

## Meeting of the Council

To be held from 09:30am on Wednesday, 27 January 2016 at 23  
Portland Place, London, W1B 1PZ.

### Agenda

Dame Janet Finch  
Chair

Fionnuala Gill  
Secretary

- |          |  |           |       |
|----------|--|-----------|-------|
| <b>1</b> | <b>Welcome and Chair's opening remarks</b> | NMC/16/01 | 09:30 |
| <b>2</b> | <b>Apologies for absence</b>               | NMC/16/02 |       |
| <b>3</b> | <b>Declarations of interest</b>            | NMC/16/03 |       |
| <b>4</b> | <b>Minutes of the previous meeting</b>     | NMC/16/04 |       |
|          | Chair                                      |           |       |
| <b>5</b> | <b>Summary of actions</b>                  | NMC/16/05 |       |
|          | Secretary                                  |           |       |
| <b>6</b> | <b>Chief Executive's report</b>            | NMC/16/06 | 09:40 |
|          | Chief Executive and Registrar              |           |       |

### Corporate reporting

- |          |                                    |           |       |
|----------|------------------------------------|-----------|-------|
| <b>7</b> | <b>Performance and risk report</b> | NMC/16/07 | 09:55 |
|          | Interim Chief Operating Officer    |           |       |
| <b>8</b> | <b>Financial monitoring report</b> | NMC/16/08 | 11:00 |
|          | Interim Director of Finance        |           |       |

**BREAK 11:30-12:00**

## Matters for decision

- |           |  |           |       |
|-----------|--|-----------|-------|
| <b>9</b>  | <b>Education update</b>                                      | NMC/16/09 | 12:00 |
|           | Chief Executive and Registrar/Director of Continued Practice |           |       |
| <br>      |  |           |       |
| <b>10</b> | <b>Appointment of Fitness to Practise panel members</b>      | NMC/16/10 | 12:45 |
|           | Director of Fitness to Practise                              |           |       |

## Matters for discussion

- |           |                                 |                     |       |
|-----------|---------------------------------|---------------------|-------|
| <b>11</b> | <b>Questions from observers</b> | NMC/16/11<br>(oral) | 12:50 |
|           | Chair of the Council            |                     |       |

## Matters for information

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

- |           |   |           |  |
|-----------|---|-----------|--|
| <b>12</b> | <b>Chair's action taken since the last meeting of the Council</b> | NMC/16/12 |  |
|           | Chair of the Council  |           |  |
| <br>      |   |           |  |
| <b>13</b> | <b>Governance: Committee review outcomes</b>                      | NMC/16/13 |  |
|           | Secretary   |           |  |

The next meeting of the Council will be held on Wednesday, 23 March 2016 at 09:30am at 23 Portland Place, London, W1B 1PZ.

Meeting of the Council  
Held at 9:30am on 25 November 2015  
at 23 Portland Place, London W1B 1PZ

## Minutes (approved by the Chair)

### Present

#### Members:

Dame Janet Finch	Chair
Karen Cox	Member
Maura Devlin	Member
Robert Parry	Member
Quinton Quayle	Member
Amerdeep Somal	Member
Stephen Thornton	Member
Dr Anne Wright	Member
Louise Scull	Member

#### NMC officers:

Jackie Smith	Chief Executive and Registrar
Alison Sansome	Interim Chief Operating Officer
Jon Billings	Director of Strategy
Katerina Kolyva	Director of Continued Practice
Sarah Page	Director of Fitness to Practise
Annette Clinnick	Interim Director of Human Resources and Organisational Development
Camilla Black	Interim Director of Finance
Tom Kirkbride	Interim Director of Registrations
Fionnuala Gill	Secretary to the Council
Alison Neyle	Governance and Committee Manager

## Minutes

### **NMC/15/86 Welcome from the Chair**

1. On behalf of the Council, the Chair welcomed all attendees to the meeting and extended a particular welcome to Tom Kirkbride, in his new role as interim Director of Registrations.
2. The Chair reported that Carol Shillabeer had resigned as a member of the Council due to the need to focus on her role as Chief Executive of Powys Teaching Health Board. The Council recorded its thanks to Carol for the very significant contribution she had made since being appointed in May 2013.
3. A recruitment process would be initiated for a new registrant Council member from Wales. Information regarding the recruitment process would be made available on the NMC's website in due course.
4. The Chair reported that the Privy Council had confirmed the reappointment of three Council members to serve a second term to 30 April 2019 and congratulated Amerdeep Somal, Stephen Thornton and Dr Anne Wright on their reappointment.
5. The Council extended congratulations to the interim Chief Technology Officer and the staff in Technology Business Services (TBS) on the success of the recent datacentre move and related activities with minimal interruption to either external facing or internal services.

