>(1,486)</b>	<b>(2,526)</b>	<b>(3,187)</b>	<b>4,646</b>	<b>(3,336)</b>

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



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



### Efficiency performance 2014-2015

Jan-15  
£000's

	Efficiencies assured by KPMG		Actual\Forecast		Variance	
	2014-2015	Total	2014-2015	Total	2014-2015	Total
In-house investigations	8,184	8,184	2,821	2,821	(5,363)	(5,363)
Shorthand writers	1,583	1,583	2,037	2,037	454	454
Cases to investigating committees	1,336	1,336	842	842	(494)	(494)
Alternative methods to case disposal	6,251	6,251	4,772	4,772	(1,479)	(1,479)
Introduction of case examiners	(36)	(36)	(36)	(36)	0	0
<b>Total</b>	<b>17,318</b>	<b>17,318</b>	<b>10,435</b>	<b>10,435</b>	<b>(6,883)</b>	<b>(6,883)</b>

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

#### Key

- Note 1:** In-house investigations  
The savings are based on the difference between cases being investigated in-house and the cost of those cases being sent externally for investigation.
- Note 2:** Shorthand writers  
The cost of transcribing hearings is high and previously all hearings would have transcripts requested. To reduce costs, the use of 'loggers' has been implemented and transcripts are only requested on demand.
- Note 3:** Cases to investigating committees  
This saving is driven by a change in process. Previously, cases would go to the Investigating Committee (IC) for confirmation where an investigation is required, and then subsequently following the investigation for a decision on whether they need to go to adjudication. The new process has removed the first visit to the IC.
- Note 4:** Alternative methods to case disposal  
There are three alternative methods to case disposal; Voluntary Removal, which is equivalent to zero full hearing days, meetings equivalent to 0.5 hearing days and consensual panel determinations equivalent to 1.0 hearing days. These three methods reduce the hearing days by dealing with cases in different ways based on their circumstances. The saving is driven from the reduction in hearing days against the average length of a case, which currently stands at 3.5 days.
- Note 5:** Introduction of case examiners  
The NMC, with support from the Department of Health, proposed changes to the Fitness to Practise legislation and process with the introduction of case examiners. Case examiners will be permanent NMC employees, with the efficiency saving based on comparing the monthly cost of the cases previously going to the Investigating Committee (IC) with the cost of employing the case examiners who will take on the decision making process, with just a single IC meeting every other month, once fully implemented.



## Council

### NMC Strategy 2015-2020

**Action:** For decision.

**Issue:** The Council is invited to approve its strategy.

**Core regulatory function:** All.

**Corporate objectives:** The NMC Strategy concerns all corporate objectives.

**Decision required:** The Council is recommended to approve its strategy for 2015-20.

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

- Annexe 1: Draft strategy

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

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- Context:**
- 1 The period of improvement shaped by the 2012 strategic review of the NMC is now over – most of the recommendations arising were to be met by the end of 2014. The Council views the period ahead as one of self-defined improvement and development for the NMC. It has decided to set a longer range strategy to shape our work, notwithstanding some of the uncertainties in the regulatory landscape. One of the defining themes in the strategy is the need to be able to anticipate, shape and respond to change.
  - 2 The development of the strategy has been evidence-informed. The process started with a strategic context report from the policy team and an evidence review from the research team. These resources collated themes from recent reports on health and care, trends in the sector, and research and policy on regulation. A day workshop involving the Council and the Executive included inputs from Dr Anna Dixon, Chief Analyst and Director of Strategy at the Department of Health in England, and Professor Anne-Marie Rafferty, King's College London. A subsequent seminar was led by Professor Kieran Walshe, Manchester Business School.
  - 3 There has also been a significant amount of engagement, including peer engagement with other regulators, the use of our patient / public and professional leader advisory groups, presenting themes and sharing concepts via speaking engagements, and sessions with key stakeholders such as the Department of Health and the Professional Standards Authority. We have worked with the Council through seminars and at key points via smaller working groups.

### **Key themes**

- 4 Key themes in the draft strategy are as follows:
  - 4.1 Dynamic regulation: regulation that anticipates, shapes and responds to new expectations;
  - 4.2 The register at the heart of what we do, with our other activities all contributing to the integrity and utility of the register;
  - 4.3 Rebalancing our efforts 'upstream', creating the conditions in which registrants can uphold the Code and practise safely and effectively;
  - 4.4 Evidence-informed decision making, supported by good quality accessible data and the good research;
  - 4.5 Better use of secondary levers such as influence and partnership to achieve our goals of public protection and public confidence;
  - 4.6 Creativity in our thinking about regulatory tasks, openness to

innovation and commitment to modernisation.

**5 Recommendation: The Council is recommended to approve its strategy for 2015-20.**

**Public protection implications:**

6 Public protection remains our core business over the period 2015-20 and the draft strategy is clear about this.

**Resource implications:**

7 The strategic priorities are already being used to inform business planning and budget setting at a high level and Council and the Executive will use the strategy to scrutinise planned work and expenditure. There are some high level resource implications in the strategy, including our desire to rebalance our efforts and invest more 'upstream' in work that creates the conditions for good practice and prevents poor practice. We also commit to reducing unit costs in fitness to practise processes and to continuing to pursue efficiencies cross the business.

**Equality and diversity implications:**

8 Our priorities for equality and diversity are set out in the draft strategy.

**Stakeholder engagement:**

9 As set out above.

**Risk implications:**

10 The risk of not delivering on our public commitments is mitigated by using the strategy to inform and scrutinise business planning and budget setting.

**Legal implications:**

11 The draft strategy addresses the importance of acting within our vires and exploiting the potential of our statutory framework to maximise our impact on public protection. During the period 2015-20, we hope to have a Bill based on the Law Commission's review of regulatory legislation. Other anticipated legislative change is detailed in the strategy.



# Strategy 2015–2020

**Draft**

## Foreword

This is our strategy for the next five years. It sets out how we plan to develop over that period to ensure we deliver our mission to protect patients and the public effectively and efficiently.

Public expectations of regulators have changed in recent years, not least as a result of various investigations into high profile failings in health and social care. Furthermore, the nature and context of nursing and midwifery practice is shifting rapidly, at the same time as the workforce responds to demographic trends and the global mobility of both patients and professionals. These factors mean that our regulatory programmes must evolve to respond to a changing landscape. In short, our approach to regulation must be dynamic.

To achieve dynamic regulation, we will need to develop our use of intelligence from data, analysis, research to anticipate future trends and make sure our regulatory work can respond to this challenging environment. So this strategy places the use of intelligence at the centre of our ambitions for the future. To do this we will need to invest progressively in better information technology as well as ensuring our staff have the knowledge and skills necessary to exploit it to the maximum.

We don't act alone in the mission of public protection. Our day to day experience, as well as learning from the past shows that regulators and other health and care sector agencies, including representative bodies and employers, need to be better at responding to concerns, sharing information and working together. This includes taking appropriate enforcement action where necessary. So partnership and collaboration will be strong themes of the next five years.

All regulators are receiving increasing numbers of complaints about registered professionals which impact on our costs and operations. We must find ways to respond to cases of poor practice more effectively and release resources for investing in programmes like education, standards and revalidation, which aim to prevent nurses and midwives falling into practice difficulties. We also need to make sure our routes onto the register protect the public while being proportionate and easy to navigate. To help with this, the legislation that governs how we work needs to modernise and we will continue to work with government and parliament to introduce long-needed legislative reform.

While regulation has an important part to play, we must be clear about its limitations. We are not present where care is given and the best public protection comes from nurses and midwives with the expertise to promote, and even defend high standards. So working with the professions, employers and the public, we want to promote a clear vision of professionalism as a force for public protection and confidence, with the register at the heart of this idea. Revalidation will support this by ensuring the Code becomes central to the daily practice of nurses and midwives and over time we hope it will shift our relationship with those on our register to become more proactive and less reactive.

We don't know what the next five years will bring and we must be ready to adapt our plans to meet unexpected challenges. But we are excited by the opportunities of dynamic regulation that finds creative ways to meet new challenges. Whatever happens, our Council and staff will have a single aim: to promote the standards of care and practice we all deserve when we need to rely on nurses and midwives. This strategy sets out where we think we should focus our energies and resources to best achieve that aim.

**Janet Finch**  
Chair

**Jackie Smith**  
Chief Executive and Registrar

## **Our values and principles**

Our values and principles are based on setting ourselves the standards we expect from the nurses and midwives we regulate. We aspire always to meet these standards, but if we fall short we will quickly identify ways of putting things right. Our values and principles will underpin all that we do in pursuing our overall objective of public protection and provide a constant reference point for us in how this strategy will be implemented.

### **We are accountable**

- We act in the interests of patients and the public in contributing to safe and effective care, and upholding their confidence in the professions and the regulatory process.
- We are well governed and take responsibility for our actions openly and transparently.

### **We are fair**

- We act with integrity and can be trusted to use our powers responsibly.
- We are consistent in the way we deal with people.
- We ensure that we do not discriminate and we take opportunities to use our influence to promote equality and celebrate diversity.

### **We learn and improve**

- We generate and use insights into regulation and the professions.
- Our work is informed by evidence that stakeholders can shape and scrutinise.
- We evaluate what we do to understand its impact on public protection and public confidence.
- We strive for and measure improvements.

### **We are collaborative**

- We work with and through others where doing so is the best way to achieve our regulatory aims.
- We engage our different stakeholders in our work in a way that adds value and meets their needs.
- We explain our work clearly and we show people where their views have made a difference to how we regulate.

**We are dynamic**

- We use intelligence to anticipate and shape new directions in regulation.
- We engage and influence the next generation of registrants.
- We can plan for the medium and long term, and be flexible in response to change.
- We value and support innovation that advances our overall mission.

**We provide value for money**

- We operate within our legislative framework and prepare responsibly to meet new legal requirements.
- We are proportionate in our approach to public protection.
- We monitor and address effectively risks that relate to our work.
- We spend our income carefully.
- We explore opportunities to work with others to extract maximum impact for the resources used.

**We are only as good as our people**

- We aspire to recruit the best people possible for our sector.
- We support our staff to do the best possible job.
- We invest wisely in the skills, technologies and approaches that will serve us well into the future.

## **Public protection and public confidence: a system-wide responsibility**

Health and social care services in the UK continue to progress and the potential benefit of these services to patients and the public is way beyond what could have been imagined by previous generations. Nevertheless, it remains the case that most users of services and their families or carers feel powerless compared to those delivering services. In some cases, this disempowerment can amount to vulnerability.

This means all institutions and individuals involved in providing health and care must play their part in delivering the greatest possible benefit to service users while ensuring they are protected as far as practicable from avoidable harm or the consequences of poor practice.

Our role in setting and applying standards of practice and behaviour for 685,000 registered nurses and midwives – the largest registered care workforce in the UK – has a vital part to play. However, our role sits alongside and needs to work with that of others, such as employers, funders and other regulatory bodies, underpinned by the individual responsibilities of registered professionals themselves.

This strategy acknowledges that we are one part of a wider system for public benefit and protection. Its scope encompasses both those things for which we are directly responsible, such as fitness to practise or registration procedures and where we can exert influence on others, such as through information, communication or partnership.

### **Our role in public protection**

Our overarching purpose is to protect the public. At the heart of what we do is making sure nurses and midwives on our register meet the professional standards we set.

Figure 1 below shows how our functions work together to ensure the integrity, meaning and usefulness of the register so it can be a source of confidence for the public, of assurance to employers and professional standing for nurse and midwives. Our functions are as follows:

- We set standards for the education and training of nurses and midwives and check the training they receive is of the right quality.
- Our registration processes check that those applying to enter the register have the right qualifications and, where necessary, we test them to make sure they have the right skills to practise safely and effectively.
- Our Code sets out the standards of practice and behaviour expected of nurses and midwives.
- Once introduced, revalidation will require nurses and midwives to regularly show that they remain fit to practise.
- Our fitness to practise procedures can limit the work of a nurse or midwife who does not meet our standards and, where necessary, we can suspend or remove them from the register.

**Figure 1: Our functions work together to ensure the integrity, meaning and usefulness of the register**



Since 2012, we have focused on improving these core functions and preparing to introduce revalidation. We will not change emphasis for 2015–2020; effective regulation remains our first strategic priority.

But there are further ways that we can strengthen our impact. We will harness the potential of other levers to develop more dynamic regulation.

By using evidence from research and data to develop intelligence about the diverse registered population and the settings where nurses and midwives work, we can learn how to make our work more effective and proportionate.

By working with others, we can collectively have more impact on the quality and safety for service users than by acting alone.

And by communicating well with registrants, employers and the public, we can influence professional practice, and the environment in which it takes place. Even small improvements in practice across 680,000 registrants could have a significant beneficial impact on service users and the public. We must play our part in encouraging such improvements.

We have identified development in these areas as strategic priorities so we can deliver our overarching purpose with impact in a changing environment.

**Our regulatory approaches need to be responsive and adaptable, using strong evidence, sound awareness and productive relationships to shape how we protect the public, now and for the future.**

## **Equality, diversity and inclusion**

All public bodies are subject to the requirements of equalities and human rights legislation and we will ensure we always comply with these. But as a regulator of a large and diverse professional population which itself is providing nursing and midwifery services to the wider public, we must place promoting equality, diversity and inclusion at the heart of what we do.

Our ambition must be not only to ensure our regulatory processes are fair and non-discriminatory in this regard and to be a good employer, but also to use our influence to promote wider improvements in equality, diversity and inclusion practice.

We live in an increasingly diverse world and we need to build the trust and confidence of our stakeholders through understanding and taking account of the needs and expectations of all. In all that we do, we will comply with equality and human rights legislation, and we will evaluate, and as needed address, equality issues raised by our work.

We will regulate consistently and fairly. We must command the confidence of stakeholders with protected characteristics, whether they are service users, registrants or others. We need to show understanding of their needs and preferences and ensure we challenge discrimination where evidence of this comes to our attention.

We will collect evidence that helps us know we are fair and consistent, and we will work to enhance the quality and extent of equality and diversity data about our registrants through their careers.

Our role in education must be used to ensure that new entrants to our register are equipped to practise effectively in diverse and in some cases, global environments.

Our Code sets out our expectation that nurses and midwives do not discriminate in their practice, are mindful of difference and show respect to all patients, service users and colleagues.

As an employer, we aspire to have a workforce that reflects the diversity of the communities in which we operate at all levels of our organisation. In particular, we will pursue diversity in those applying to become Council, committee and panel members.

Over this strategic period we aim to be recognised as an organisation that upholds best practice in equality, diversity and inclusion, including through meeting recognised sector standards.

## **The environment in which we work**

We need to consider many external factors that can affect how nurses and midwives practise and how we regulate. This section sets out some of the trends and features in this ever-changing environment.

### **The changing face of regulation**

The health sector has been profoundly affected by reviews into failures of care in settings such as Mid Staffordshire, Morecambe Bay and the Vale of Leven. Everybody involved in health is focused on learning the lessons of the reports and making sure concerns are received and acted on before they result in patient harm. There is a clear expectation that regulators will improve their collective understanding of what they know about their regulated populations, from their own data or that of others, and ensure that the way they regulate increasingly focuses on identifying risk and preventing harm by pooling information and aligning regulatory activity.

We anticipate that this will continue to be an important aspect of our work over the next five years. This strategy aims to improve our knowledge and help us consider how new knowledge may change how we regulate.

At the same time, European Union (EU) legislation on the recognition of professional qualifications will drive greater operational cooperation between regulatory bodies across the EU when checking the qualifications of applicants for registration and alerting each other of regulatory action against registrants.

### **A stronger voice for patients and service users**

One of the key messages from high-profile failings in care was that harm could have been prevented if the views of patients and their families had been heard and acted upon.

This has led to informed commentators expressing views from the user perspective. As a result, it is increasingly common for policy development and public discussions to involve patients' organisations or experts by experience.

Greater transparency of healthcare data will cause the public to be better informed and more scrutinising of services. Healthcare professionals will increasingly need the skills to work with expert patients, and sometimes, budget holding patients. The health and care sectors recognise that better involvement of informed service users in service design and evaluation will improve the quality and safety of care. The same is true for healthcare regulation.

### **Demographic and workforce change**

Registered nurses and midwives deliver care in a wide range of settings, from hospitals, surgeries and care homes, to community-based services and service users' homes. They also work in related fields such as education, management and policy. They may be providing care directly, through others or even remotely, using new technologies. Our challenge is to regulate such a large and diverse workforce, to communicate effectively with all our registrants and to set and uphold standards that are meaningful and appropriate for a wide range of nursing and midwifery roles.

We have an ageing population with more complex health conditions and a higher proportion of the population living with long-term conditions that can often be managed outside the hospital. We know more healthcare needs to be delivered in the community with closer working between health and social care. Integration is well established in parts of the UK and the direction of travel elsewhere. All four governments in the UK are focused in different ways on public health and early intervention. However, with more people suffering from multiple diseases, we also know that the complexity of acute admissions will increase. Presently, parts of the UK have integrated their health and care services more than others, but in all settings, nurses and midwives increasingly practise as part of teams with members of other professions where respective roles and accountabilities can be complex.

Complex births are also more common due to factors such as the age of mothers, the increase in obesity and substance misuse. While it is positive that survival rates for pre-term babies have improved, this has resulted in more new-borns with complex needs. These factors place new demands on midwives and specialist community and public health nurses.

These changes, along with the ongoing debate about the necessary numbers and types of healthcare professionals in any given setting, will continue to drive a global recruitment market. Alongside this discussions will continue about how nursing and midwifery education should develop to ensure nurses and midwives emerging from training meet the needs of the patients and families of the future.

### **Data and technology**

Technology is changing healthcare, and it is changing healthcare regulation. Patients and families are providing instant feedback to health and care providers on experiences of services and professionals through social media and other methods. Patients are also using technology to find evidence about their treatment and this is gradually changing the relationship between the expert practitioner and the service user. In many settings, health and maternity care are becoming more of a partnership between service users and professionals.

More sophisticated and more localised data (for example at ward, department and even shift levels) about things such as infections, mortality rates, complaints and avoidable harm will become available to patients and others. We need to consider the effect this may have on public expectations of the professions we regulate. We will remain alert to technology-related changes in the health and care sectors such as the growth of tele-health that may require us to develop our standards, issue new guidance or improve an aspect of education.

### **Devolution and divergence**

We regulate nurses and midwives in England, Northern Ireland, Scotland and Wales. Health is a devolved matter and divergence is an increasing trend in healthcare policy-making. There are differences in the role of competition in healthcare, of integration between health and social care, and around the development of some roles. However, because the regulation of healthcare professionals is a UK-wide matter, the public should be assured that a nurse or midwife in any part of the UK is working to the same standards, irrespective of the setting. To work in this environment effectively, UK regulators need to be aware of the priorities for and differences in healthcare and

professional education in each part of the UK, through strong relationships and good intelligence.

### **Legislative change**

Our working environment is constantly changing and that is why we want changes to the legislation that governs our work that allow us to adapt and improve. We believe the public would be better served by legislation that sets out the 'whats' of regulation without specifying 'hows', as it does now. We are clear that our current legislation ties us to a way of regulating that over time will not be what works best and will be unsustainable in the long term; so over the period covered by this strategy, we will need legislative change.