### **NMC/15/87 Apologies for absence**

1. Apologies for absence were received from Maureen Morgan, Lorna Tinsley, Carol Shillabeer and Rachel Murphy, interim Chief Technology Officer.

### **NMC/15/88 Declarations of Interest**

1. Dr Anne Wright declared an interest in NMC/15/97, as a member of the Bar Standards Board.
2. The Chair determined that the interest was not material such as to require withdrawal from the discussion or decision.

### **NMC/15/89 Minutes of previous meeting**

1. The minutes of the previous meeting of the Council held on 8 October 2015 were confirmed as a correct record.

**NMC/15/90 Summary of actions**

1. Arising from NMC/15/62, the Chief Executive and Registrar advised that an update on the Shape of Caring report would be incorporated into a wider report on Education at the January 2016 meeting. This would also include the work commissioned from Dame Jill Macleod Clark on the nurse of the future.
2. The Council noted the report on progress in implementing actions from the meeting held on 8 October 2015.

**NMC/15/91 Chief Executive's report**

1. The Council discussed the Chief Executive's report on key external developments, strategic engagement, and media activity since the Council meeting held on 8 October 2015.
2. In discussion, the following points were noted:
  - a) Following the last meeting, there had been tremendous work done in communications and engagement, including through social media, to communicate the decision on revalidation.
  - b) Professional Standards Authority (PSA) levy. The Privy Council had determined the final fee payable by the NMC for the period 1 August 2015 to 31 March 2016, at £1.288 million. This had now been paid. The PSA was due to consult shortly on the proposed fees for 2016 – 2017.
  - c) Shortage Occupation List. Following the government's decision to add nurses to its Shortage Occupation List a significant increase in applications from nurses who have qualified overseas is expected. Registrations had prepared for this possibility, anticipating resource and training needs. There is close ongoing liaison with the Department of Health and Immigration on anticipated volumes and the directorate is confident that any potential increase in applications can be managed.
  - d) Advisory Groups. Clarity was sought regarding planned engagement with users of midwifery services. Although there had been some engagement with the National Childbirth Trust (NCT) it was recognised that more work should be done to engage midwifery service users more broadly. More generally, further work was underway to look at how the Council should engage with a whole range of diverse groups for the future.
  - e) NMC Online: The Council welcomed the substantial increase in signups to NMC online which now stood at 78%. The

Registrations directorate were confident that the target of 80% (revised upwards from 65%) would be achieved by the end of 2015.

**NMC/15/92 Performance and Risk report**

**Quarter 2 report against the corporate plan 2015 - 2016**

1. The Council reviewed progress against the commitments in the corporate plan 2015 – 2016.
2. Whilst good progress had been made in some areas, progress against others was not as advanced as expected. It was proposed to reframe some commitments to reflect a more realistic picture of what could be achieved by 31 March 2016.
3. The following points were noted in discussion:
  - a) Commitment 5: The commitment had originally been framed in relation to a regulatory reform bill which had yet to materialise. The Council noted that although the original driver for the work had changed, it was still important to do work on the future shape of the register. This would be undertaken in parallel with the ongoing work on the education agenda to define the future nurse and midwife.
  - b) Commitment 6: The commitment would not be met as originally framed due to significant changes in the strategic landscape. Aspects of the work had been progressed such as the evaluation of pre-registration standards. Findings from this and other reports would be used to triangulate evidence and feed into the ongoing work on future nurses and midwives. It was important to have clarity around the education strategic plan and related timelines before determining the wider corporate plan for 2016-2017. The Council expected a clear timetable be presented as part of the planned report on Education in January 2016.
  - c) Commitment 14: The Council agreed that it was not sensible to proceed with the original commitment to undertake a bespoke student survey, which had been recommended in the Shape of Caring report. It was noted that the National Student Survey is now well established. Engagement with students was important and there had been successful engagement on the Code and as part of revalidation. In relation to the recommendation to establish a student survey, there was a need to look at creative and broad ranging ways of engaging with students as part of the wider communications and engagement plan, including drawing on existing surveys and sources. The Council

noted that it had signalled for some time the need to make progress on the wider communication and engagement plan and looked forward to progress being made in this area. The existing commitment 14 would be replaced by this.

- d) Commitment 21: The commitment would not be met as originally framed due to lack of progress on incremental pay reform. Engagement with staff on this would take place as part of development of the People Strategy in 2016.
- e) Commitment 22: The commitment would not be met as originally framed. The Council expressed disappointment at the shortfall in delivering the previously identified efficiencies, as indicated in the financial monitoring report (NMC/15/93). This was partly due to the fact that assumptions around case throughput had not materialised as originally expected. It was important to be clear about what could now be delivered against existing commitments as well as developing a clear programme of efficiencies and savings as part of the budget for 2016-2017. The Council Budget Scrutiny Group would scrutinise the position in detail.

4.

**Decision: The Council agreed:**

- **To reframe commitments 6 and 21 as proposed.**
- **The proposed way forward to address commitments 5 and 14.**
- **The Council Budget Scrutiny Group would review the position in relation to efficiencies (commitment 22).**

<b>Action:</b>	<b>Revise corporate plan commitments, as agreed.</b>
<b>For:</b>	<b>Interim Chief Operating Officer</b>
<b>By:</b>	<b>27 January 2016</b>
<b>Action:</b>	<b>Ensure education report to Council in January 2016 includes a clear timetable.</b>
<b>For:</b>	<b>Director of Continued Practice</b>
<b>By:</b>	<b>27 January 2016</b>
<b>Action:</b>	<b>Make progress on development of the Communication and Engagement plan and ensure this incorporates student engagement.</b>
<b>For:</b>	<b>Director of Strategy</b>
<b>By:</b>	<b>27 January 2016</b>
<b>Action:</b>	<b>i) Arrange for the Council Budget Scrutiny Group to scrutinise existing efficiency commitments; and ii) ensure that a clear programme of efficiencies and savings is</b>

developed as part of the budget setting process for 2016 – 2017.

**For:** Interim Director of Finance  
**By:** 27 January 2016

### **Directorate updates, KPIs and dashboards**

1. As requested by the Council in March 2015, a mid-year review of the 2015-2016 KPIs and targets had been conducted. In discussion, the following points were noted:
  - a) Greater consistency in presentation of directorate updates would be helpful together with clarity about where to find cross-organisational updates, such as on revalidation.
  - b) Registrations: The call centre experienced the normal seasonal peak in September but the push to encourage more sign ups online had increased the time taken to resolve calls, with a consequent increase in the number of unanswered calls. A review had been commissioned to look at how to improve performance.
  - c) KPI 1a: Despite a fourfold increase in UK initial registration applications due to the seasonal peak, primary and secondary KPIs had been met for this period.
  - d) KPI 1b: Overseas application activity had also increased significantly but 99.8% had been assessed within the target 70 days. Given the further expected increase in overseas applications, as previously discussed, no change was proposed to KPI 1b at this stage.
  - e) The number of successful appeals was relatively high. Success at appeal was often the result of additional information being presented which had not been available at the time of the original decision. Each appeal was reviewed to identify any learning. Efforts should be made to address this through the registration process to avoid normalisation of appeals.
  - f) FtP: A full review had been undertaken of key planning assumptions as part of the mid-year review.
  - g) KPI 2 (Interim Orders): the number of interim order applications had stabilised as predicted, following the measures which had been put in place and reported at the last meeting.
  - h) KPI 3 (end to end 15 months completion of cases): Performance against the KPI had increased steadily, however

this was expected to reduce due to the impact of a number of older investigations which were expected to clear by the end of the financial year. Accordingly, there was caution around proposing a target at this stage, in part because the picture had not yet settled in relation to the impact of case examiners but also because it would be difficult to set a target that would be realistic and achievable by March 2016.