## Our strategic priorities

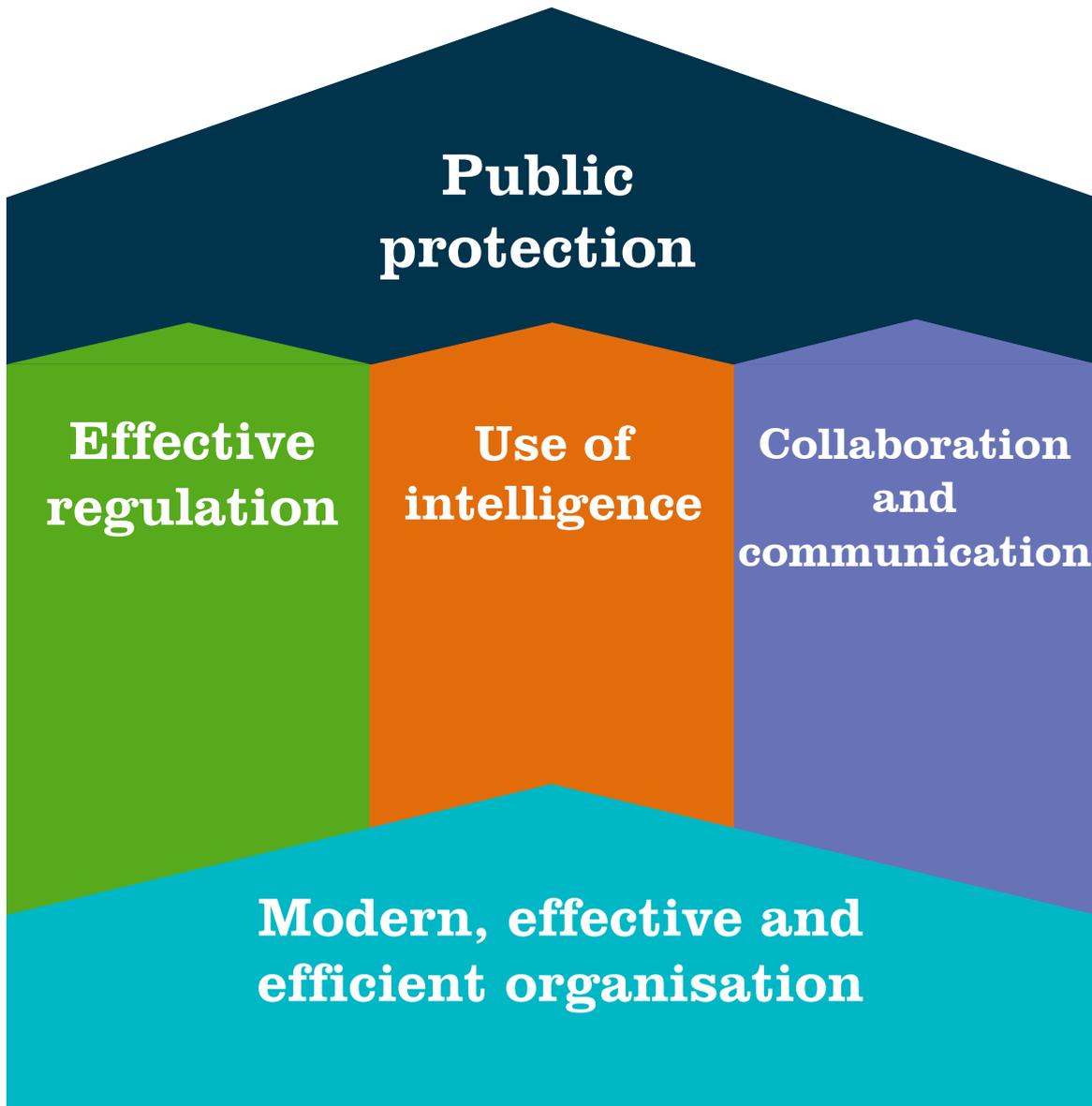
Our focus on public protection will not waver, but our vision over the next five years involves a progressive shift in how we work. What effective public protection means will change as the environment changes. We must regulate for the needs of the future rather than the past and to help us do this we will adopt the principles of *dynamic regulation*. This is regulation that is innovative, forward looking and able to adapt to changing demands.

Improving our use of evidence, from research and from our own data, is a key tool which we will use as a dynamic regulator. We will make regular and thoughtful use of such evidence to ensure that we understand the changing environment, to develop up-to-date insights about the professions we regulate and to assess how such changes may need to be reflected in our approach to public protection.

To achieve our aspiration to be a dynamic regulator, we must achieve a better balance in how we use our resources between our core functions. Our sustainability, as well as our effectiveness, depends on spending proportionately less time and money 'downstream' on the relatively small number of nurses and midwives who have been complained about, and more on 'upstream' areas such as revalidation, education and standards where our work can help prevent poor practice and promote good practice. We know that continuing to improve how we work in a resource-constrained environment will make strong demands on our organisation and our people. For this reason, all of our strategic priorities for 2015–2020 are supported by a determination to be a modern, effective and efficient organisation. And communicating the outcomes of our work well and working closely with others will help us better deliver our overarching objective of public protection and promote improved confidence in the professions.

Figure 2 summarises how our strategic priorities support our overarching objective of public protection.

**Figure 2: Our strategic priorities support our overarching objective of public protection**



The next sections set out in more detail what we will do to develop in each of these strategic priority areas.

## Strategic priority 1: Effective regulation

### Why this is important

To achieve dynamic regulation that protects the public effectively in a changing world, we need to design and deliver our regulatory programmes to be flexible and adaptive, while ensuring they are grounded fully in our statutory purpose and powers. Each of our regulatory functions is facing strategic challenges they will need to respond to in the period covered by this strategy. While in some cases the scale of change possible will be limited by the extent of legislative change available to us, we will seek to develop and improve across the board. This section sets out in more detail the regulatory developments we aim to deliver in the next five years.

### A sound basis for use of our regulatory powers

Underpinning effective regulation is a clear connection between primary and secondary legislation, our high-level regulatory policy, and the operational policy and procedures that ensure we make sound decisions in our core functions. We will focus our internal quality assurance and oversight systems on making sure there is always this clear connection between our statutory powers and duties to our actions.

Our policies will always be made within our legislative powers, with reference to our Order and rules, and other legislation that applies to us, for example, EU directives and equalities legislation.

### Strategic direction for our core functions

We will ensure that we have clear strategic outcomes for our core functions which are reflected in the policies agreed by Council, and the procedures and guidance governing our actions. Our regulation development work will be focused on working towards these objectives.

Considering the views of our stakeholders, we will define quality for our core functions so that we can assess how our work impacts on public protection and public confidence. The key areas we will focus on over the next five years include:

#### *Education*

- ensuring students have high quality experiences when they are practising in an ever evolving range of health and care settings
- developing our relationship with students as future registrants and learning from their insights into education, and practice
- exploring the potential of a national assessment framework

#### *Standards*

- pursuing joint standards or guidance with other regulators where there are common issues and concerns

- developing pre-registration standards that are fit for purpose and deliver new entrants to the professions ready for the needs of current and future service users
- implementing change in midwifery regulation
- reviewing the nature and role of post graduate standards in the light of our work of the purpose and shape of the register

#### *Registration and revalidation*

- defining the regulatory purpose of the register and reviewing its shape and content so that we maximise the regulatory impact of professional registration
- implementing an effective first-phase model of revalidation and using evaluation to inform implementation of the next phase in its development
- implementing the new requirements of the EU Directive on Mutual Recognition of Professional Qualifications, maintaining a clear focus on public protection
- evaluating, and where necessary adapting, our approach to overseas registration to ensure it remains effective with reference to labour market trends, including increased globalisation

#### *Fitness to practise*

- striking the right balance between the public interest and proportionate use of resources by making appropriate use of alternative means of disposal, in place of full hearings
- engaging with employers to ensure our referral thresholds are understood and matters better handled locally do not result in referrals
- exploring the benefits of other approaches to adjudication
- making use of better data to understand the context of referrals, the characteristics of referred registrants and the nature of allegations and sharing this learning with the sector

#### **Legislative reform**

We are clear that aspects of our legislative framework make it harder for us to be a modern and dynamic regulator. We will continue to press for reforms to our legislation and will implement effectively any change resulting from legislative change. We recognise that when we evaluate the first cycles of revalidation we may need legislative change to develop the model further. We recognise that our stakeholders expect us to continue to improve regardless of legislative change, and we will do the best we can to ensure we achieve the best possible public protection within our current legislative framework.

## The Future

- We will reform our register to improve its impact, usefulness and value to diverse users.
- Our standards for entry to the register (UK, EU and overseas) will command confidence, and obtaining evidence of language competence where necessary will be an option for EU registrants.
- We will effectively interpret and implement changes required by EU directives.
- We will have fit for purpose legislation that allows us to adapt and improve Revalidation will prompt nurses and midwives to focus on the Code and standards in the first phase and based on the learning from this, revalidation will develop to add further value, for example, by reflecting risk and different practice settings.
- We will routinely evaluate how we deliver our core functions against our strategic outcomes for each.
- Fewer of our judgements will be subject to successful challenge.
- We will know what our stakeholders expect of us and we will perform well in meeting these expectations.
- Our regulatory approaches will be take account of the diversity of our register and of health and care service users.

## Strategic priority 2: use of intelligence

### Why this is important

To deliver dynamic regulation we need to use intelligence drawn from data (whether our own or others'), analysis, research and horizon-scanning. Understanding what our own data tell us, and making good use of what others know, are now core competencies for regulators. Along with other regulators, we are rethinking the significance to our overarching purpose of intelligence. We know that intelligence will help us respond better to risks and we hope that in the future better, intelligence will allow us to understand risk-factors for poor practice and use these to anticipate and ideally avoid its impact on service users.

### Using intelligence well

By focusing on intelligence, we hope to gain new insights into what we do, helping us to be more effective, transparent and proportionate. But intelligence is a resource for other important aspects of our work. We can share our data with other bodies responsible for quality and safety to better understand the health system, including risk. Sharing data and insights can help registrants, employers and educators to meet our requirements. Good public data reporting can reduce the time taken responding to ad hoc queries from the media and others, demonstrate our compliance with equality legislation and improve the quality of our influencing and public commentary.

We aim over time to make anonymised data available on an open-source basis, for example, to support academic research and add to the wider body of knowledge about our sector.

### Evidence-informed regulation

Our stakeholders have a legitimate interest in the evidence base for how we regulate. We will increasingly make this publicly available because we benefit from a dialogue about what we do. This is particularly true of the inter-relationship between our core functions, for example: our fitness to practise work should inform our standards; what we learn from revalidation should shape return to practice programmes.

### Building our data capability

We will be clear about the data we need to obtain, hold or use to be an intelligent professional regulator now, and in the future.

We will progress our digital information strategy which is designed to improve the relevance, quality, usefulness and management of our data. To support this we will develop a new approach to capturing and holding data to give a 'single view' of a nurse or a midwife on our register, rather than being organised according to our regulatory functions as now. This will allow us to more easily integrate what we know about the registered population and relate it to other information such as healthcare settings.

We will continue to prioritise data security.

We will recruit and retain staff with the expertise we need to translate data into intelligence, for our own and others' use. We will encourage all staff to be curious, to

ask questions and to challenge each other to provide evidence in support of how we regulate.

## **Research**

Some of our knowledge needs will be best met through research and we will invest in our in-house research capability and become an effective commissioner of research. We will further develop our networks with the research community and counterparts in other regulatory bodies so that we can share and collaborate where doing so helps us be an intelligent regulator.

We will develop and implement an outcomes-based evaluation model to be applied to all substantial changes to how we regulate and refine our practice in the light of findings where needed.

## **Intelligent accountability**

Stronger evidence will help us to provide assurance to those who hold us to account. It will help our Council to hold our Executive to account and assist the Professional Standards Authority and the Health Select Committee in their scrutiny of our work.

## **The Future**

- We will have and use a single source of high-quality data about our registrants, the sector and our staff, including equality and diversity data, so we can learn from our work and be sure that we are fair and transparent.
- We will regularly review the outcomes from our horizon scanning, and consider whether and how our approach to regulation needs to adapt.
- We will analyse career paths and set these against place of training, practice setting, revalidation and referral to gain knowledge of what supports and hampers good practice.
- We will produce regular data reports, share analysis of our core functions and improve knowledge of our standards among nurses and midwives.
- We will be able to meet partners' needs for data relating to work setting, profession, region or nation.
- We will be an effective partner contributing to a valuable collective understanding of risk and this understanding will shape how we regulate.
- We will be able to assure those who hold us to account by providing strong evidence about the effectiveness of our regulation.

## Strategic priority 3: Collaboration and communication

### Why this is important

We regard communication as a fundamental tool of regulation rather than a by-product of it. This priority is about increasing the impact of our core regulatory purpose through communication and partnership. Dynamic regulation demands that we work as part of a wider system of regulation and use our sphere of influence on registrants and those that dictate the environment in which they practise, such as employers, to drive continuous improvement. To do this we must hear as much as we say and put processes in place to achieve this. We must sophisticate our understanding of and engagement with front-line nurses and midwives, and develop relationships with key organisations locally, regionally, nationally and internationally. We must also continuously enrich our relationships with important stakeholders, patients and the public.

### Greater understanding of our role and how to use our services

As a public body accountable to Parliament, we will prioritise developing public awareness of our role and what to expect from nurses and midwives. This is on the basis that an understanding of this may shape ‘consumer’ behaviour and where needed encourage serious concerns to be raised. When the public needs us, our role needs to be clear and it must be easy to use our services.

We will use our relationships with patient and consumer rights groups who are well placed to promote our role where care is given. We will continue to improve channels for communicating with patients and the public to make sure they are available in accessible formats.

We will maintain a comprehensive programme for communication and stakeholder relations, ensuring there is a clear plan for engaging with and listening to others and to promote our objectives.

Maintaining positive and value-adding relationships with the media in all its various forms will be a priority and we will invest in ensuring our relationships with this important stakeholder group are managed effectively.

### Promoting professionalism

Our approach to revalidation will support career-long relationship between nurses and midwives and their regulator. This will allow us to reinforce the values and standards of practice expected of nurses and midwives. It will also allow us to better understand the factors that influence the quality of nursing and midwifery care, which in turn will make us more effective as a regulator.

We will seek to have an influence on the environments in which nurses and midwives work by making it clear to employers the responsibilities that go with employing registered professionals. Over the period of this strategy, we will increasingly use data to highlight where concerns about nursing or midwifery practice appear to relate to a particular institution or setting. We will learn through research more about the factors

that support resilience on the part of professionals as well as understanding what can prevent problems from becoming fitness to practise referrals.

### **Support for regulation closer to the frontline**

Employing registered professionals is associated with benefits and responsibilities. We will develop more active relationships that provide closer support for professional leaders and employers in the workplace to maintain and improve standards of nursing and midwifery. This will help us provide better guidance on handling concerns about nurses and midwives, and support the introduction of revalidation.

We will explore whether bespoke regulatory features (standards, annotations) for leaders and managers of nursing and midwifery would strengthen public protection.

We will engage more actively with employers' handling of professional standards, to promote the conditions where good practice thrives, and poor practice is more likely to be predicted and prevented.

We will also invest time and resources in understanding better the varied settings in which nurses and midwives work and the factors that support or hamper good practice.

### **Impact through partnership**

We have a number of partnership agreements with other bodies, and over the period covered by this strategy we will improve our partnership working by information sharing, joint activity and measuring the impact of collaborative work. In addition to our partnership agreements, we will increasingly use strategic collaboration to further specific goals, such as working through patient advocacy groups to disseminate information. Our culture will be receptive to learning from partners. We will establish and develop international links where this aids our overarching purpose.

Mindful that nurses and midwives are increasingly part of multi-professional teams, and even in some cases fulfilling hybrid roles, we will work closely with other regulators and make the case for joint standards or guidance where appropriate.

### **Beyond partnership**

We are committed to the public interest and value for money and we will actively encourage proposals that go beyond partnership, into shared services or more radical approaches to integration and role convergence.

## The Future

- We will develop a comprehensive strategic communications and collaboration programme to support and increase the impact of our regulatory activity.
- We will work to understand the practice environment and factors that support or hamper good practice.
- We will progressively use the power of digital technology to support better communications.
- We will routinely use surveys to measure understanding and confidence in our regulatory programmes.
- We will have more active relationships and sound networks in each of the UK nations that contribute to public protection.
- We will undertake more collaborative activity such as shared guidance where this improves public protection.
- We will develop an interactive and accessible website and ensure all our communications and engagement activities are featured on the website.
- We will plan and evaluate our communications and engagement activity to ensure it is delivering the impact and value required.

## Strategic priority 4: An effective organisation

### Why this is important

The next five years are characterised by significant change whilst maintaining absolute focus on consistently strong performance in our core functions. We have work to do to become the sort of organisation that can be an intelligent, collaborative, forward-looking regulator. We will need to further develop our culture, systems and how we use resources to help us do this. We recognise that the next stage of our development will make different demands of our Council, Executive and staff at all levels.

### Modernising our delivery

We will modernise the way we deliver regulation, placing improvement to our information and technology systems and associated processes at the heart of our development programme. More of our business will be done online, with more self-service, thereby improving customer service and increasing efficiency.

We will, after making important changes to our underlying infrastructure, invest in new technologies that will enable us to make a step change in the way in which we capture and store data. This will enable us to make more accurate and effective use of data and be better able to share information, both internally and with third parties.

### High-performing operations

We will set out what good looks like for our operational processes and will change them where we see benefits to regulatory effectiveness or business efficiency. We will focus our efforts in these process reviews on delivering improved outcomes and customer service, for example in the speed in which we process applications and renewals and continue to reduce the cost and time taken from receiving a complaint about a nurse or midwife to resolving the matter appropriately.

### Capabilities

We will adapt our organisation to be fit for the delivery of this strategy and for working in a more technology-enabled way. We will therefore be proactive in keeping our structures and requirements under regular review to ensure we develop our capacity and capability in advance of need and as an intrinsic part of a change programme. We will ensure our systems develop at a pace that matches our ambitions in fields such as data and intelligence.

### Customer focus

We will adopt a recognised customer service standard and work towards external accreditation within the strategic period. This will entail understanding who our customers are, obtaining feedback from them and putting in place measures to improve where necessary. We will look at all of our systems to ensure the experience of people we deal with is as good as it can be.

We recognise that our reputation is shaped by the experience of people when they use our services. They are concerned with clarity, speed, accuracy, responsiveness and courtesy. They are used to being able to shop, pay bills, book appointments and bank online, and they expect the same standard of service from us.

### **Capacity to learn and improve**

We will continue to develop a culture of reflection and learning to ensure that we have the right environment in which staff are encouraged to grow, develop, seek out and implement improvements and best practice. This includes using proactively the findings from serious event reviews, complaints and whistleblowing.