- i) The Council asked that further consideration be given to whether there may be value in setting a target, for example around the number of cases over 18 months. Alternatively it would be helpful to set out a clear plan for how to move to a position where a target could be set. The Director of Fitness to Practise was asked to reflect on the discussion and report back to the January meeting.
- j) FTP Dashboard: The current caseload was at its lowest since March 2015. It would be helpful for total caseload figures to be included in future dashboards and for the format, including labelling of charts, to be made more accessible.
- k) The number of cases referred by case examiners was slightly higher than anticipated, however, this was expected to stabilise. The average number of hearing days continued to be higher than the planning assumptions and a range of measures had been put in place to help improve case management by panel Chairs and legal assessors.
- l) Continued Practice: The North Wales extraordinary review reports were published in October 2015 and the Guernsey extraordinary review follow up report would be published by the end of 2015.
- m) The Quality Assurance (QA) framework had been refreshed and published in advance of next year's activities. QA of Local Supervising Authorities (LSAs) would continue until legislative change but consideration was being given to adapting this during the transitional period whilst ensuring that it remained proportionate and focused on public protection.
- n) Strategy: Work with the Department of Health continues on preparatory stages of the section 60 order in relation to both FtP and midwifery changes. Engagement with midwifery stakeholders relating to the changes is ongoing.
- o) The Gosport Independent Panel had been established by the Secretary of State to address concerns raised by families over a number of years about care at Gosport War Memorial Hospital. The NMC had been asked to produce case

documentation dating back 35 years to assist with the review.

- p) Estates, Finance and Procurement: Work continued on a 10 year financial plan and strategy which would incorporate assumptions arising from the organisational and accommodation reviews.
- q) Further work is being done to strengthen finance and procurement infrastructure and governance, including reviewing purchase to pay procedures. A procurement pipeline has been developed in order to ensure greater value for money across the business.
- r) TBS: Council welcomed the substantial improvements made and felt assured that it could now have confidence in information provided.
- s) The risk relating to the introduction of phased payments had been reduced to an amber rating. In relation to revalidation, the amber rating reflected the cost implications of development work and not to the timescale for delivery, which was on track for April 2016.
- t) Human Resources and Organisation Development: In relation to KPI 5, the staff turnover rate had decreased. An increase in exit responses indicated that 'career progression' continued to be the main reason for leaving the NMC. Work was currently underway to address staff learning and development and to look at scope for career progression within the organisation.

2.

**Decision: The Council agreed:**

- That no changes be made to KPIs 1, 2, 4 and 5 for the second half of the financial year; and
- To consider the position further in relation to KPI 3 in January 2016.

<b>Action:</b>	<b>Review reporting across directorate updates to ensure greater consistency and clarity.</b>
<b>For:</b>	<b>Interim Chief Operating Officer</b>
<b>By:</b>	<b>27 January 2016</b>
<b>Action:</b>	<b>Review the scope for a possible target to support KPI 3 or develop a clear plan to move towards setting a target.</b>
<b>For:</b>	<b>Director of Fitness to Practise</b>
<b>By:</b>	<b>27 January 2016</b>
<b>Action:</b>	<b>i) Include total caseload figures in future FtP dashboards; and ii) improve the dashboard format to make it more accessible.</b>

**For: Director of Fitness to Practise**  
**By: 27 January 2016**

**Action: Circulate the final Guernsey report to Council members.**  
**For: Director of Continued Practice**  
**By: On publication**

**NMC/15/92 Corporate Risk Register**

1. The Council discussed the refreshed draft corporate risk register noting that, as agreed at the last meeting, work was ongoing to revise the register for 1 April 2016.
2. In discussion, the following points were noted:
  - a) The risks identified in relation to procurement were not yet fully captured in the current risk register, taking into account the commentary accompanying the assurance map at NMC/15/94. Future reporting should include such risks and mitigation strategies.
  - b) Greater visibility should be given to risks in relation to the proposed changes to midwifery regulation. The Midwifery Committee would review risks at its next meeting and continue to advise the Council on this.

**Action: Amend draft risk register to ensure that procurement and midwifery risks are captured appropriately.**  
**For: Interim Chief Operating Officer**  
**By: 27 January 2016**

**NMC/15/93 Financial monitoring report to 31 October 2015**

1. The Council considered the report, which set out the financial position to 31 October 2015 together with KPI 4. In discussion, the following points were noted:
  - a) The picture at October showed income marginally higher than budget, primarily due to overseas and European Union assessment fee income.
  - b) Revenue spend to 31 October 2015 was £2.5 million lower than expected mostly due to underspends in staffing costs, an accrual release, and lower professional fees.
  - c) Available free reserves are budgeted to be £14.5 million at 31 March 2016, however, should the latest forecast crystallise and if no further draw-down on contingency is made, available free reserves could reach £18.3 million at 31 March 2016.