We will focus our efforts on achieving good quality assurance in our key regulatory and business processes. Once achieved we will move to focus on quality improvement initiatives. We will embed qualitative objectives in the annual reviews of staff performance, ensuring that all employees are appraised on their performance in this area and have a clear role in delivering quality services.

### **Resources**

We are committed to using our resources wisely. We have already improved our financial controls and we will continue to improve how we plan expenditure and manage our resources. We will also investigate the links between activities, costs and benefits, providing assurance that our expenditure represents good value for money. We will be clear about the returns we expect on investments, and the period over which benefits will be realised.

We will continue to explore opportunities for greater efficiency by analysing our business models, how we are organised and whether we can secure greater efficiencies through the way we procure services or through closer collaboration with other bodies.

We will review our long-term accommodation needs, including location, which will address both financial efficiency and operational effectiveness.

We will explore opportunities to diversify our income base, thereby reducing total reliance on the registration fee.

### **Information technology**

Over the strategic period we will progressively invest in technology that allows us to make the most of its potential to transform how we work. This includes:

- Core functions are supported by stable and effective systems
- Data definitions are fit for purpose
- We progress toward a single-record database that carries all registrant interactions
- We develop ways of drawing on other data to increase the usefulness of our own.

## Good governance and strong leadership

We will underpin our strategy through strong corporate governance and leadership, with a clear focus on outcomes. The Council will hold the Executive to account for translating this vision into the supporting implementation plans that will help the organisation perform well. This includes ensuring that all our plans are aligned in supporting this corporate strategy.

## The Future

- Our governance structures will provide effective assurance that we have the right strategies, plans and programmes to deliver the change we need.
- Stakeholders will report increasing satisfaction with our customer service which is benchmarked against recognised national standards.
- We will have new technologies and our core transactions will be ‘digital by default’, which will make our operations fast and accurate, and improve our capacity to bring together information from different parts of the organisation.
- We will take and implement decisions about our operations such as location and accommodation in the light of this strategy, balancing the need to control costs with the importance of continuity in our core functions.
- Regular staff surveys will show continuous improvement in areas such as staff engagement.
- We will maintain an environment where all staff, including those with protected characteristics, can flourish.
- We will deliver quality outcomes through cost efficient, effective business processes. Our in-house quality assurance programme will assess on a rolling basis the management checks in place across our regulatory functions.

## About the NMC

The Nursing and Midwifery Council is the independent regulator for nurses and midwives in the UK. Our role is to protect patients and the public through efficient and effective regulation. Our core regulatory functions are maintaining a register of those eligible to practise as nurses and midwives in the UK, setting standards to join and remain on the register, and acting when there are concerns about the conduct or practice of a nurse or midwife. These functions must be carried out to a consistently high standard to command public confidence, and demonstrate fairness, transparency, timeliness and accuracy.

We were established under the Nursing and Midwifery Order 2001 and came into being on 1 April 2002. We are governed by a Council of twelve members selected through open competition including an even number of lay people, and registered nurses and midwives. Our Council meetings are open to the public and further details are available on our website.

We are accountable to Parliament through the Privy Council and participate in an annual accountability hearing with the parliamentary Health Select Committee of the UK parliament.

The Professional Standards Authority for Health and Social Care (PSA) publishes annual performance reviews of the regulators against its standards for good regulation.

We are a registered charity in England and Wales (number 1091434) and in Scotland (number SCO38362).

## Find out more

You can find out more about us from our website, [www.nmc-uk.org](http://www.nmc-uk.org), including more information about our Council, and the most recent reports on our performance by the Health Committee and the PSA.

Sign up for our e-newsletters at [www.nmc-uk.org/newsletters](http://www.nmc-uk.org/newsletters)

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## Council

### Corporate and financial plans 2015-2016

**Action:** For decision.

**Issue:** This paper seeks the Council's approval for the Corporate plan, corporate key performance indicators (KPIs) and targets and budget for 2015-2016.

**Core regulatory function:** All.

**Corporate objectives:** All.

**Decision required:** The Council is recommended to:

- Approve the Corporate plan for 2015-2016 (paragraph 7).
- Approve the corporate KPIs and targets for 2015-2016 (paragraph 15).
- Agree that the annual registration fee should remain at its current level of £120 (paragraph 22).
- Agree that the target risk-based reserves level should remain in the range of £10 million to £25 million (paragraph 30)
- Approve the budget for 2015-2016 (paragraph 52).
- Note the position on differentiated fee levels and Fitness to Practise cost recovery (paragraph 63).

**Annexes:** The following annexes are included:

- Annexe 1: Draft Corporate plan 2015-2016
- Annexe 2: Proposed corporate KPIs and targets 2015-2016
- Annexe 3: Graph of progress towards meeting the available free reserves target compared to fee strategy
- Annexe 4: Draft three year budget compared to fee strategy

- Annexe 5: Risks and potential financial impact, to be covered by reserves – March 2015

**Further  
information:**

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

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- Context:**
- 1 This report covers a number of inter-related papers annexed to this report. As a suite of papers they set out our commitments for 2015-2016 and the allocation of financial resources to achieve those commitments. They also set out how we plan to measure and report on performance against those plans through the targeted use of key performance indicators.
  - 2 As a charity, the NMC is required to demonstrate that its aims are for the public benefit in accordance with the Charities Act 2011. In their capacity as trustees of the charity, Council members are required to ensure that they consider public benefit in reaching decisions. In considering the draft Corporate plan and budget, the Council will wish to be satisfied that these will deliver public benefit.

**Discussion: Corporate plan 2015-2016**

- 3 Subject to the Council's approval, our Strategy 2015–2020 sets out our direction over the next five years. Our draft Corporate plan 2015–2016 sets out our annual delivery priorities towards our Strategy. The plan, together with the corporate KPIs, is the basis on which the Council monitors performance and holds the Executive to account.
- 4 The NMC carries out business planning annually on a three year rolling cycle. Our planning this year was aligned to the four strategic development priorities. Each directorate has produced a three year business plan and key deliverables to contribute to the achievement of our draft Strategy. These form the basis of our draft Corporate plan for 2015–2016.
- 5 Historically we have published a three year Corporate plan. Now that we have a five year Strategy, we propose to publish a one year plan. Subject to approval, the plan will be formatted for publication so that it is coherent with our Strategy. Taken together, the Strategy and plan will replace the existing Corporate plan 2014-2017.
- 6 The draft Corporate plan reflects significant activities that we need to deliver. For example, implementation of revalidation and the changes required for compliance with the EU Directive on Mutual Recognition of Professional Qualifications, as well as our continued focus on improving customer service, the quality of our work and the systems that support it.
- 7 **Recommendation: The Council is recommended to approve the Corporate plan for 2015-2016 (annexe 1).**

**Proposed corporate KPIs and targets 2015-2016**

- 8 During 2014-2015 the Council monitored performance against six

high level corporate key performance indicators (KPIs). These have been reviewed as part of the recent business planning process.

- 9 We are proposing five corporate KPIs, three of which remain the same as in 2014-2015. **Annexe 2** sets out the definition, rationale and proposed target for each one.

**KPI 1a and KPI 1b – registration applications**

- 10 We propose to replace the current KPI 1 with a measure which breaks down the applications into UK and EU/Overseas, as previously suggested by the Council. The proposed target for both is 90%:

10.1 KPI 1a – percentage of UK applications completed within 10 days from receipt of a complete new application to a decision.

10.2 KPI 1b - percentage of EU/Overseas applications assessed within 70 days of receipt.

**KPI 2 - Interim orders**

- 11 No change to the current measure or target is proposed although there will be a change to the way the monthly figure is calculated; it will be reported as a 12 month rolling figure each month to provide a clearer picture of performance.

**KPI 3 - Percentage of FtP cases concluded within 15 months**

- 12 This 15 month end to end measure replaces the current KPIs 3 and 4 (investigations and adjudications). We are not proposing a target yet. As discussed in December 2014, the Council will be asked to review whether we should set a target in September 2015 when the impact of the introduction of case examiners and other changes will be clearer.

**KPI 4 - Available free reserves**

- 13 As this KPI and associated target is a condition of the Department of Health (DH) grant, no change is proposed. The target is £10 million at January 2016.

**KPI 5 - Staff turnover rate**

- 14 We propose to maintain the current measure as there is no robust alternative at present. As it would be difficult to set a meaningful target, due to unpredictability over the size of the permanent workforce over the planning period, it is proposed that the Council monitors performance without setting a target. Further work is ongoing to understand the specific impact staff

turnover has on the business and the drivers for it. This work will enable us to develop suitable alternative approaches for monitoring performance in this area.

- 15 **Recommendation: The Council is recommended to approve the corporate KPIs and targets for 2015-2016.**

### **Proposed fee level, reserve level and budget 2015-2016**

- 16 The Council is asked to consider and approve:
- 16.1 The registration fee level
  - 16.2 The risk-based reserve range
  - 16.3 The budget for 2015-2016.
- 17 Further information is set out in **Annexes 3 to 5.**
- 18 Further information requested by the Council on a number of fee-related issues is at paragraph 54 to paragraph 63: payment of the registration fee by instalments; varying fee levels for different categories of nurses and midwives; and recovering costs of FtP proceedings from respondents.

### **Registration fee level**

- 19 The Council undertakes an annual review of the registration fee level. This is primarily to ensure that the NMC has sufficient funds in order to carry out its regulatory functions to the level required to protect the public.
- 20 Based on the cost of regulation, the Council agreed in October 2014 to increase the annual registration fee to £120, for registrations effective from March 2015. It is not considered that any matter has arisen since October 2014 which is of sufficient magnitude to warrant a change to the fee level.
- 21 The Council would need to take a decision at this meeting to consult on an increase in fees to take account of the higher than anticipated PSA levy, from 2016-2017 onwards. Given that fees have just been increased, it is proposed to absorb the levy increase for 2016-2017 and to consider the position for later years at the next annual fee review in March 2016.
- 22 **Recommendation: The Council is recommended to agree that the annual registration fee should remain at its current level of £120.**

## Review of risk-based reserves target range

- 23 Since September 2012, the Council has adopted a risk-based reserves policy which provides that our free reserves level should be based on an assessment of the financial impact of the risks faced by the NMC, plus an amount to cover our estimated share of the pension deficit.
- 24 Until we reach and sustain the minimum target level (currently £10 million), we are still vulnerable to unexpected events.
- 25 The Council reviews the risks underpinning the reserves on an annual basis and agrees an appropriate range in which the risk-based element of reserves ('available free reserves') should be maintained.
- 26 In March 2014 and October 2014 (as part of the fee consideration) the Council reviewed the latest risks and agreed that the target range of available free reserves should continue to be held in a range of £10 million to £25 million.
- 27 The latest review of risks and their quantification has given rise to the following amendments to the risks considered at October 2014 (**annexe 5**):
- 27.1 A reduction in the financial risk associated with the EU MRPQ directive as a number of costs have now been included in the budget.
- 27.2 An increase in the value of the risks associated with FtP following recalibration in the light of latest volume and performance assumptions in the budget.
- 27.3 The risk associated with an increased PSA levy has crystallised and the costs are now reflected in the budget.
- 27.4 The risks associated with income have been recalibrated to reflect the £120 fee.
- 27.5 A reduction in the risk to income associated with the requirement to hold professional indemnity insurance (PII).
- 28 The re-assessment of the risks and their potential financial impact gives rise to a potential exposure in a range of between £21 million and £43 million. Using the previous methodology of covering between half the minimum and 75% of the maximum exposure, gives rise to a target available free reserves level in the range of £10 million to £32 million.
- 29 However, given the highly subjective nature of the risks and their evaluation, and the fact that, taken broadly as a whole, the target is in the same indicative range as that previously approved, we

are not recommending a change to the target range approved by the Council in March 2014 and October 2014.

- 30 **Recommendation: The Council is recommended to agree that the target risk-based reserves level should remain in the range of £10 million to £25 million.**

### Proposed budget 2015-2016

- 31 The proposed budget for 2015-2016 is intended to deliver the Corporate plan (**Annexe 1**). It is based on the fee strategy, which is the financial plan used to determine the decision on fees taken by the Council on 1 October 2014.
- 32 The key components of the budget are set out below (numbers subject to rounding). The principal reason for the projection of a deficit position in the proposed budget is deferral of expenditure items from 2014-2015 to 2015-2016. Further information is at **Annexe 4**.

	Draft budget 2015 - 16 £m	Fee strategy 2015 - 16 £m	Variance £m
Periodic fee income	77.1	75.8	1.3
Total income	79.5	77.8	1.7
Revenue expenditure	82.2	77.1	(5.1)
Surplus / (deficit)	(2.6)	0.8	(3.4)
Capital expenditure	4.7	5.3	0.7
Available free reserves	12.3	12.3	(0.0)

### Financial performance

- 33 Financial performance, as measured by our key financial indicator of available free reserves, has tracked above the fee strategy this financial year.
- 34 Available free reserves at March 2015 are projected to be £9.9 million, which is higher than the fee strategy free reserves at that date by approximately £2.4 million. This represents approximately 3.3% of total income. The principal variances are:
- 34.1 higher fee income (with higher Register volumes and overseas applications);
  - 34.2 lower capital expenditure (due to the deferral of a number of ICT projects); and
  - 34.3 lower revenue expenditure due primarily to the deferral of several items to 2015-2016 and a longer timescale for the

implementation of the recommendations of the pay and grading review.

- 35 The proposed budget available free reserves position at March 2016 of £12.3 million is in line with the projected available free reserves position at that date in the fee strategy. This is above the minimum reserve level currently agreed by Council, of £10 million, but within the lower part of the target range.
- 36 The budget projects that we will have met our £10 million available free reserves target by January 2016, meeting one of the conditions upon which the £20 million grant from the DH was awarded, in February 2013.
- 37 The key variances between the 2015-2016 proposed budget and the fee strategy are as follows:
- 37.1 an increase of £1.7 million in income, due to higher volumes on the Register, higher grant income and higher overseas applications volumes than envisaged in the fee strategy;
- 37.2 higher revenue spend of £5.1 million, principally due to a £5m investment in higher staff numbers, primarily to improve quality across the board in line with the Corporate plan; and a higher PSA levy than expected (£0.4 million higher in 2015-2016). These increases are partially offset by lower FtP hearing activity and related costs than originally predicted for 2015-2016; and.
- 37.3 lower capital expenditure by £0.7 million, due to the timing of ICT capital projects.
- 38 The proposed budget is underpinned by the following core principles and cost assumptions:
- 38.1 £120 fee to be held through the plan period.
- 38.2 The proposed staff salary budget is based on assumptions which have been endorsed by the Remuneration Committee in February 2015:
- 38.2.1 A basic cost of living increase of 1% for all eligible staff
- 38.2.2 An adjustment to bring pay levels to 7.5% below the market median level of their band for those staff who are currently paid below that level.
- 38.2.3 This results in an organisational-wide increase of 3.5% of the current pay bill, based on current staff

in post.

38.2.4 The same inflationary pay increase for the Chief Executive and directors as for all staff. In addition the Council has agreed a non-consolidated performance-related bonus scheme for the Chief Executive and directors, with effect from April 2015. Under that scheme, executives would be eligible for a performance related bonus, assessed against pre-determined criteria for exceptional performance only, and amounting to 3% or 7.5% of base pay. In cases of poor performance there would be no bonus or inflationary award paid. This has no material effect on the budget.

38.3 The requirement to rebalance the funding of our regulatory functions so that relatively more funding is directed to non-FtP regulatory expenditure – analysis of the budget shows that we are starting to address the relative funding imbalance.

38.4 Key FtP assumptions are for referral rates to increase at 10% per year, and for the average length of a case referred to the Conduct and Competence Committee to be 3.5 hearing days.

### Revenue expenditure

39 The proposed revenue expenditure budget is split by directorate as follows (numbers subject to rounding):

Revenue expenditure	Draft budget 2015 - 16 £m	Fee strategy 2015 - 16 £m	Variance £m
Strategy	5.8	4.2	(1.6)
Registration	4.3	3.8	(0.5)
Continued Practice	5.0	4.6	(0.4)
ICT	5.8	4.7	(1.2)
Other Corporate Services	11.1	10.2	(0.9)
FtP	39.8	39.3	(0.5)
Depreciation	3.3	3.9	0.6
PSA fee	1.1	0.8	(0.3)
Contingency	4.5	5.0	0.5
Other	1.5	0.6	(0.9)
<b>Total revenue expenditure</b>	<b>82.2</b>	<b>77.1</b>	<b>(5.1)</b>

40 The increase in revenue expenditure is driven primarily by increased headcount in a number of directorates. The key variances are set out below.

### **Fitness to Practise**

- 41 As indicated, the primary drivers of FtP costs are the rate of referrals and the time taken to complete cases referred to the Conduct and Competence Committee
- 42 The budget for FTP includes increased staff numbers to deal with the volume of work and focus on improvements in quality. These costs are offset against a reduction in direct hearing-related costs: the fee strategy was based on 18 substantive hearings per day in 2015-2016 and this is now expected to be 16 hearings per day. Provision is also included for introduction of the Employer Link Service (ELS) comprising costs for the set up and soft launch until December 2015, with the full launch from January 2016.

### **Registrations**

- 43 Budget costs are higher than the fee strategy due to additional resource to support the increase in overseas and EU applications, but the additional costs have been offset by the related revenue generated by these applications. There is some additional investment to improve processes and quality.

### **Continued practice**

- 44 The current budgeted spend over five years to develop, implement and run our proposed model of revalidation is £5 million. The implementation costs include staff costs, ICT costs, consultancy, and external engagement costs.
- 45 Additional investment of £0.2 million has been budgeted to support the education strategy and changes to midwifery regulation.

### **ICT**

- 46 Costs largely comprise staff costs (which are reflective of a departmental restructure) and system maintenance costs, which have increased as a result of additional NMC headcount and data storage requirements, compared to the fee strategy.

### **Strategy**

- 47 The increase in costs compared to the fee strategy is driven mainly by increased permanent resource in the Project Management Office, to service project requirements across the business.

### **Capital expenditure**

- 48 The capital budget of £4.7 million in 2015-2016 principally

comprises ICT capital requirements.

- 49 The ICT capital budget consists of a large number of improvement projects that form the basis of the ICT stabilisation and improvement plan. The infrastructure projects will address many of the findings from the Business Impact Assessment and Serious Event Reviews, and internal audit recommendations, focused on those assessed as the highest priority in 2015-2016.
- 50 The ICT capital budget is made up as follows:
- 50.1 £3 million investment in infrastructure projects, including those aimed at preventing or reducing risks, improving security and the integrity of our systems, improving assurance and testing capability, and a number of separate subsidiary projects to enhance our current platforms to support the delivery of change and improvement projects across the NMC.
- 50.2 £0.7 million for strategic investment in systems, to develop the programme that will lead to new core regulatory systems. This primarily will cover the migration of our current CMS and WISER to a new system, over a three year period, but the costs in 2015-2016 also include short-term fixes to reduce current known risks with our workflow package and lack of integration between our systems.
- 50.3 £0.9 million for the implementation of fee payments by instalments and further development of NMC Online.

### **Efficiency and value for money**

- 51 The key strands of our efficiency programme for 2015-2016 are as follows:
- 51.1 Continuing to monitor and realise the FtP efficiencies previously identified and audited (£54.5 million over three years), and reported to the Council on an ongoing basis.
- 51.2 Continuing to realise savings from a programme of procurement efficiencies and better contract management. Examples include:
- 51.2.1 The retender of legal services - for FtP investigations, and for regulatory and general legal advice.
- 51.2.2 Renegotiation of accommodation and travel rates.
- 51.2.3 Robust management of the outsourced IT infrastructure contract to ensure value for money and to put us into an optimal position for re-tender

later in the year.

51.3 Expansion of our reporting of efficiency performance to the Council against the key baseline indicators identified in our value for money framework of:

51.3.1 Cost per FtP referral.

51.3.2 Cost per registrant application.

51.3.3 ICT cost per head.

51.4 Further efficiencies in FtP are budgeted to arise from a 2.5% improvement in screening and investigation closure rates and a 1.5% increase in case disposals via alternative methods, as a result of the investment in quality.

51.5 Efficiencies arising from the introduction of online registration services which is expected to deliver cost efficiencies of £0.25 million in 2015-2016 and a further 10% each year thereafter.

51.6 Realising savings from the commitment to reduce contractor resource where possible. This impacts particularly on ICT and on the Project Management Office.

**52 Recommendation: The Council is recommended to approve the budget for 2015-2016.**

#### **Consideration of fee-related issues raised by stakeholders**

53 The Council agreed to give further consideration to a number of fee-related issues raised in response to the consultation on fees in 2014.

#### **Fee payments by instalments update**

54 The Chief Executive's report (Item 6) provides an update on work to introduce this facility. Development costs of £0.6 million are included in the 2015-2016 budget; these are principally IT system development and project costs. A reduction in interest income has been assumed of £0.1 million in 2015-2016, £0.3 million in 2016-2017 and £0.5 million in 2017-2018. Ongoing costs include staff and administration costs.

#### **Differentiated fee levels**

55 A key theme was the possibility of charging differentiated fee levels for different registrants, such as newly qualified registrants, those on lower incomes or those working part-time.

56 We have carried out a review of the approaches taken by other

regulatory bodies and professional organisations including a consideration of the impact of introducing differentiated fees. In summary, most bodies offer some sort of fee differentiation, but on varying criteria.

- 57 We have previously sought external legal advice on this issue, which is that amendments to both the Registration and Fee Rules are likely to be required. We must consult on proposed changes with relevant stakeholders.
- 58 Substantial time, resource and IT investment would be required to make such changes. We have prioritised the delivery of the implementation of the ability to pay the registration fee by instalments, which has the potential to benefit all registrants. It would be sensible to review and evaluate the impact of the implementation of fee payments by instalments, prior to considering varying fee levels themselves.

#### **Fitness to Practise cost recovery**

- 59 We have considered the feasibility and potential implications of recovering costs of FtP proceedings.
- 60 We currently do not have the legal power to recover costs of FtP proceedings. This would require legislative change and the support of the DH. Assuming we were successful in getting DH support, the consultation and legislative change would take some twelve to eighteen months to implement.
- 61 The acquisition and enforcement of a power to impose cost recovery is unlikely to be a priority in policy and legislative terms, or a practical option in reality, and in particular not at this point in time. More preferable, and likely to have a greater impact, is to secure the current requested changes to our legislative framework and the cost benefit of the associated process changes.
- 62 Were such a power to be sought at a future point, it would be more likely to be acceptable and successful if it were part of a concerted movement on behalf of all the healthcare regulators, and with the support of DH.
- 63 **Recommendation: The Council is recommended to note the position on differentiated fee levels and Fitness to Practise cost recovery.**

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

- 64 Public protection is the driver for deliverables in the draft Corporate plan 2015-2016. The financial plan and budget seek to provide the resources to ensure that the NMC is able to deliver efficient and effective regulation thereby protecting the public.

<b>Resource implications:</b>	65	The budget sets out the resource implications required to deliver the draft Corporate plan.
<b>Equality and diversity implications:</b>	66	The draft Corporate plan includes a specific deliverable on promoting equality, diversity and inclusion in carrying out our functions.
<b>Stakeholder engagement:</b>	67	We propose to publish and disseminate the Corporate plan to stakeholders.
<b>Risk implications:</b>	68	Risks to the delivery of deliverables as stated in the Corporate plan must be captured through our corporate risk management arrangements. There is a dependency on the performance information to be accurate and robust, for it to be a useful management tool. Risks which need to be covered by reserves are considered by the Council on at least an annual basis.
<b>Legal implications:</b>	69	No direct legal implications.

## Corporate plan 2015–2016

### Introduction

The Nursing and Midwifery Council is the professional regulatory body for nurses and midwives in the UK. Our purpose is to protect the public through efficient and effective regulation.

We aspire to deliver excellent patient and public-focused regulation and in doing this we strive to meet the Standards of Good Regulation developed by the Professional Standards Authority.

### Our role

First and foremost we will continue to focus on improving the quality of our core work so that we can demonstrate consistently strong performance. Our core statutory functions are:

- We set and promote standards of education and practice.
- We maintain a register of those who meet these standards.
- We take action when a nurse's or midwife's fitness to practise is called into question.

### Our strategic priorities

Our *Strategy 2015–2020* was agreed by our Council in March 2015 and can be found at [LINK]. It sets out four strategic development priorities which will enable us to deliver our overarching purpose to protect the public with greater effectiveness and impact. They are:

- Effective regulation
- Use of intelligence
- Collaboration and communication
- An effective organisation

The activities set out below are the main pieces of work we will undertake in 2015–2016 to deliver improvements that will contribute to the achievement of our corporate strategy.

### **Strategic priority 1: Effective regulation**

We must deliver our core statutory regulatory functions consistently well in order to protect the public and secure public confidence. We will continue to improve our core functions, focusing on speed, customer service and the quality of our decisions. In addition we will need to respond to new requirements and legislative change.

In 2015–2016 we will:

- Work in partnership with the four UK governments to finalise and prepare to implement from the end of 2015 an effective, transparent and proportionate model of revalidation.
- Make the necessary changes to our processes to implement the new requirements of the EU Directive on Mutual Recognition of Professional Qualifications. This will include the introduction of language controls.
- Deliver a programme of work aimed at ensuring the regulatory decisions in our fitness to practise function are fair, proportionate and protect the public effectively, while using our resources to the best effect. This will include implementing a robust process for reviewing decisions to close cases at earlier stages of the process.
- Establish an employer link service which facilitates information sharing and helps employers decide which cases warrant our involvement and which are better handled locally.
- Start a longer term piece of work to review the role, shape and content of our register to ensure that it supports our purpose of public protection in a changing healthcare landscape.
- Publish and begin to implement an education strategic delivery plan. This will include completing the evaluation of our pre-registration education standards, publishing new fit for purpose standards for prescribing and revising our pre-registration midwifery standards for publication in 2016.
- Undertake policy and legislation development work towards removing midwifery supervision from our legislation.

### **Strategic priority 2: Use of intelligence**

By better using evidence from data and research we will gain insights into what we do, helping us to be more effective, transparent and proportionate. As a first step, we need to ensure that our systems support the improvement of the collection and use of both our own data and intelligence from other sources.

In 2015–2016 we will:

- Strengthen our approach to managing regulatory risk intelligence so that we can better protect the public by making appropriate interventions based on evidence and sound judgements.

- Start the groundwork needed to move towards a single source of high-quality data about our registrants, so that in the longer term we can realise our aspirations for systematic data and intelligence gathering, reporting and dissemination.
- Deliver a programme of research and analysis activities that provides insight for effective regulation – for example work to improve insights from fitness to practise data.

### **Strategic priority 3: Collaboration and communication**

We will continue to improve the quality of our relationships to support our overarching purpose of public protection. Where appropriate we will work in partnership with others to achieve shared goals. Public awareness will be a priority.

In 2015–2016 we will:

- Continue to promote the Code through an ongoing campaign aimed at nurses, midwives and employers. We will also produce materials for patients and service users so that they understand what they should expect from nurses and midwives.
- Develop and publish employer facing resources on the implications and responsibilities of employing registered nurses and midwives.
- Continue to engage effectively with registered nurses and midwives and our stakeholders to ensure the smooth implementation of revalidation.
- Establish a student forum and carry out a student survey in order to strengthen our relationships with future registrants and to learn from what they can tell us about professional education and practice.

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

We will further develop our culture, systems and resources to support our journey to becoming an intelligent, collaborative forward looking regulator.

In 2015–2016 we will:

- Implement a programme of ICT improvement to support our core functions more efficiently and to provide a sound basis on which to build more transformational change.
- Adopt the Cabinet Office's Customer Service Excellence ® standard across the organisation to ensure the experience of people we deal with is as good as possible.
- Promote equality, diversity and inclusion in carrying out our functions as a regulator, a service provider and as an employer.
- Provide a facility for nurses and midwives to make registration fee payments in instalments.

- Invest in our workforce to ensure it is engaged, high-performing and able to meet the future needs of the organisation.
- Drive through a programme of efficiencies to ensure the ongoing effective use of our resources.

## Proposed corporate key performance indicators 2015-2016

- 1 This annexe provides further detail about the proposed corporate key performance indicators (KPIs) for reporting use in the financial year 2015-2016.
- 2 A definition and rationale are provided for each KPI together with an explanation of any change from the current measure. Where a target is proposed, details of this are also provided.

### Registration

- 3 In 2014-2015, we measured the percentage of all registration applications completed within 90 days, with a target of 90% (KPI 1). This covered both UK and international (EU/Overseas) applications and measured the time between receipt of a new application and, where appropriate, the applicant joining the register.
- 4 UK applications are higher volume but more straightforward. International applications are generally more complex, often require multiple assessments before completion and involve periods of time when action is required from the applicant before the application can be progressed. As discussed by the Council, we propose two key indicators for 2015–2016: UK and international.

#### KPI 1a – Percentage of UK initial registration applications completed within 10 days from receipt of a complete new application to a decision

- 5 **Proposed target:** 90% as an average throughout the year.
- 6 **Definition:** this KPI measures the time elapsed between receipt of a complete new UK application (this is system determined) by the NMC and when the applicant joins the register or is notified of refusal.
- 7 **Rationale:** The rationale for setting the target at 90% is to take account of approximately 10% of applications where further information may be required due to individual circumstances.
- 8 **What has changed?** This measure is the same as for the current year except for a change in timeframe, i.e. 10 days, and the separation of UK and EU/Overseas measurement. Achievement of 90% consistently across the year would indicate that we had planned well for the expected annual peaks in volume.

#### KPI 1b – Percentage of EU/Overseas registration applications assessed within 70 days

- 9 **Proposed target:** 90% as an average throughout the year.
- 10 **Definition:** this KPI measures the time elapsed between receipt of a complete international (EU and non-EU) application (this is system determined) and when an assessment decision is issued on that application. Where it is discovered on assessment that the submitted documents are invalid a further assessment will be

required when the requested correct documents are received; the KPI will measure the time elapsed between receipt of required information and issue of each new assessment decision.

- 11 **Rationale:** The rationale for this target is based on current experience, performance improvements, the projected significant increase in international recruitment activity and uneven flow through the new test of competence process.
- 12 **What has changed?** This measure is different to that used in 2014-2014, as it only measures those parts of the process where we are able to take action on an application. End to end international (EU and non EU) figures will be monitored through the Registration dashboard.

### **KPI 2 – Percentage of interim orders imposed within 28 days of opening the case**

- 13 **Proposed target:** Good performance will be indicated by 80% or above across the year.
- 14 **Definition:** The measure will use the cumulative number of interim orders (IOs) imposed over a rolling 12 month period. The start point is the day that a case is logged on the case management system and the end point is the day that an interim order is imposed.
- 15 **Rationale:** This KPI measures how quickly we protect the public in the most serious cases by applying restrictions to a nurse or midwife's practice. We have achieved an average of around 90% over the past year. We are proposing to maintain the target at 80% for the following reasons:
- 15.1 The median time taken to impose an IO is 25 days indicating that there is little tolerance in the process.
- 15.2 We are seeking to increase early engagement with registrants to improve the quality of decision-making which will mean it takes slightly longer to impose an IO in some cases.
- 15.3 Setting a more stretching target could have the perverse effect of reducing quality by encouraging cases to be rushed through before they are fully ready.
- 16 We propose reporting monthly figures as an annualised average rather than a monthly spot rate to reduce volatility in the measure and present a clearer representation of performance.
- 17 **What has changed?** The measure and target would remain the same but each monthly figure will be calculated as a rolling 12 month average rather than as an average for the month only, as was reported during 2014-2015. The number of IO extension applications each month will continue to be reported alongside the KPI.

### **KPI 3 – Percentage of FtP cases concluded within 15 months**

- 18 **Proposed target:** We are suggesting that the Council agrees to defer setting a target at this stage. Our average performance over the last twelve months stands at around 65%. The introduction of case examiners and other process changes will result in some fluctuation over the coming months which is difficult to predict.

For that reason, we suggest monitoring the KPI closely before returning with a proposal regarding the KPI and target in September 2015.

19 **Definition:** This is the proportion of FtP cases which are concluded within 15 months of being opened. By concluded, the case has either been:

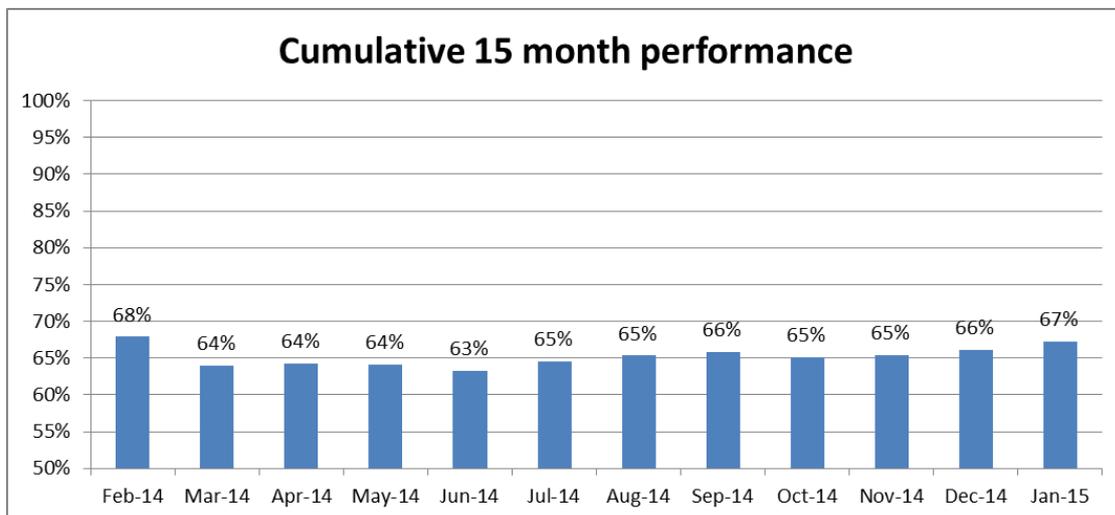
19.1 Investigated at Screening and closed;

19.2 Closed no case to answer by Investigating Committee or case examiners;

19.3 Closed by voluntary removal;

19.4 Concluded at an adjudication hearing or meeting.

20 **Rationale:** Cumulative performance against a 15 month timeline has hovered around 65% over the last 12 months, as shown in the graph below. Several factors feed into this aggregate measure and predicting how a combination of them will affect it can be challenging. We know that there is a cohort of older cases at the investigation stage which will potentially progress to adjudication during the next year. The proportion which do progress and their age when they do will impact on the overall measure at the time of their adjudication; the higher each one is, the greater the detrimental impact on KPI performance will be. At the same time we anticipate improvement in closure rates at early stages and the age of cases when they are concluded as a result of the quality improvements achievable with the new posts we have included in our budget proposal. On balance, it is difficult to make a case for a movement in performance in either direction over the coming year.



21 **What has changed?** This would be a new KPI, replacing the current KPI 3 (investigations) and KPI 4 (adjudications). As of April 2015 it would be an interim measure with no target, as explained in the proposed target paragraph above.

#### **KPI 4 – Available free reserves**

22 **Proposed target:** £10 million at January 2016 (a spot target).

23 **Definition:** The level of available free reserves at month end compared with budgeted available free reserves at that month end.

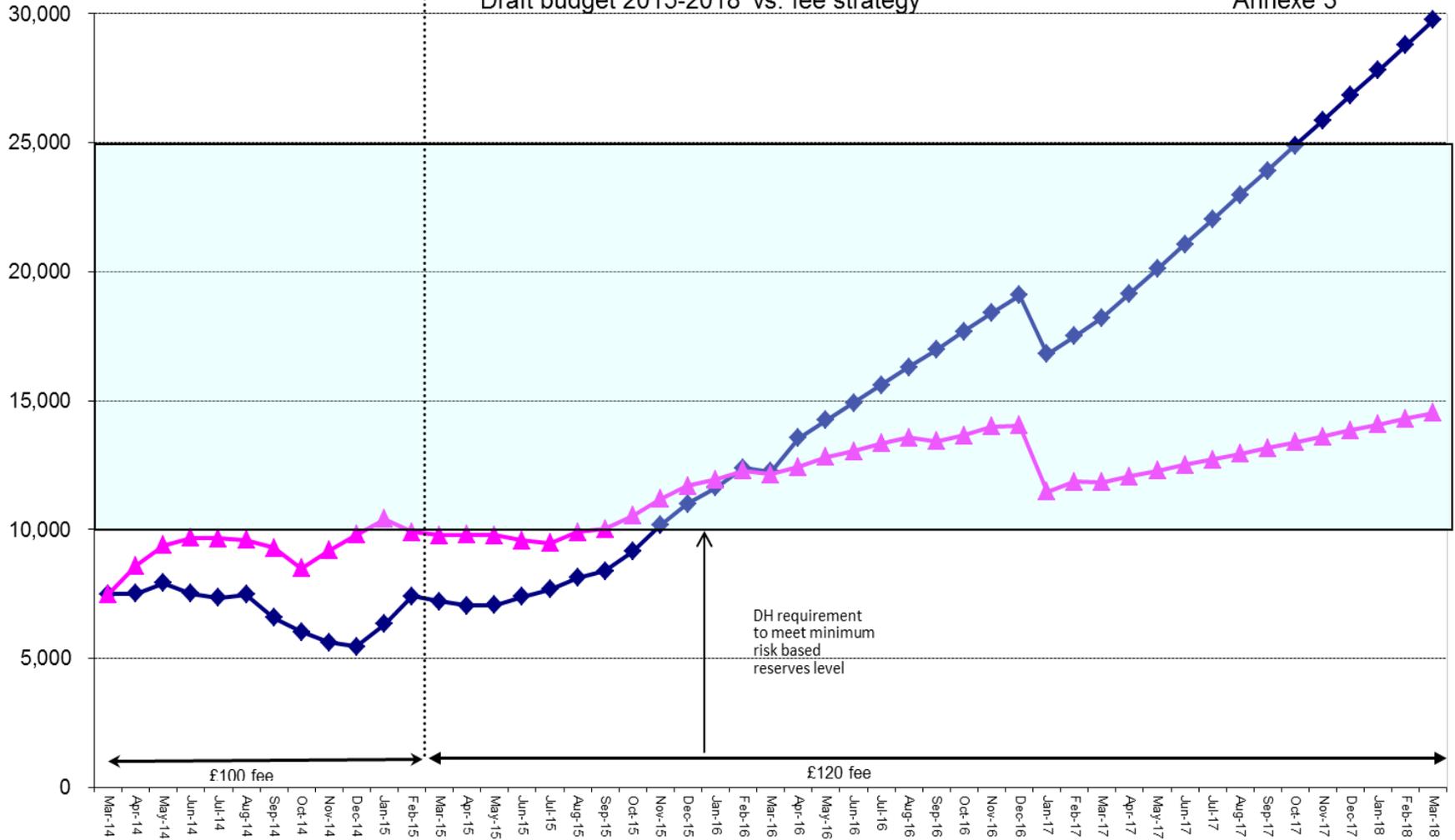
- 24 **Rationale:** This target was one of the conditions attached to the £20m Department of Health grant and should remain in place until achieved. The NMC's budget and financial strategy is predicated on a restoration of minimum available free reserves to a minimum target level of £10m by January 2016. This KPI measures how close we are to our plan for achieving this target.
- 25 **What has changed?** This measure and target would remain the same as they currently are.