- d) Work continued to secure the refund from HMRC in relation to income tax and National Insurance paid on FtP panellist expenses and may continue until 2016-2017.
- e) Council discussed the efficiencies reported and expressed disappointment at the shortfall against the original expectations, due in part to lower than anticipated throughput and use of alternative disposals in FtP. The lack of a regulatory reform bill meant that there was limited scope to further reduce the number of cases which had to go to a full hearing.
- f) Further work needed to be done to improve the reporting of efficiencies to ensure greater clarity and transparency and enable better scrutiny by the Council. In particular, there was a need for absolute clarity about what efficiencies and savings had been banked, what the organisation was aiming to achieve and by when, and to ensure that targets were realistic and achievable. Efficiencies and savings should not just be confined to FtP, even though this consumed the majority of resources.
- g) The thorough discussion of these issues had been useful and had provided learning for both the Executive and Council. There was a need to look at both the existing efficiency targets and developing new or modified targets. This would be considered by the Council Budget Scrutiny Group in the first instance, as previously discussed.

2. Improvements in the presentation of the financial monitoring information, such as the addition of notes, were welcome. However, there was scope to improve the clarity of reporting further and future reports should include 'year to date actual figures' and cashflow.

**Action:** i) Improve the clarity of reporting against efficiencies; and ii) review existing efficiency targets and look at developing new or modified targets.

**For:** Interim Director of Finance

**By:** 27 January 2016

**Action:** Further improve the clarity of financial monitoring information and add information on 'year to date actuals' and 'cashflow'.

**For:** Interim Director of Finance

**By:** 27 January 2016

**NMC/15/94 Corporate Quality Assurance Strategy**

1. The Council discussed the update on the Corporate Quality Assurance Strategy and assurance map. In the discussion the following points were noted:
  - a) The Audit Committee had reviewed the position regularly over the past two years and most recently at its October meeting and considered the report a fair summary of the current position.
  - b) The Council expressed disappointment with the progress made in embedding quality across the organisation. Quality assurance and quality improvement had been conflated and the current QA strategy was not delivering the required outcomes. Systems needed to be put in place to drive change and generate a culture of continuous improvement. There was a need for clarity about what the organisation was trying to achieve and how it would be achieved.
2. The Council asked the Executive come back with a view of what the overall approach to quality should be, linked to the NMC Strategy and taking into account existing initiatives. Any revised approach should clearly add value, commensurate to the effort involved.

<b>Action:</b>	<b>Develop a revised approach to quality which adds value taking into account the NMC strategy 2015-2020 and existing initiatives.</b>
<b>For:</b>	<b>Director of Strategy</b>
<b>By:</b>	<b>27 January 2016</b>

**NMC/15/95 Annual report on quality assurance of education and local supervising authorities 2014 – 2015.**

1. The Council considered the annual report, which set out the key themes that emerged from quality assurance activity of education and local supervising authorities. The report had been reviewed by the Midwifery Committee, who had endorsed it for consideration by the Council.

***Approved education institutions***

2. In discussion, the following points were noted:
  - a) The report identified a number of shortcomings in compliance across approved education institutes (AEIs). All AEIs were required to self-report and those AEIs selected for monitoring visits were selected on a mix of criteria

including risk. It was not therefore unexpected to find issues in those selected for monitoring. The Council was given assurance that the NMC acted quickly when issues came to attention: AEIs were required to put action plans in place and these were monitored; follow up visits or meetings had also taken place, as necessary.

- b) Self-reporting carried with it a degree of trust. Where non-compliance with standards had been found which had not been self-reported, consideration might need to be given to whether a more severe approach might be adopted, for example, removing the right to self-report until such a time that the AEI could demonstrate that such reports would be more accurate in future.
- c) There were a number of relevant changes in the wider education landscape, including that quality assurance within the university sector was changing; the comprehensive spending review may affect the role of education commissioners; and the need to work more closely with systems regulators in the four countries. These, together with development of the NMC education strategic plan offered an opportunity to take a fresh look at how the NMC should approach quality assurance in the future.