#### **KPI 5 – Staff turnover rate**

- 26 **Proposed target:** We are proposing that Council does not set a target for this KPI. The turnover rate is a product of the number of leavers over a 12 month period compared to the size of the workforce. The 2015-2016 plan signals a significant increase in workforce numbers and conversion of contract staff to permanent. Given we will also be going through a period of organisational change and re-defining our workforce requirements to deliver the corporate strategy, any target would be arbitrary and not meaningful.
- 27 **Definition:** The proportion of employees leaving in the previous 12 months expressed as a rolling average, but excluding end of fixed term contracts.
- 28 **Rationale:** The high level of staff turnover has been highlighted as an area of concern affecting productivity and efficiency. In fact, it is the outcome of a range of factors affecting our workforce, both positively and negatively, including workforce size, composition, recruitment practice, induction and performance management, pay, reward and career development. Including this as a KPI will ensure that focus is maintained on the factors affecting it and the impact this has on organisational efficiency, productivity and effectiveness.
- 29 **What has changed?** The measure would remain the same as it is currently but the focus will become more on understanding the specific impact that staff turnover has on the business and the drivers for it, rather than setting a target. The consideration of turnover needs to be related to the NMC's needs rather than benchmarked against a range of organisations at different stages of maturity. Additional information will be provided through regular workforce reports.

Draft budget 2015-2018 vs. fee strategy

Annexe 3





## Draft three year budget compared to fee strategy £K

	Budget 2015-2018			
	2014-15 Act/Fcst	2015-16 Budget	2016-17 Budget	2017-18 Budget
Periodic fee income	68,337	<b>77,146</b>	82,440	82,440
Grant Income	2,387	<b>387</b>	0	0
Other income	2,037	<b>2,005</b>	2,254	2,405
<b>Total Income</b>	<b>72,761</b>	<b>79,538</b>	<b>84,694</b>	<b>84,846</b>
Revenue expenses	78,576	<b>82,187</b>	85,090	85,248
<b>Surplus\deficit</b>	<b>(5,815)</b>	<b>(2,649)</b>	<b>(396)</b>	<b>(402)</b>
Capital	3,286	<b>4,651</b>	2,469	2,169
Total free reserves	18,234	<b>19,397</b>	20,834	22,233
Pension deficit	8,324	<b>7,115</b>	8,862	7,563
<b>Available free reserves</b>	<b>9,910</b>	<b>12,282</b>	<b>11,972</b>	<b>14,670</b>
Movement in restricted reserves	5,148	<b>0</b>	0	0

	Fee Strategy			
	2014-15	2015-16	2016-17	2017-18
Periodic fee income	67,620	<b>75,849</b>	81,054	81,054
Grant Income	1,654	<b>0</b>	0	0
Other income	1,980	<b>1,970</b>	3,005	3,234
<b>Total Income</b>	<b>71,255</b>	<b>77,819</b>	<b>84,059</b>	<b>84,289</b>
Revenue expenses	78,748	<b>77,055</b>	76,826	75,870
<b>Surplus\deficit</b>	<b>(7,493)</b>	<b>764</b>	<b>7,233</b>	<b>8,419</b>
Capital	4,205	<b>5,347</b>	4,800	3,500
Total free reserves	15,680	<b>19,551</b>	26,771	37,757
Pension deficit	8,213	<b>7,244</b>	9,121	7,998
<b>Available free reserves</b>	<b>7,467</b>	<b>12,307</b>	<b>17,650</b>	<b>29,759</b>
Movement in restricted reserves	5,148	<b>0</b>	0	0

	Variance			
	2014-15	2015-16	2016-17	2017-18
Periodic fee income	717	<b>1,297</b>	1,386	1,386
Grant Income	732	<b>387</b>	0	0
Other income	57	<b>35</b>	<b>(751)</b>	<b>(829)</b>
<b>Total Income</b>	<b>1,507</b>	<b>1,719</b>	<b>635</b>	<b>557</b>
Revenue expenses	172	<b>(5,132)</b>	<b>(8,264)</b>	<b>(9,378)</b>
<b>Surplus\deficit</b>	<b>1,679</b>	<b>(3,413)</b>	<b>(7,629)</b>	<b>(8,821)</b>
Capital	919	<b>696</b>	2,331	1,331
Total free reserves	2,554	<b>(154)</b>	<b>(5,937)</b>	<b>(15,524)</b>
Pension deficit	<b>(111)</b>	<b>129</b>	259	435
<b>Available free reserves</b>	<b>2,443</b>	<b>(25)</b>	<b>(5,678)</b>	<b>(15,089)</b>
Movement in restricted reserves	0	<b>0</b>	0	0

Risks to be covered by reserves March 2015	2015-2018	
	Lowest Risk £m	Highest Risk £m
Extraordinary reviews - Another Stepping Hill; Mid Staffs, etc. The estimated total costs for Mid Staffs £1m including cases arising. If three were to happen at once then potential cost could be £3m. Legal costs for mid-Staffs were some £0.3m so this risk is based on legal and support costs arising from such events; referral increases are factored into FtP referral risks.	0.5	1.0
Revalidation: If we had to increase scope/ sample size of revalidation then additional costs will arise, of administration and review costs.	1.0	2.0
Impact of EU mutual recognition of professional qualifications directive due for implementation by 2016. Implications include setting up a process for language controls for all EU applicants; setting up a process for the issuing and receiving of the European Professional Card; and setting up a system for receiving and issuing alerts. We have included costs in the financial plan for the set up project and EU alert staff; however the full impact is not yet clear and further ongoing costs are possible.	1.0	2.0
FtP caseload: if the level of referrals increases beyond the 10% that we have planned for necessitating a further fee rise; then this would need to be funded. This range caters for a further increase between 8% and 12% over a two year period.	2.2	3.2
FtP hearing duration- if the average length of a hearing increased beyond the planned 3.5 days to say 4 or 4.5 days, then we would need to fund the time lag between the identification of the increase and increasing the fee. The range caters for an increase of between 4 and 4.5 days over two years.	5.7	11.3
FtP alternative disposal methods – covering the risk of not achieving the projected alternative disposal methods target. The targets for alternative disposals are based on current throughput and improvements from additional resource but if the targets are not met, then cases must go for substantive hearing.	0.5	1.0
FtP IC/CE closure rate – covering the risk of a lower closure rate at the investigation stage. The budget assumption is a 51.5% closure rate; if this reduced to 40% there is a cost impact in terms of additional hearings required at CCC. A year's worth of additional substantive hearings arising from a reduction in closure rate to 40% would cost £3.5m pa; for 2 years it would cost £7.6m. Assume a range of 45% to 40%, over two years	3.0	7.6
PfII - Income risk : reduction in register (0.25% to 0.5%) resulting in loss of income.	0.2	0.4
Revalidation - Income risk : reduction in register (2% to 5%) as a result of registrants being unable to revalidate successfully resulting in loss of income.	1.6	4.0
Increasing age of registrants - Income risk : over half of over-55s who responded to the consultation question on whether a fee increase would impact their decision to continue working as a nurse or midwife said that it would impact. 20% of the register is over 55 (136k); an estimate of between 2% and 5% leaving is considered possible.	0.3	0.8
ICT transformation/change management delivery - risk of needing to invest more to fund technological and organisational advance, to facilitate transformation to a more effective, efficient regulator and to ensure sufficient investment in disaster recovery and business continuity provision and impact.	2.0	4.0
Accommodation strategy - risk that additional funding will be needed to allow us to invest in possible changes and moves required to fulfil the requirements of the accommodation strategy, eg early termination of leases, decanting, impact on staff etc.	2.0	4.0
<b>Other risks:</b>		
Law Commission - legal and implementation costs are likely in the short term		
Phased payments - project set up costs and a reduction in deposit interest as a result of moving to payments by instalments are factored into the financial plan, however the full impact is not yet clear and further ongoing costs are possible.		
<b>General reserve covering the above risks</b>	1.0	2.0
<b>Total</b>	<b>21.0</b>	<b>43.3</b>
<b>Risk Calculation (50% of minimum and 75% of maximum)</b>	<b>10.5</b>	<b>32.5</b>
<b>Recommended risk range March 2015</b>	<b>10.0</b>	<b>25.0</b>

## Council

### Education and LSA Quality Assurance Annual Report 2013-14

**Action:** For decision.

**Issue:** An overview of the findings of the Quality Assurance (QA) activity of Approved Education Institutions (AEIs) and Local Supervising Authorities (LSAs) for the 2013/2014 period.

**Core regulatory function:** Education and Standards.

**Corporate objectives:** Corporate objective 2: "We will set appropriate standards of education and practice and assure the quality of education programmes and the supervision of midwives, so that we can be sure that all those on our register are fit to practise as nurses and midwives."

**Decision required:** The Council is invited to note and approve this overview report (as per paragraph 23 of the report).

**Annexes:** None.

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

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- Context:**
- 1 The aim of our QA work is to provide assurances that our education standards and midwives rules and standards are being delivered effectively and identifies areas where further assurance by AElS or LSAs is necessary. By carrying out this function well we protect the public and maintain the public's confidence in the professions and the NMC.
  - 2 In this first year of working within the new framework, we have introduced lay reviewers to all monitoring review teams, introduced an online QA portal for document management, established a new annual self-reporting requirement and refined our risk based selection criteria for AElS and LSAs annual monitoring.

**Discussion**

**Summary of key findings**

- 3 The Council can derive assurance from the QA programme 2013-2014 as follows:

AElS

- 3.1 Following annual self-reporting for all AElS and monitoring visits to 16 AElS, we found that all 78 AElS are meeting the standards.
- 3.2 Five of the 16 AElS visited need to make improvements to strengthen the risk controls that they have in place.

LSAs

- 3.3 Following annual self-reporting of 14 LSAs and six LSA monitoring visits, we found that 13 LSAs are meeting the standards.
- 3.4 One LSA did not meet the standard and an action plan remains in place.
- 3.5 Three of the LSAs visited need to make improvements to strengthen the risk controls that they have in place.
- 4 The findings of the 2013-2014 education and QA activity including feedback from the sector provide assurances that our QA framework is fit for purpose. Action has been taken with those AElS and LSAs where standards have not been met or require improvement.
- 5 Emerging risks from 2013-2014, along with other factors informed the risk based selection of AElS and LSAs for monitoring in 2014-2015. We have strengthened the framework for 2014/15 in providing a shorter notification period of six weeks prior to monitoring visits and to ensure we can visit a wider geographical area we have lengthened the monitoring visit by one day.

- 6 We have stressed our need for service user and carer involvement in the implementation of our education and midwifery supervision standards and are holding AEIs and LSAs to account if there is no evidence that this is happening.
- 7 We have continued to work with AEIs and LSAs to improve the quality of their self-reporting and provided feedback on their reports as this is our main source of assurance in education and supervision of midwives.
- 8 We plan to strengthen further our approach to risk for 2015-2016 by development of risk triggers.

#### **Monitoring results for AEIs: 2013/14**

- 9 We monitored each of the selected AEI against five key risk areas. We used threshold standards whereby each standard was awarded 'met', 'requires improvement' or 'not met'.
- 10 11 out of 16 AEIs achieved a 'standard met' across the five key risk areas. Five AEIs received a 'requires improvement' across three key areas; resources, practice learning and quality assurance. Although the standard was met those AEIs were encouraged to strengthen specific areas.
- 11 Although no AEIs received a 'standard not met' grade there are important factors to consider for the second year.
- 12 As part of the risk based selection criteria some AEIs selected for monitoring had placement partners that were already under scrutiny by system regulators and others. Consequently, AEIs had already invested significant additional resources. The review teams found that the learning environment remained safe and effective. **This may not be sustainable in the long term so we are keeping under review.**
- 13 We have analysed the impact of the length of notice given to AEIs to prepare for a monitoring visit. In some cases AEIs received up to nine months' notice. Although preparation and rehearsal for monitoring visits could drive improvements and enhance risks controls, this approach did not allow for a thorough assessment of day to day management or determine whether reported additional resourcing to help control risks was sustained in the longer term.

#### Self-assessment reports for AEIs: 2013-2014

- 14 In addition 78 AEIs across the UK completed a self-assessment report. One university did not complete a self-assessment report and is no longer an approved education institution.
- 15 We found that the content, style and depth of reporting varied from thorough evaluative responses to much more limited responses with

a lack of evidence based reporting. As we only monitor a proportion of our AEs each year we rely on accurate and honest self reporting. **We are communicating with AEs to ensure that the self reports can be an effective assurance tool for ensuring public protection.**

- 16 This year the NMC requested all AEs to provide an evaluative commentary on three overarching themes.
- 17 The three themes were: an evaluation of current values based recruitment and selection approaches, an evaluation of current accreditation of prior learning (APL) approaches and a review of service user and carer evaluations and feedback on students' participation of planned care. Despite this request a number of AEs described their processes rather than the outcomes of their processes. **This is an area on which we continue to work with AEs.**

#### Monitoring results for Local Supervising Authorities: 2013-2014

- 18 We monitored the six selected LSAs against seven selected key risk themes in accordance with the Midwives Rules and Standards.
- 18.1 Two out of six LSAs achieved a 'standard met' across the key risk themes. Three LSAs received a 'requires improvement' grade in relation to the completion of annual LSA audits and increasing the involvement of women in LSA audits to support the effectiveness of the supervision of midwives. **We continue to monitor progress in this area.**
- 18.2 One LSA received a standard 'not met' grade as they did not meet Rule 6 for revival and storage of records from independent midwives. The LSA monitoring review concluded that there were concerns about statutory data protection requirements for maternity records. An action plan was consequently put into place. **This remains a live issue and is currently subject to a fitness to practise investigation.**

#### **Self-assessment reports for LSAs: 2013/14**

##### LSAs

- 19 In accordance with our framework, LSAs are required to report quarterly to the NMC as well as annually. The annual and quarterly reporting headlines included:
- 19.1 All but two LSAs met the recommended 1:15 SoM to midwives ratio. **However compliance with this standard remains challenging for all LSAs and remains under review.**
- 19.2 Some LSAs provided plans for approaches to ensure the effective involvement of lay auditors. However, only limited

examples of progress reports against the commitments made were seen. **We will monitor again next year.**

19.3 LSA annual reports provided a detailed breakdown of issues, trends and their likely impact however there is no consistent measure of issue or risk across all LSAs. Key issues reported by LSAs included environmental issues in maternity units and a lack of sufficient funding for LSA functions. Of particular note was reporting of a lack of NHS resources to support supervisor of midwives activity with the potential to adversely affect the LSAs ability to ensure effective supervision in their areas.

19.4 A total of 18 complaints about the discharge of the supervisory function were reported by seven LSAs during the 2013/14 year. 16 were from midwives objecting to issues about the supervisory process. The other two were from women. **The outcome of the complaints is not always reported to us and we are following up on these reporting omissions.**

#### **Exceptional reporting for AEIs and LSAs**

- 20 AEIs and LSAs are required to self-report emerging risks to the NMC outside of routine reporting periods. During this first year we have had a good response from AEIs and LSAs and we were able to receive assurance that risks were being managed locally. However there were occasions where we had to proactively seek further information to gain assurance due to exceptional self-reporting not being forthcoming. **This is an area which we will continue to actively promote and monitor.**
- 21 Emerging risks are discussed internally and actions taken included further engagement with the AEI or LSA, requesting further details or, where a serious risk has been identified, conducting an extraordinary review. **Data from this process also informed the selection for monitoring during 2014/15.**
- 22 The emerging situation in Guernsey, which ultimately resulted in an extraordinary review in October 2014, falls into the next reporting year. The extraordinary review found that a number of standards relating to supervision had not been met. Widespread issues were reported, which could undermine public confidence in the safety of maternity services in Guernsey. **We continue to work with the LSA and Guernsey's Health and Social Services Department to make improvements in order to protect patients and the public.**
- 23 **Recommendation: The Council is recommended to note and approve this overview report.**

- Public protection implications:** 24 The findings of this year's education and QA activity provide assurances that our QA framework is fit for purpose. Actions have been taken against those AEIs and LSAs where standards have not been met or require improvement.
- Resource implications:** 25 Management of the QA framework and the production of this paper is part of business as usual and the costs are included in the annual business plan and budget. The NMC outsources its QA activity to an external contractor, Mott MacDonald.
- Equality and diversity implications:** 26 The delivery of the QA framework's activity has complied with all equality and diversity requirements.
- Stakeholder engagement:** 27 During the 2013/4 year QA reviewers have engaged with the full range of education and supervision stakeholders throughout the full range of QA activity.
- Risk implications:** 28 Although QA monitoring activity has provided assurances against defined risk criteria there is a need to continue to refine and improve on all self reporting activity by AEIs and LSAs. Some provide excellent reports and we will disseminate this good practice for the benefit of others.
- 29 Since this 2013/14 year of reporting the Kings Fund report on midwifery regulation there is a risk that resources within LSAs will diminish further with the corresponding risk that ongoing quality assurance of LSAs will be challenging. We are working collaboratively with the LSA forum and the four countries to ensure there is clear communication and ownership around transitional arrangements and current business as usual activity.
- Legal implications:** 30 The delivery of the QA framework reflects PSA's right touch regulation principles and is in accordance with our statutory obligations consequently there are no anticipated legal implications.

## Council

### Deputy and Assistant Registrars

**Action:** For decision.

**Issue:** The report proposes (a) the inclusion in the Standing Orders of a two stage process governing the appointment and authorization of Deputy and Assistant Registrars; (b) the appointment of Assistant Registrars under the new process.

**Core regulatory function:** Registration; Fitness to Practise; supporting functions.

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

**Decision required:** The Council is recommended to:

- approve the text at paragraph 4 for inclusion at Standing Order 6.6, and consequential renumbering of existing Standing Orders (Paragraph 5)
- appoint the Assistant Registrars named in paragraph 6, subject to which they may be authorized by the Registrar, in accordance with the Standing Orders, to act on her behalf in any matter (Paragraph 7).
- confirm that existing Assistant Registrars may be authorized by the Registrar to act in any matter in accordance with the Standing Orders (Paragraph 9).

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

- Annexe 1: Current Assistant Registrars.

**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 appointment of Deputy and Assistant Registrars is governed by Article 4 (5) of the Nursing and Midwifery Order 2001:  
  
*If the Council appoints a deputy or assistant Registrar and that deputy or assistant Registrar is authorised by the Registrar to act for him in any matter, any reference in this Order to “the Registrar” shall include a reference to that deputy or assistant Registrar.*
  - 2 In the past, our practice has been for the Council to appoint Assistant Registrars to undertake specific functions delegated by the Registrar. Changes to our legislation and operations mean that greater flexibility in the process is desirable to enable Assistant Registrars to act on behalf of the Registrar in a range of areas, including: (a) registration decisions; (b) fitness to practise case management; (c) voluntary removals; (d) power to review case to answer decisions of the investigating committee / case examiners.
  - 3 We propose therefore: (a) the inclusion in the Standing Orders of a two stage process governing the appointment and authorization of Deputy and Assistant Registrars; (b) the appointment of Assistant Registrars under the new process.

**Discussion and options appraisal:**

**Appointment and authorization process**

- 4 The following two stage process for the appointment and authorization of Deputy and Assistant Registrars is proposed. It distinguishes between (a) the Council’s responsibility for making the appointments; (b) the Registrar’s responsibility for authorizing them to act on her behalf. This accords with Article 4(5) as cited above.

**6.6 Deputy and Assistant Registrars**

*6.6.1 The Council may, upon the nomination of the Registrar, appoint a member of staff as a Deputy or Assistant Registrar.*

*6.6.2 The Registrar may authorize in writing any person appointed by the Council under Standing Order 6.6.1 to act on her / his behalf in any matter.*

*6.6.3 In determining whether to authorize a person under Standing Order 6.6.2, the Registrar shall ensure that (a) appropriate training, guidance, and procedures are available to enable the proper discharge of the delegated functions; (b) due consideration is given to (i) the segregation of duties, where appropriate; (ii) potential conflicts of interest.*

- 5 **Recommendation: The Council is invited to approve (i) the text at paragraph 4 for inclusion at Standing Order 6.6, and (ii) consequential renumbering of existing Standing Orders.**

## Appointment of Assistant Registrars

- 6 It is proposed to appoint additional Assistant Registrars, as follows, to provide flexibility for the Registrar to delegate functions:
- 6.1 Paul Douglas, Assistant Director, Investigations;
- 6.2 Alan Peacock, Assistant Director, Registration;
- 6.3 Anu Thompson, Assistant Director, Legal Services.
- 7 **Recommendation: The Council is invited to appoint the Assistant Registrars named in paragraph 6, subject to which they may be authorized by the Registrar, in accordance with the Standing Orders, to act on her behalf in any matter.**
- 8 The Council has previously appointed Assistant Registrars specifically for voluntary removal and / or power to review decisions [Annexe 1]. It is proposed that existing Assistant Registrars who have previously been appointed for functions specified by the Council should now be eligible for authorization by the Registrar for other matters. There is currently no Deputy Registrar.
- 9 **Recommendation: The Council is invited to confirm that the Assistant Registrars named in Annexe 1 may be authorized by the Registrar, in accordance with the Standing Orders, to act on her behalf in any matter.**
- Public protection implications:** 10 No direct public protection implications.
- Resource implications:** 11 No direct resource implications. The training of Assistant Registrars will be managed within existing budgets.
- Equality and diversity implications:** 12 No particular impacts on protected characteristics have been identified.
- Stakeholder engagement:** 13 None required.
- Risk implications:** 14 The proposed mechanism is intended to mitigate risk by providing more flexibility around appointment with appropriate control around authorization of Deputy / Assistant Registrars.
- Legal implications:** 15 The proposals accord with the NMC's governing legislation.

## **Annexe 1: Current Assistant Registrars**

### **Assistant Registrars – registration decisions**

- Tom Kirkbride, Assistant Director, Registration
- Alison Sansome, Director of Registration

### **Assistant Registrars – voluntary removal**

- Tom Kirkbride, Assistant Director, Registration
- Matthew McClelland, Deputy Director of Fitness to Practise
- Anne Trotter, Assistant Director, Education and Standards
- Emma Westcott, Assistant Director, Strategy

### **Assistant Registrars – power to review**

- Loraine Ladlow, Assistant Director, Adjudication
- Matthew McClelland, Deputy Director of Fitness to Practise

## Council

### Revalidation update

**Action:** For discussion.

**Issue:** An update on the revalidation programme and summary of working arrangements, including the launch of revalidation and transitional arrangements.

**Core regulatory function:** Standards and Registration (revalidation).

**Corporate objectives:** Corporate objective 1: “We will protect the public’s health and wellbeing by keeping an accessible accurate register of all nurses and midwives who meet the requirements for registration and who are required to demonstrate that they continue to be fit to practise.”

Corporate objective 2: “We will set evidence-based and accessible standards of education and practice. We will assure the quality of education programmes for nurses and midwives and the quality of supervision of midwives, so that we can be sure that everyone on our register is fit to practise.”

**Decision required:** None.

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

- Annexe 1: Revalidation Programme Status 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:**
- 1 The purpose of revalidation is to improve public protection by making sure that nurses and midwives continue to be fit to practise throughout their career.
  - 2 We want to improve professional standards by encouraging a culture of reflection and improvement. This will give greater confidence to the public, employers and fellow professionals that nurses and midwives are actively engaged in their professional development and up to date with their practice.
  - 3 Revalidation is about nurses and midwives engaging with the Code and considering their practice throughout the three year cycle, not just at the point at which they submit their application.
  - 4 The NMC has committed to launching revalidation by December 2015. The Council will be asked to agree the final requirements for revalidation in October 2015, after which all nurses and midwives will be able to start building their portfolio to revalidate.
  - 5 The provisional revalidation model approved by the Council for the purpose of the pilots sets out key requirements for revalidation. These are:
    - 5.1 practice hours;
    - 5.2 continuing professional development (CPD), including participatory learning;
    - 5.3 practice-related feedback;
    - 5.4 reflection on the Code, CPD and feedback;
    - 5.5 a reflective discussion with another NMC registered nurse or midwife;
    - 5.6 declarations in relation to health and character and professional indemnity arrangement; and
    - 5.7 confirmation from a third party confirming compliance with the requirements.
- Discussion:**
- 6 The NMC is working with key strategic partners, including the four countries' programme boards to deliver revalidation and ensure that nurses and midwives will be ready. In order to do this in a coherent and consistent way, we have developed some key working assumptions. Some key dates and principles are set out in this paper for information, but are subject to any decision taken by the Council in October 2015 in relation to revalidation and readiness for 'Go Live'.

## Revalidation Launch

- 7 Subject to the Council's approval of the final requirements, we propose that revalidation will be launched in October 2015. From then, nurses and midwives will be able to familiarise themselves with the requirements and start developing their portfolio. The first nurses and midwives to revalidate will be those with an April 2016 renewal date. This allows a reasonable and fair amount of time for them to meet the new requirements.

July 2015	The Council to consider preliminary information on readiness resulting from pilot and engagement activities.
October 2015	Revalidation is launched - registrants will know the final revalidation requirements and will be able to start preparing their portfolios against them supported by a range of communication tools.
January 2016	The online revalidation system is ready for registrants to start using. The first revalidation (renewal with revalidation requirements) notices are sent to nurses and midwives whose registration period ends in April 2016.
Up to 1 April 2016	Nurses and midwives whose registration period ends in April 2016 can submit their revalidation applications to enable them to renew their NMC registration.
30 April 2016	First nurses and midwives are revalidated.

## Transitional arrangements

- 8 We are developing transitional arrangements for nurses and midwives who have not been in practice between the date that the final revalidation guidance is published and the date they are due to submit their application. The nurses and midwives who are likely to fall into this group are those on maternity leave or sick leave (which are protected characteristics under equalities legislation), as well as those who have chosen to take a break from their career.
- 9 These registrants may not know about the new requirements or may not be able to meet some of those new requirements such as practice-related feedback, discussing their reflections with another NMC registrant and undertaking participatory CPD.
- 10 The arrangements we introduce are likely to require these nurses and midwives to at least meet the renewal requirements in place prior to the publication of the guidance. The arrangements will only

be available in the first revalidation cycle for the small number of nurses and midwives who can demonstrate that they have not been in practice between the publication of the guidance and their renewal date.

### **Verifying revalidation applications (audit)**

- 11 After submitting their revalidation applications a proportion of nurses and midwives will be selected to verify their application by providing further information from their portfolio.
- 12 There are a number of purposes of this verification process. It can:
  - 12.1 help to provide assurance that revalidation is credible;
  - 12.2 encourage compliance with the revalidation requirements – this will help to drive behaviours that increase professionalism and engagement with the Code;
  - 12.3 help us to monitor overall revalidation compliance; and
  - 12.4 provide data that can be used by the NMC. It will help us to understand more about our registrants.
- 13 During the pilot we will be verifying a number of applications. This will inform our understanding of the resources required to undertake this work following full launch.

### **Future decisions**

- 14 All of the elements of revalidation discussed here will be subject to decisions of the Council to formally proceed with revalidation and to consider the final revalidation requirement in October 2015.

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

- 15 Revalidation serves to assure that all our nurses and midwives participate in a structured process where they regularly consider how they are maintaining their fitness to practise through reflection on the Code.
- 16 Revalidation should increase confidence that nurses and midwives' fitness to practise is being regularly reviewed and that the nurses and midwives whom they interact with are up to date with their practice.

#### **Resource implications:**

- 17 There are no additional resource implications arising specifically from the proposal set out in this paper.
- 18 All budget and staff time to carry out the policy and process development for the revalidation audits has been accounted for

within the 2015 / 2016 business planning cycle.

- |   |    |  |
|---|----|--|
| <b>Equality and diversity implications:</b> | 19 | A detailed equality assessment of the revalidation policy was undertaken in 2014. This included a review of revalidation policy and consultation responses. The equality assessment particularly highlighted potential challenges for those on maternity leave, sickness leave and those on career breaks.   |
|   | 20 | Ensuring that the roll out of revalidation is fair to these groups is one action we are taking to mitigate any adverse impacts. Our proposals will make sure that these nurses and midwives have a fair amount of time to prepare for revalidation. Our proposals will also make sure that, in exceptional circumstances, these nurses and midwives are not adversely affected by the new requirements while they are not in practice. |
| <b>Stakeholder engagement:</b>              | 21 | Our approach to revalidation has been developed through extensive engagement with key stakeholders across the UK. We are currently piloting revalidation with a wide range of organisations and registrants. This will give us a better understanding of how long it will take for registrants to prepare for revalidation.  |
|   | 22 | We are working closely with the Revalidation Programme Boards in each of the four UK nations, particularly in relation to understanding readiness for revalidation.  |
|   | 23 | We will be discussing the detailed launch and transitional arrangements with the Revalidation Strategic Advisory Group in April 2015.  |
|   | 24 | We need to develop clear messages for all nurses and midwives about when revalidation will be launched and what this will mean. In particular we need to be clear with those nurses and midwives due to renew their registration in January to March 2016.   |
| <b>Risk implications:</b>                   | 25 | The risks to the programme are highlighted in the status report ( <b>annexe 1</b> ). There is a risk that if we are not clear about our working assumptions (key dates in particular) delivery of revalidation will be compromised.  |
| <b>Legal implications:</b>                  | 26 | There are no particular legal implications arising from this paper. The launch and transitional arrangements both help to mitigate a risk of legal challenge from nurses and midwives who do not think they have had sufficient time to prepare for revalidation. There will be a legal review of the final policy and guidance before October 2015.   |



## Revalidation Programme Status Report: to 16 March 2015

<b>Senior Responsible Owner</b>	Katerina Kolyva, Director Continued Practice	Current status	Amber
<b>Programme Manager</b>	Katy Healy (Implementation Manager)	Previous status	Amber

### General programme update

The revalidation programme is currently overall at Amber. This reflects the diversity of RAG (Red/Amber/Green) statuses across the four work streams. Of these, we consider two (standards, policy & guidance and the NMC's business readiness) to be green. One to be Amber (system readiness) and one to be red (communication and engagement).

The programme is currently in the pilot phase and focus is on supporting pilot organisations in their activities and finalising the online system that will be used for pilot participants to revalidate. We have shared provisional documentation with pilot organisations and this material, along with the system will be tested during the pilot phase. This activity is being supported by Ipsos MORI's research to understand the experience of nurses, midwives and confirmers participating in the pilots.

Alongside pilot activities, we are also working towards readiness for full launch of revalidation in December 2015. We have had productive conversations with the four country Programme Boards to understand and define where we expect strategic partners to be against a number of checkpoints throughout 2015. This activity is being supported by work undertaken by KPMG to define and assess system (employer and country) readiness and undertake a cost / benefit analysis of revalidation.

**Red** – Issues resulting in significant risk to workstream  
**Amber** – Issues resulting in manageable risk to workstream  
**Green** – workstream delivering to plan

↓ Risk impact and likelihood decreased from previous period  
 ↔ Risk impact and likelihood unchanged from previous period  
 ↑ Risk impact and likelihood increased from previous period

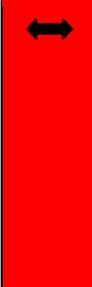
## WORKSTREAM UPDATE: UK system and organisational readiness

<b>UK system and organisational readiness</b> This work stream focuses on the readiness and impact of the wider system, including four countries readiness and individual organisations and settings readiness. Key deliverables from the NMCs perspective in this area are the NMCs engagement with the four country programme boards and the NMC lead on the assessment of readiness and impact across the four countries. To note that risks identified are both for the NMC in terms of programme delivery but most importantly for the wider system as a whole.		↓
<b>This period's activity (1 February- 4 March 2015)</b>	<b>Next period's activity (March- May 2015)</b>	<b>Key risks and issues</b>
<p>Key milestones met:</p> <p>Tender process for impact on the system tender completed. KPMG appointed to undertake the system readiness work. This includes impact on the system and cost benefit analysis.</p> <p>NMC meeting with representatives of each of the four countries Programme Boards for revalidation to discuss programme delivery.</p> <p>Senior strategic engagement lead appointed.</p> <p>Key milestones not met: none</p>	<p>Key milestones:</p> <p>Initial KPMG work (define phase) to confirm approach with the NMC; develop organisational readiness assessment tools and set-up meetings with key stakeholders.</p> <p>Interviews and focus groups undertaken by KPMG according to approach determined in define phase.</p> <p>Senior strategic engagement lead to meet with all representatives of each Programme Board, and visit pilot sites in each of the four countries.</p>	<p>The four country programme boards are at different stages in their development.</p> <p>Mitigation: 1) Working with the four country programme boards to share best practice and information across the programmes. 2) The NMC will provide template project management documentation.</p> <p>There are significant engagement activities during this period and limited resources both within the NMC and at four country programme board level to support the activities.</p> <p>Mitigation: Prioritisation matrix to focus resource to those pilot organisations that require it the most.</p>

## WORKSTREAM UPDATE: Policy, standards and guidance

<b>Revalidation model: policy, standards and guidance</b> 		
This work stream focuses on the NMC's delivery of the key policy, standards/guidance, other supporting material and research activity that underpin the revalidation model. All these are currently being piloted via the 19 pilot organisations and settings and form part of the evaluation and refinement that will lead to Council's final sign off in October 2015.		
This period's activity (1 February- 4 March 2015)	Next period's activity (March- May 2015)	Key risks and issues
<p>Key milestones met:</p> <p>Provisional revalidation guidance, information for confirmers and templates for the process shared with pilot organisations and published on NMC website.</p> <p>Three pilot coordinators appointed to offer support to the pilot organisations by providing information on the model and developing supporting material.</p> <p>IPSOS MORI completed research methodology and online system for pilot organisations. Nearly 1,550 individuals have been recruited across all the pilots.</p> <p>Key milestones not met: none</p>	<p>Key milestones:</p> <p>Council consideration on launch /transitional arrangements.</p> <p>Development of audit policy and discussion at Revalidation Strategic Advisory Group (RSAG).</p> <p>Progressing policy decisions on organisational interdependencies (e.g. revalidation's link to return to practice)</p>	<p>Risk of perception by the wider public that revalidation material was only being shared with pilot organisations.</p> <p>Mitigation: published all material on website and now available to all. This however increases the risk of confusion and needs management via communications.</p> <p>Risk that the pilots reveal that the model and guidance/material underpinning it are not fit for purpose.</p> <p>Mitigation: weekly updates and feedback from pilot organisations directly through the pilot coordinators and engagement through research with IPSOS MORI.</p>

## WORKSTREAM UPDATE: Communication and engagement

<b>Communication and engagement</b> 		
This work stream focuses on the NMCs engagement and communication plan across the pilot organisations and more widely across the four countries. It also reflects the resources that are available more widely than the NMC via key stakeholders support to communication and the resources available by the four country programme boards.		
<b>This period's activity (1 February- 4 March 2015)</b>	<b>Next period's activity (March- May 2015)</b>	<b>Key risks and issues</b>
<p>Key milestones met:</p> <p>Development of monthly update to key revalidation stakeholders shared with four countries and RSAG.</p> <p>Pilot enquiry telephone line developed and FAQs developed and updated accordingly.</p> <p>Appointed Senior Strategic Engagement Lead.</p> <p>Milestones not met: Development of strategic communication plan</p>	<p>Key milestones:</p> <p>Direct face to face communication with all pilot organisations. Visits to all pilot sites.</p> <p>Development of communication products including standard slide sets.</p> <p>Development of an updated strategic communication and engagement plan and population of the project plan accordingly.</p> <p>March monthly update to key revalidation stakeholders.</p>	<p>The planning and activity in this area has been constrained by limited resource both within the NMC and across the programme boards.</p> <p>The NMC has prioritised its resources around the launch of the new Code and pilot engagement as opposed to wider communications.</p> <p>Mitigation: An agreed communication plan with all country programme boards to be delivered and discussed on 1 April 2015.</p>

## WORKSTREAM UPDATE: NMC Business Readiness

<b>NMC Business readiness</b> 		
This work stream focuses on the NMCs business and operational readiness. It includes readiness of our registration processes, availability of staff and resources within the registration team and wider operational readiness including out IT systems.		
<b>This period's activity (1 February- 4 March 2015)</b>	<b>Next period's activity (March-May 2015)</b>	<b>Key risks and issues</b>
<p>Key milestones met:</p> <p>Completion of the pilot online revalidation system screens for participant use, minor issues through testing corrected.</p> <p>Identification of non-pilot requirements which can be built into the full system prior to pilot findings.</p> <p>Development of the NMC business readiness requirements for determining internal readiness and for sharing with internal auditors for assurance purpose.</p> <p>Key milestones not met: none</p>	<p>Completion of the pilot online revalidation screens for NMC registrations staff use.</p> <p>Development of requirements for the full system build between April 2015 and August 2015.</p> <p>Develop and agree the audit process (request for evidence) approach for revalidation.</p>	<p>The limited time between the finalisation and reporting from the pilots and the delivery of the full system ready for launch in December 2015 is a key risk in this area. The impact of not having a system ready is so significant that even though the likelihood is low, it is a risk that requires monitoring.</p> <p>The level of resourcing in registration operations to deal with the first year of implementation need close monitoring.</p> <p>Mitigation: internal audit to carry out a business readiness assessment. KPMG to assess impact on registrations and resource implications.</p>

## Financial update

The overall programme budget is within the agreed financial envelope within our financial strategy. For financial year 2014-15 the overall approved budget was £1.35 million and current forecast is that we will be underspent by £100K due to savings as a result of reduced headcount requirements and lower than budgeted stakeholder engagement costs.

## Control

Report Production Date:	16 March 2015	Report Produced By:	Katy Healy
Programme Board approval:	Not seen yet	Report Approved By:	Katerina Kolvya

## Council

### ICT Update

**Action:** For discussion.

**Issue:** The paper sets out an update on progress in developing our ICT capability, as per the Council's request for regular updates on this issue.

**Core regulatory function:** Supporting functions.

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

**Decision required:** None

**Annexes:** None

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

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- Context:**
- 1 The Council has requested regular updates on progress in improving the organisation's ICT capability, both strategically and operationally. At its meeting in January 2015, the Council received a report on progress in both respects.
  - 2 The Audit Committee has also reviewed, from an assurance perspective, reports on ICT procurement, and an assessment of business impact as part of a wider review on business continuity and disaster recovery.
  - 3 This report is a short update on progress since the last meeting and will be supported by an oral update at the meeting on the further work being undertaken by the interim leadership team in finalising a stabilisation and improvement programme for the service, due to be fully set out by 31 March 2015.

**Discussion and options appraisal:**

**Progress**

- 4 The planned restructure of the IT department continues and some permanent appointments have been made into key roles. This marks an important change to the previous practice of recruiting increasing numbers of fixed term contractors due to inability to recruit permanent staff. Most start in April 2015, and we have been able to reduce the number of contractors already, saving cost and changing the dynamics within the team.
- 5 The interim leadership team are building a stabilisation and improvement programme. By 31 March 2015 they will have reviewed:
  - 5.1 Assurance over critical business projects (revalidation, MRPQ and phased payments);
  - 5.2 The IT operating model and any further changes required to the IT structure;
  - 5.3 The underpinning IT architecture and applications maps;
  - 5.4 IT governance;
  - 5.5 Disaster recovery arrangements;
  - 5.6 Core IT processes and controls;
  - 5.7 IT key performance indicators;
  - 5.8 Customer feedback on the IT service;
  - 5.9 Supplier management arrangements with key IT suppliers;

## 5.10 Asset management.

- 6 These aspects of the IT service will all be subject to further prioritisation. Some prioritisation work has already been undertaken and the budget for 2015-16 includes allocation of resources for those areas considered critical for investment, notably around disaster recovery.
- 7 By the time of the Council meeting, the interim leadership team will have almost completed their plan and the Council can therefore be provided with an oral update on more up to date information at the meeting.
- 8 In terms of the longer term strategic work undertaken by the interim Chief Information Officer, his work will conclude at the end of March 2015 and be handed over to the Executive team and Interim Chief Technology Officer to develop further through 2015-16. Handover discussions are in hand.

**Public protection implications:**

- 9 Effective IT systems and capability are essential to the provision of data, information and intelligence that serves to protect the public.

**Resource implications:**

- 10 Provision has been set aside in the 2015-16 budget to meet the requirements going forward, based on realistic estimates.

**Equality and diversity implications:**

- 11 None.

**Stakeholder engagement:**

- 12 None specifically related to the contents of this report.

**Risk implications:**

- 13 IT risks feature in the corporate risk register and in most project and programme risk registers. There are risks associated with the development and lack thereof of new systems. There are also risks associated with business continuity and disaster recovery that will be addressed through the IT improvement programme.

**Legal implications:**

- 14 No specific implications.



## Council

### Shape of Caring review

<b>Action:</b>	For discussion.
<b>Issue:</b>	The paper sets out an update for the Council following the publication of the Shape of Caring Review on nurse education and training of care assistants.
<b>Core regulatory function:</b>	Education and setting standards.
<b>Corporate objectives:</b>	Corporate objective 2: "We will set appropriate standards of education and practice and assure the quality of education programmes and the supervision of midwives, so that we can be sure that all those on our register are fit to practise as nurses and midwives."
<b>Decision required:</b>	No decision is formally required. The Council is recommended to acknowledge the importance of this joint collaboration, the findings of the review and to fully consider the recommendations in the context of the education strategic delivery plan.
<b>Annexes:</b>	The following annexes are attached to this report: <ul style="list-style-type: none"><li>• Annex 1: Raising the Bar: Shape of Caring summary: a review on the future education and training of registered nurses and care assistants.</li></ul>
<b>Further information:</b>	If you require clarification about any point in the paper or would like further information please contact the author or the director named below.
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- Introduction:**
- 1 This paper reports on the publication of the Shape of Caring report. The NMC co-sponsored this review with Health Education England, which was independently chaired by Lord Willis of Knaresborough.
  - 2 We welcome the Shape of Caring report, which makes a number of significant recommendations about the quality of education for nurses in years to come. It is vital that we work with others across the UK to continue to increase our understanding of nurse education and patient needs.
  - 3 We are currently looking at our standards for nurse education. We are engaging in a range of events to understand how we can improve public protection through the standards we set. The Shape of Caring review is vital in this respect.
- Context:**
- 4 The NMC sets standards for pre registration nursing and midwifery education and quality assures programmes delivered against these standards. Pre registration nursing education programmes are currently being delivered by 71 of the 78 approved education institutions (AEIs) across the UK.
  - 5 Our education function protects the public by ensuring that student nurses and midwives complete programmes that have been delivered against regulatory standards.
  - 6 Nursing and nurse education are under considerable scrutiny following the publication of the Francis, Cavendish, Berwick and Keogh reports with many suggesting that nurses do not have the necessary knowledge and skills and often fail to demonstrate the core values of caring and compassion in their practice.
  - 7 As part of our formal response to the Francis Inquiry report in June 2013, we committed to the evaluation of our pre registration nursing and midwifery education standards. IFF Research has been appointed to lead this independent evaluation and submitted their interim findings in February 2015. Their final report is due in November 2015.
  - 8 In May 2014, Health Education England (HEE) began a review of nurse education and training of care assistants (HCAs) to ensure both can meet the changing needs of the population in the future. This initiative presented us with an excellent opportunity to collaborate and co-sponsor this important review of nurse education. The focus of this review differed to our own evaluation and provided the prospect of fully contributing to the wider debate on the future of nurse education.
  - 9 Although this is an England review, our position as the UK wide professional regulator was recognised by HEE. We secured the involvement of representatives of the Chief Nursing Officers of the other three countries of the UK on the Shape of Caring sponsorship

board.

- 10 Lord Willis' journey took him across England where he met various stakeholder groups including patient and public representatives, employers, nurses, student nurses, educators and health care assistants. The Chief Executive, Jackie Smith, also actively participated in joint events and staff collaborated with a number of the listening events.
- 11 Lord Willis made a number of recommendations for the education sector including recommendations for policy makers, commissioners, universities and the NMC as the regulator.

## **Discussion**

- 12 The review was designed around eight themes ranging from the role of patient and carers, to quality in education, resources and the importance of research.
- 13 The themes that emerged from the review were:
  - 13.1 theme 1: increasing patient/carer voice and service-user involvement across education and training;
  - 13.2 theme 2: valuing the role of the care assistant;
  - 13.3 theme 3: widening opportunities for care assistants' career progression, which may include entry to nursing education;
  - 13.4 theme 4: assuring flexibility in future education and training for nurses and care assistants;
  - 13.5 theme 5: assuring high quality practice learning environments that support the development of the future workforce;
  - 13.6 theme 6: assuring predictable and sustainable access to ongoing learning and development for registered nurses;
  - 13.7 theme 7: supporting and enabling research, innovation and evidence based practice; and
  - 13.8 theme 8: funding and commissioning levers to support future education and training.
- 14 HEE also commissioned a policy brief into post graduate education and career pathways in nursing. Professor Anne Marie Rafferty of the National Nursing Research Unit at Kings College, London, led a small team to produce a paper that considered the policies that support workforce planning and education.
- 15 The paper also reviewed the evidence surrounding continuing professional development, nursing careers and advanced / specialist practice. HEE intend to publish this as a supplementary report,

specifically in relation to theme six.

- 16 Lord Willis recognised in his conclusions that the developing relationship between the NMC and HEE has been one of the most tangible benefits of this review. We intend to maintain this momentum as we take forward our education strategic delivery plan.
- 17 The review's recommendations, which are specific to us include:
- 17.1 the need to explore and gather evidence on the current four fields of nursing to ensure that the fields of nursing are sufficiently flexible to meet the future healthcare needs of the population as a whole;
  - 17.2 the importance of reviewing mentorship standards to reflect effective support for students;
  - 17.3 the need for an annual undergraduate student survey;
  - 17.4 the consideration of a national assessment framework; and
  - 17.5 the development of preceptorship for newly qualified registered nurses.
- 18 We intend to build on the findings of this report as many of the recommendations are in line with our own ambitious plans for assuring effective regulation within our education function.
- 19 We intend to present the proposed education strategic delivery plan to the Council at a later stage this year.
- 20 The Council is recommended to acknowledge the importance of this joint collaboration, the findings of the review and to fully consider the recommendations in the context of the education strategic delivery plan.
- Public protection implications:**
- 21 It is important that the evidence collected and reported through the review informs our own evaluation of pre registration nursing standards so that we can be assured that all those who enter our register are fit to practise as nurses in the care they provide to the public.
- 22 The demography of the UK population is changing and health and social care must meet those changing needs. It is essential that our education standards are contemporary and meet the changing needs of those who will require the care of nurses in the future.
- Resource implications:**
- 23 Our contribution to the review has been met by existing education resources and budget. The NMC Chief Executive and Registrar co-chaired the sponsoring board and the Director of Continued Practice

participated as a member. Colleagues from the education, standards, evidence, communication and media teams have worked collaboratively with colleagues in HEE to support the review. The cost of the review has been met by HEE with our participation being met by existing resource allocation.

- 24 The costs of evaluation of pre registration standards have already been secured as part of the business planning and budget setting process.
- Equality and diversity implications:** 25 Under the Equality Act 2010, we have a requirement to analyse the effect of our policies and practices in education on students and service users. Length of study, part-time study, returning to the register after a period of parental leave, overseas training requirements are some of the areas we have identified as key areas for a detailed equality analysis.
- Stakeholder engagement:** 26 Lord Willis led an extensive programme of engagement in England and also made efforts to engage initiatives already in place in the other three countries of the UK as part of the evidence gathering for the review. Our Education Advisory Group has fed into the review.
- 27 In recognition of the NMC's four country regulatory remit, the Chief Nursing Officers from Northern Ireland, Scotland and Wales were invited to be members of the sponsoring board.
- Risk implications:** 28 The formal findings of the Shape of Caring review will in turn be considered in the final phase of our evaluation to ensure that all recommendations are considered in relation to our standards for education across the UK.
- Legal implications:** 29 Any recommendations affecting parts of the register and fields of practice in particular will have to be considered in the context of the ongoing Law Commission review. EU directives on recognition of professional qualifications and patient rights will also have an impact on requirements we set within our standards and how we recognise qualifications from elsewhere in Europe.





# Raising the Bar

Shape of Caring: A Review of the Future Education and Training of Registered Nurses and Care Assistants

Lord Willis, Independent Chair - Shape of Caring review  
Health Education England



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## Introduction from Lord Willis

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The establishment of Health Education England (HEE) as a Special Health Authority and its immediate future as a non-departmental public body with responsibility for the education and training of the health workforce has afforded a unique opportunity to look beyond the current mandate to the needs of a workforce some 10 or 15 years from now. Whilst the future is clouded with uncertainty – new technology, pharmaceutical advances, genetic engineering and emergent evidence based medical and nursing practice requires us to develop new ways of working with an aging population, that will have more complex co-morbidities, be more aware of their care needs and have growing expectations of what the care system should deliver with them and for them.

Against the backdrop of recent high-profile national reports such as Willis (2012), Francis (2013), Berwick (2013), Keogh (2013) and Bubb (2014) – all of which emphasised the need for care to be patient-centred, compassionate and well informed – HEE invited me to act as an independent chair of the Shape of Caring review, which focuses on care staff and registered nurses to determine if current education and training is fit for purpose.

It was an exciting time to undertake this review, given the abundance of recent reports and recommendations (which I was anxious to build on rather than duplicate), and particularly as it coincided with the publication of the NHS England Five Year Forward View which sets out the short-term challenges faced by the NHS and the steps needed to develop a workforce which is more community and public health-focused.<sup>1</sup>

Inevitably, issues of staff shortages, use of agency staff, bank staff and overseas nurses, and in particular shortages of appropriately trained care staff were constantly brought to my attention. I fully recognise that these issues do impact on high-quality care, as does pay and conditions of service but so does having the right patient focused education and training, appropriate career structures and crucially the shape and nature of the culture within which our registered nurses and care staff deploy their skills and practice. Together these shape the nature of our health and social care services.

Ten months to review the current education and training system was clearly insufficient, and not enough time for me to become an expert or cover every aspect, though I saw little that contradicted my views when I wrote the review of pre-registration nurse education and training for the Royal College of Nursing (RCN). The majority of my time has been spent observing good practice and speaking with care assistants, registered nurses, organisations, patients and the public, and I have tried my best to identify key areas needing attention.

Recommendations should therefore be viewed as open suggestions, as many require detailed examination, consultation and further research before implementation. My hope is that they will raise debate amongst those who are charged with educating future generations of registered nurses and care staff – and also among front line staff themselves, who possess most of the solutions already!

I have met so many people who are raising the bar and are committed to a career in nursing or caring. I have learnt so much through our call for evidence and, whilst we have tried to include a myriad of examples of good practice, I only wish this report had more space to include everything I've witnessed and read.

My recommendations have been guided by two principles: to celebrate existing good practice, which needs to be widely disseminated to stimulate a debate around areas with less evidence and to generate a research culture; and the need to provide the appropriate foundation architecture to make change necessary. In both cases, the public must be at the heart of what we do, both as patients and as taxpayers and the NHS Constitution must be the guiding framework.

This review does not seek to apportion blame or criticism; indeed, the fact that we have in place such a strong foundation of regulation, education and commitment must be recognised as a huge strength. However, to meet the challenges that lie ahead, every individual or organisation providing healthcare must ask how can they raise the bar to continue to provide a world-class health and care workforce.

## Recommendations

Care assistants, be they in health or social care settings, are a vital part of delivering frontline compassionate care. They currently provide approximately over 60 per cent of hands-on care, yet often have little access to training or personal development. They must be a significant focus for investment because they are so important to patient safety and wellbeing. In the future, as we move to a more integrated and co-produced model of care where the registered professional, care assistant and patient become inter-reliant, it is essential for patient safety and professional confidence that care assistants are working to high, consistent standards wherever they work.

For those experienced care assistants who wish to enter nursing, the system needs to recognise the benefits they can bring to the nursing profession. This is not to undermine the quality or the academic achievement of the graduate nurses, but to say that as long as care assistants meet the standards of entry and follow a clear education and career pathway, there are ways to develop a local 'home-grown' workforce. Developing an additional role for care assistants, targeted at Agenda for Change band 3 and with a clear training pathway and distinct qualification, will allow registered nurses to be confident in delegating and patients confident in receiving care.

Flexibility is a core theme of this review; flexibility for training, such as work-based routes, or increasing flexibility within pre-registration, which can often be perceived as a rigid system. The current four-strand pre-registration training route has served us well but has continued to marginalise mental health (other than in the specialised strand, where equally significant aspects of physical health can be marginalised). I would like to encourage a wider debate around current provision to see whether we can achieve greater parity between physical and mental health nursing and a more consistent holistic approach should be taken, with a focus on developing more general practice, district and community nurses.

The pre-registration pathways are not the only areas that need to be debated in education, but let me emphasise just how crucial it is to get pre-registration education and training right. It is a vital element in producing tomorrow's nurses and I am therefore a little disappointed that many of the comments I made around pre-registration remain as they did when I first embarked on the Willis Commission, in 2012, that is, developing high-quality mentorship and improving practical learning experiences, so students have more hands-on experience working with patients.

More needs to be expected from the graduate nurse of the future to meet a population-based and integrated community approach. Greater acquisition of skills that were previously considered advanced or post-registration should be included in the pre-registration programme. Equally, the emphasis on developing greater decision-making skills and share-decision making and the routine application of research and innovation should be included.

However, the current workforce is just as important as the future workforce and we must not forget that the majority of our current registered nurses and care assistants will remain in, and impact upon, the future workforce. So far, there has been insufficient attention and investment given to improving their skills or developing a career model that is flexible enough to enable movement between environments. **Registered nurses need to be valued throughout their career and should understand that, like other professions such as medicine, there is commitment to them as a valuable member of the team.**

Increasingly numbers of registered nurses are engaging with research and, more importantly, seeking to implement research findings to underpin daily work. However, this is not seen as the norm and applies particularly to early career nurses. **The ability to research, engage in critical inquiry and implement research findings that imbue everyday practice is imperative and there are many examples of where this makes a significant difference to care experience and clinical effectiveness.** Both registered nurses and care assistants need to acquire a strong grounding to develop a questioning approach to care that encourages them to question inappropriate care practice and to adopt an adaptive and innovative approach to care that seeks to impact positively on patient care experience.

## Conclusion

I am acutely aware that many of the recommendations in this review are not novel, nor will they (in isolation) bring about the changes that are necessary to meet the enormous workforce challenges of the future. I am, however, equally convinced that by creating a more robust framework to shape the caring workforce, encourage individuals and organisations to constantly seek better solutions to the problems they see and disseminate their ideas more widely, much can be achieved.

Over the past two decades there has been an emphasis on central planning, of education by directive rather than encouraging the spirit of nursing pioneers who made change from what they saw when they interacted with patients and their families. The post-Francis drive for safe and compassionate nursing and care will drive innovation and change, but only if the nursing profession, higher education institutes (HEIs), employers and those leading the new generations of care staff work with patients and the public to seize the moment.

HEE is ideally placed, alongside the local education and training boards (LETBs), to recognise and encourage change by intelligent and courageous commissioning, and the Nursing and Midwifery Council (NMC) as a vital partner can act as a catalyst for change. The relationship between HEE and NMC will be key in taking many of the ideas contained in this report forward. Both organisations have demonstrated to me a level of commitment far beyond what I could have expected, and I am truly grateful. Indeed, the developing relationship between HEE and NMC has been one of the most tangible benefits of this review. I understand that some of the recommendations may have implications for the other UK nations, so I hope this report will foster debate.

Finally, I would like to thank Professor Lisa Bayliss-Pratt, the Director of Nursing at HEE, and Jackie Smith, the Chief Executive of the NMC, for their support and for allowing me the freedom to follow my own path. Also the Sponsorship Board, who have been a remarkable source of information, ideas, support and critical guidance during this brief process.



# Recommendations

## Theme 1: Enhancing the voice of the patient and the public

1. HEE should commission research to identify the forms of patient and public involvement that best support learning, and to ensure that patients and the public are utilised as a valuable resource.
2. NMC and HEE must incorporate the findings of recommendation one into future standard and quality assurance processes.

## Theme 2: Valuing the care assistant role

3. HEE should evaluate the impact of the Care Certificate on care outcomes and patient experience.
4. Subject to the outcome of recommendation three, any future government should ensure that the Care Certificate is a mandatory requirement.
5. HEE should implement the Higher Care Certificate.
6. HEE should set the competency standards for care assistants (NHS bands 1-4) in both health and social care, and work with employers to ensure the workforce is trained to meet those standards.
7. NHS England should agree titles and job descriptions that align with HEE's development of a career and education framework for care assistants, as part of HEE's Talent for Care strategy for developing the health and social care support workforce.
8. HEE should explore with others the need to develop a defined care role (NHS Agenda for Change band 3) that would act as a bridge between the unregulated care assistant workforce and the registered nursing workforce.
9. HEE should work with the care sector to develop or use an existing e-portfolio tool that will allow signed-off competencies to be recorded electronically on a national database for care assistants, across both the health and social care sectors. All competencies held within the database will be achieved at nationally accepted standards (which are quality assured on a regular basis) so that they are truly transferable and accepted by all health and social care organisations; reducing the duplication of unnecessary education and training.
10. Following implementation of recommendation nine above, a standardised portfolio skills passport should be developed for nurses.

## Theme 3: Widening access for care assistants who wish to enter nursing

11. HEE should maximise existing collaboration opportunities and use funding levers to support HEIs that are willing to become centres of excellence. Care assistants should be offered APEL that could account for up to 50 per cent of the undergraduate nursing degree.
12. HEE, in collaboration with employers and HEIs, should support the development of more innovative work-based learning routes. Those learning routes should be standardised to allow care assistants to move easily into the nursing profession without having to give up their employment, as they study and train for their nursing degree and registered nurse status.

## Theme 4: Developing a flexible model

13. NMC should gather evidence, explore and consult on the proposed 2+1+1 year model, alongside other alternatives, to examine whether the existing 'four fields' model is fit for the future.
14. NMC should explore and consult on the introduction of additional fields of practice such as community nursing.
15. HEE should expect its LETBs to explore a model of guaranteed employment for nursing graduates that includes robust preceptorship.

## Theme 5: Assuring a high-quality learning environment for pre-registration nurses

16. Universities, RCN, HEE and NMC should work together to bring forward into pre-registration education and preceptorship the advanced skills that will support the delivery of future patient care.
17. NMC should review its current mentorship model and standards, informed by the outcome of the RCN review and final evaluation of the Collaborative Learning in Practice model, and amend the standards relating to the requirement for one-to-one mentor support.
18. Without duplicating existing data collections the NMC, in conjunction with HEE, should develop an annual undergraduate student nursing survey, with the results used to inform local and national improvement in both care practice and education delivery.
19. NMC should explore the development of a national assessment framework.

### Theme 6: Assuring high-quality, ongoing learning for registered nurses

20. Universities, employers, regulators, professional bodies and commissioners should work together to build on the existing preceptorship standards in order to explore the development and implementation of a year-long preceptorship programme for newly qualified registered nurses, which will meet requirements for revalidation.
21. HEE should undertake an evidence review to identify the educational attainment of the current qualified workforce, to provide a baseline in order to develop appropriate and effective learning standards and raise the bar across the workforce.
22. HEE should set the standards and selectively commission from other organisations with the ability to accredit and deliver ongoing learning, including authorisation to permit LETBs to recognise and commission HEIs as centres of excellence.
23. HEE should develop and consult on the integrated 'pillars' model of self-care, shared managed care and restorative care, and commission appropriate organisations to develop a career framework (in conjunction with the other three nations).
24. HEE should consult and explore the membership and fellowship model. Then allow (as part of the career framework model) appropriate expert organisations, in partnership with HEIs where appropriate, to develop clinical membership and fellowship standards, where members would be following an awarded postgraduate pathway/programme.
  - The member would be responsible for renewing their registration with NMC through revalidation.
  - Any member who is peer reviewed can be appointed a fellow. These fellows will also be responsible for developing education and training programmes.
25. HEE should ensure that funding arrangements for ongoing learning (and ongoing learning and career pathway qualification in speciality learning) for registered nurses should be made more transparent across the system.

### Theme 7: Assuring sustainable research and innovation

26. HEE should forge greater links with the Academic Health Science Networks (AHSNs) to ensure that the workforce is able to adopt and use the latest research to inform and provide better patient care.
27. HEE should accredit Academic Health Science Networks (AHSNs) and Collaborations for Leadership in Applied Health Research and Care (CLAHRCs) to work with LETBs.
28. There should be greater development of postgraduate doctoral centres in LETB areas to drive up clinical research in practice and increase the number of academics in practice.
29. HEE should establish an expert group to examine the potential and implications of developing and implementing Magnet principles to improve the education of the workforce and patient outcomes

### Theme 8: Assuring high-quality funding and commissioning

30. HEE should review current commissioning and funding mechanisms to explore whether a more multi-professional skill mix/population-based approach should be taken forward for education and training.
31. HEE should ensure that the funding for ongoing learning (and ongoing learning and career pathway qualifications in speciality learning) for care assistants and nurses becomes more transparent across the system.
32. HEE should work closely with the voluntary and independent sectors, and local government, and seek lay input to provide more integrated education and workforce planning across the system.
33. HEE, working with HEIs, should support the development of a standardised student minimum data set, which would enable the calculation of attrition rates at HEI, local and national levels.
34. HEE should work with HEIs to develop a standardised exit tool to explore in greater depth the causes for leaving the pre-registration programme. Such data should be reviewed and analysed urgently by HEE to inform future student nurse commissioning intentions and processes.



## Council

### Standards development programme 2015 - 2016

**Action:** For information.

**Issue:** This report outlines the progress against objectives relating to standards and guidance reviews in 2014 - 15 and outlines the proposed priorities for standards and guidance review and development in 2015 - 16.

**Core regulatory function:** Setting standards.

**Corporate objectives:** Corporate objective 2: "We will set appropriate standards of education and practice and assure the quality of education programmes and the supervision of midwives so that we can be sure that all of those on our register are fit to practise as nurses and midwives."

**Decision required:** The Council is recommended to note the proposed review cycle for 2015 - 2016.

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

- Annexe 1: matters considered for prioritisation of review of standards and guidance.

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

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- Context:**
- 1 Our standards development work is focused on the need to address risk to public protection. We will therefore be prioritising the standards to be developed on the basis of risk to the public and the need to ensure public protection and patient safety.
  - 2 In 2014 it was agreed that the year's priorities was development of a new Code and guidance to support the revised Code. This included new guidance on professional duty of candour, new guidance on the use of social media and a refresh of raising concerns guidance.
  - 3 In addition as part of our commitment to the Francis Inquiry, we committed to an independent evaluation of our pre-registration nursing and midwifery education standards and the standards to support learning and assessment in practice in relation to their support of the pre-registration standards.
  - 4 Within post-registration we also commenced initial scoping of the prescribing standards and standards for medicines management.
  - 5 We have made significant progress on the majority of these standards and guidance reviews. We published a revised version of the Code on 29 January 2015 and are due to publish refreshed guidance on raising concerns and guidance on the use of social media at the end of March 2015. The joint guidance with the General Medical Council on the professional duty of candour will be published in early summer 2015.
  - 6 The independent evaluation of the standards for pre-registration nursing and midwifery education and how the standards to support learning and assessment in practice support the safe delivery of the pre-registration standards is running to time. We have recently received the interim report on the quantitative data collection and expect the final report to be published in November 2015 in line with the agreed timeline for this work.

**Discussion  
and options  
appraisal:**

**Priorities for 2015/16**

- 7 Our education function and setting standards for education and practice features strongly within the proposed new NMC strategy. We intend to outline our five year education plan within the education strategic delivery plan and this will be presented to Council later this year.
- 8 Our quality criteria for standards should enhance public protection, be evidence based, aligned to current relevant legislation and meet our regulatory requirements. Success will also be measured against PSA standards of good regulation.
- 9 We have recently completed five education listening events and the preliminary analysis of this feedback has informed our proposals for

the first year of the education strategic delivery plan.

- 10 For 2015/16, there are a number of areas we recommend we should be focussing on:
- 10.1 Following the Council's decision to accept the findings and recommendations of the Kings Fund report we propose to undertake minor revisions to the Midwives Rules and Standards.
  - 10.2 We propose a review of the pre-registration midwifery education standards and competencies.
  - 10.3 As detailed elsewhere on this agenda, the Shape of Caring report, which considers the future of nurse education and training and healthcare assistant training in England, chaired by Lord Willis has been published in March 2015. We will formally respond to this report, consider its findings within the context of our ongoing pre registration evaluation and consider the UK wide implications for our education standards.
  - 10.4 The review of the prescribing education standards and standards for medicines management is currently being re-scoped. The review will therefore continue into the 2015/16 year.
- 11 Recommendation: The Council is invited to note the proposed cycle for 2015 to 2016.**
- Public protection implications:** 12 All of our standards and guidance play a central role in supporting the NMC's public protection functions.
- Resource implications:** 13 Staff costs, consultation and engagement costs all form part of the 'business as usual' budget for standards development. The budget for the independent evaluation of our pre registration education standards has already been agreed.
- Equality and diversity implications:** 14 Under the Equality Act 2010, we have a requirement to analyse the effect and impact of our policies and practices and how they further equality aims. All standards and guidance are subject to equality impact assessing during their development.
- Stakeholder engagement:** 15 All new or revised standards and guidance are subject to public consultation and engagement with key stakeholders. Each individual project will have its own stakeholder engagement plan as part of its

communications strategy.

- Risk implications:** 16 If we do not carry out the priority reviews of standards and guidance referred to in this document, the NMC runs the risk of not meeting commitments it made in response to findings and recommendations contained within recent high profile reviews on key health and care related issues.
- Legal implications:** 17 Standards and guidance should be reviewed and updated regularly to ensure that they are up to date and accurately reflect the correct legal position, including taking into account any recent changes to legislation in their particular area.

**Annexe 1 - Issues considered for prioritisation of review of standards and guidance**

	<b>Addresses FtP issues</b>	<b>Addresses Registration issues</b>	<b>Meets commitments of Francis and other reports</b>	<b>Benchmarking with other regulators</b>	<b>Legal analysis and legislative impact</b>	<b>Meets political or ministerial imperative</b>	<b>Current version is over 5 years old</b>
<b>Evaluation of pre registration nursing and midwifery education standards</b>			X	X		X	
<b>Standards for pre registration midwifery education</b>		X	X	X		X	X
<b>Prescribing and medicines management</b>	X		X	X	X		
<b>Minor revisions to midwives rules and standards</b>	X		X		X	X	
<b>Formal response to Shape of Caring report</b>	X		X			X	



## Council

### Report of the Audit Committee

**Action:** For information.

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

**Core regulatory function:** Supporting functions.

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

**Decision required:** None.

**Annexes:** No annexes are attached to this 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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Chair: Louise Scull

**Context:**

- 1 The Audit Committee met on 24 February 2015. Key areas addressed included:
  - 1.1 Internal audit work plan 2014-2015 and proposed work programme 2015 - 16;
  - 1.2 Update on the delivery of the QA strategy;
  - 1.3 Risk management;
  - 1.4 Plans for external audit and National Audit Office certification of the accounts for the year ended 31 March 2015; and
  - 1.5 Outcomes of recent IT reviews (to be reported in confidential session).

**Internal audit work programme 2014-2015**

- 2 The Committee considered and approved the management responses on three internal audit reports covering; Education Quality Assurance Programme; PSA initial stages audits of FTP and Anti-fraud controls. The Committee also reviewed progress against previous internal audit recommendations and agreed that a number of these could be closed as completed.

**Internal audit work plan 2015-16**

- 3 The Committee considered the internal audit work plan for 2015 – 2016, developed on the basis of the three year internal audit strategy devised in 2014 and on the Executive's view that internal audit resource should focus on back office functions.
- 4 The Committee approved the plan subject to changes to:
  - 4.1 Expedite the review of the quality assurance strategy.
  - 4.2 Ensure that internal audit follow up resource included sufficient time to assess the impact of action taken to implement internal audit findings, particularly where control weaknesses had been identified.
  - 4.3 Allocate sufficient resource to IT internal audit reviews.

**Update on the delivery of the QA strategy**

- 5 The Committee received a report on the progress in implementing the quality assurance strategy. The Committee expressed concern that it had yet to receive the assurance previously sought on whether action had addressed the internal audit findings and recommendations from the review in 2013-2014. The Committee asked for urgent action by the Executive and Internal Audit to address this. Until then, the Committee remains unable to provide assurance to the Council on the implementation of the quality

assurance strategy.

- 6 The Committee considered that there was a need to articulate more clearly that, at this stage, the quality strategy should focus on embedding quality assurance, rather than attempting to also address quality improvement, given that the latter will be a major long term undertaking requiring significant cultural change.
- 7 The Committee received an in-depth report from the Director of Fitness to Practise (FTP) on the work undertaken within the Fitness to Practise directorate to embed quality, risk management and continuous improvement mechanisms. The Committee welcomed the plans that each directorate would attend to present an in-depth report at future meetings and was assured by the progress reported in FTP.

#### **Risk management update**

- 8 The Committee received a report providing an update on risk management, including the risk awareness strategy and action being taken to raise staff awareness of the importance of identifying and managing risk at all levels.

#### **Corporate risk review**

- 9 The Committee considered that the annual corporate risk review should be undertaken by the Council as a whole and recommended that it would be beneficial to start from a 'blank sheet of paper', rather than undertake an in-depth review of the existing corporate risk register.

#### **External audit plans for the audit of the accounts for the year ended 31 March 2015**

- 10 The Committee approved the arrangements proposed by the external auditors and the National Audit Office for external audit and certification of the accounts for the year ending 31 March 2015.
- 11 Council members will need to be briefed ahead of the approval of the annual report and accounts for 2014 – 15 of the new Trustee disclosure requirements for 2015-16; the Secretary will coordinate a briefing on changes to current requirements.

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

- 12 No public protection implications arising directly from this report.

#### **Resource implications:**

- 13 No resource implications arising directly from this report.

<b>Equality and diversity implications:</b>	14	There are no direct equality and diversity implications resulting from this paper.
<b>Stakeholder engagement:</b>	15	None.
<b>Risk implications:</b>	16	There are no risk implications arising directly from this report.
<b>Legal implications:</b>	17	None identified.

## Council

### Report of the Midwifery Committee

**Action:** For information.

**Issue:** The Midwifery Committee held a meeting on 25 February 2015 and this paper sets out a summary of its discussions.

**Core regulatory function:** Supporting functions.

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

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

**Annexes:** No annexes are attached 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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Chair: Dr Anne Wright

- Context:**
- 1 The Midwifery Committee held a meeting on 25 February 2015, and the main areas discussed were:
    - 1.1 Changes to midwifery regulation;
    - 1.2 Evaluation of pre-registration education standards for nursing and midwifery;
    - 1.3 QA annual report 2013 – 2014;
    - 1.4 Draft objectives for the Midwifery Committee.

### **Changes to midwifery regulation**

- 2 The Committee discussed the decision made by the Council in January 2015 on proposed changes to the framework for midwifery regulation; and considered proposed next steps
- 3 The Committee noted that the changes as agreed by the Council can only be achieved by legislative change, either through the Law Commission Bill or through section 60 arrangements. The Committee also welcomed the commitment from Chief Nursing Officers across the four UK nations to play a leadership role in transition arrangements.
- 4 The Committee recognises that, while the Council's decision has not lead, nor will it lead, to immediate change to the current framework of midwifery regulation, the NMC has a number of important roles to play in this transition. Firstly, the NMC will need to continue to take a proactive role with partners in delivering change. Secondly, the NMC had an important role in managing communications with registrants and supervisors and maintaining confidence in the current framework.
- 5 Similarly, the Committee will continue to monitor risks arising from transition arrangements and the measures in place across the system to manage those risks. The Committee will also keep a view on any potential disengagement of the profession from the existing supervisory framework, given the inherent uncertainties arising from the Council's decision; the quarterly quality monitoring of Local Supervising Authorities will be one useful tool to inform the Committee's assessment.
- 6 The Committee will continue to advise the Council on this important area.

### **Evaluation of pre-registration education standards for nursing and midwifery**

- 7 The Committee received an update on the NMC's evaluation of its pre-registration education standards for nursing and midwifery. As noted in the Council report on this area, the evaluation of pre-

registration education standards, a public commitment in response to the Francis Inquiry report, is being undertaken by an externally commissioned evaluator. The quantitative research phase concluded in December 2014, with the qualitative phase due to conclude in mid-2015. The Committee will receive a copy of the interim findings at its next meeting.

#### **QA annual report 2013 – 2014**

- 8 The Committee discussed the report, which set out the NMC's quality assurance of Approved Education Institutions (AEIs) and Local Supervising Authorities (LSAs) for the reporting year 2013 – 14.
- 9 The Committee noted good practice identified through the quality assurance process is available through individual QA reports being made available on the NMC website; and welcomes the proposal to compile good practice on the website as a tool for AEIs and LSAs.
- 10 The QA annual report 2013 -14 is on the agenda for this Council meeting. The Committee is content to endorse the contents of the report, and the process utilised in compiling the report, to the Council.

#### **Draft objectives for the Midwifery Committee**

- 11 Committee members have asked that a set of objectives for the Committee be developed. Should they be correctly framed, objectives will prove a useful tool in determining the Committee's short term and longer term priorities and in determining the information that the Committee requires. Objectives will also be useful in informing future annual effectiveness reviews.
- 12 The Committee noted that the objectives would be subject to further revision upon agreement by the Council of the NMC's overarching strategy for 2015 – 2020. The Committee will consider final draft objectives at its April 2015 meeting, and will report on these at the next meeting of the Council.

#### **New Committee members**

- 13 Finally, four new members of the Committee were appointed to take office from 1 January 2015. Each new member brings with them valuable skills, experience and perspectives; and I look forward to working with them on the Committee over the next few years.

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

- 14 No public protection implications arising directly from this report.

<b>Resource implications:</b>	15	No resource implications arising directly from this report.
<b>Equality and diversity implications:</b>	16	There are no direct equality and diversity implications resulting from this paper.
<b>Stakeholder engagement:</b>	17	None.
<b>Risk implications:</b>	18	There are no risk implications arising directly from this report.
<b>Legal implications:</b>	19	None identified.