3.

### ***Local supervising authorities***

In discussion, the following points were noted:

- a) In relation to (LSAs), the Midwifery Committee had discussed a number of concerns when it had reviewed the report including shortages of LSA Midwifery Officers, lack of support for Supervisor of Midwives training programmes, timely escalation of concerns, and the future of supervision.
- b) Until there is a legislative change, the NMC will continue to conduct quality assurance but will ensure this is proportionate and focused on public protection, rather than process compliance, as previously discussed.
- c) The report identified a number of examples of notable practice within LSAs across the four countries, including the development of new and innovative ways of ensuring safe practice.

4.

**Decision: The Council approved the annual report on the quality assurance of education and local supervising authorities 2014 – 2015.**

**Action:** Review the approach to quality assurance of AEIs as part of the development of the education strategic plan.  
**For:** Director of Continued Practice  
**By:** 27 January 2016

**NMC/15/96 Revised Registration Policy for EEA trained applicants**

1. The Council considered the revised registration policy for EEA trained applicants incorporating amendments resulting from recent changes to the European legislation relating to the recognition of professional qualifications.
2. Council welcomed the clear presentation of the policy and extended congratulations to the team responsible.
3. **Decision: The Council approved the revised registration policy for EEA trained applicants.**

**NMC/15/97 Approval of extension of legal assessor appointments**

1. The Council considered the approval of the extension of legal assessor appointments. In discussion, the following points were noted:
  - a) The Appointments Board considered the operational requirements regarding hearing capacity, the eligibility of current legal assessors for reappointment and information regarding performance when making its recommendation to Council.
  - b) The Council noted that to be qualified for appointment as a legal assessor, a person must have a 10 years' experience as a practising barrister or advocate and would be subject to professional regulation by the Bar Standards Board.
2. **Decision: The Council approved the extension of legal assessor appointments.**

**NMC/15/98 Governance: Committee terms of reference**

1. The Council considered proposals to make minor amendments to the Standing Orders and scheme of delegation, including the Remuneration Committee terms of reference and formalisation and terms of reference for the Council Budget Scrutiny Group.
2. In discussion the following points were noted:
  - a) Upon review, the Audit Committee was satisfied that its current terms of reference remained appropriate and fit for purpose.

- b) The Remuneration Committee had identified some adjustments to its terms of reference to ensure greater clarity of roles and responsibilities.
- c) The Council Budget Scrutiny Group would enable earlier scrutiny of the annual business plan and budgeting processes. The Group would meet only during this process to advise the Executive and provide assurance to the Council. Approval of the budget is reserved to the Council and the group would not have any decision making powers.

3.

**Decision: The Council approved:**

- **The amendments to the Remuneration Committee terms of reference.**
- **The addition of paragraph 15.4 to the Scheme of Delegation.**
- **The terms of reference for the Council Budget Scrutiny Group.**

<b>Action:</b>	<b>Amend the Standing Orders and Scheme of Delegation</b>
<b>For:</b>	<b>Secretary</b>
<b>By:</b>	<b>30 November 2015</b>

**NMC/15/99 Chair's action taken since the last meeting of the Council**

1. The Council noted the Chair's action taken since the last meeting to:
  - a) Signed the annual report and accounts 2014-2015 and amended letters of representation to the external auditors and the National Audit Office.
  - b) Signed the Nursing and Midwifery Council (Fitness to Practise) (Education, Registration and Registration Appeals) (Amendment No 2) Rules Order of Council 2015.
  - c) Signed the cheque for the final PSA fee for the period 1 August 2015 to 31 March 2016.

**NMC/15/100 Welsh language scheme annual report 2014 – 2015 and standards**

1. The Council noted the Welsh language scheme annual report 2014 – 2015 and proposed schedule for implementation of the new Welsh language standards.

**NMC/15/101 Audit Committee Report**

1. The Council noted the report of the Audit Committee.

**NMC/15/102 Midwifery Committee Report**

1. The Chair of the Committee reported on the work of the Midwifery Committee. The following points were noted:
  - a) The Committee had received a progress update on the change to midwifery regulation, including an in-depth report on the proposed legislative amendments. The Committee noted that the timeframe was dependent on other stakeholders, particularly the Department of Health and had asked for a more granular timetable.
  - b) The changes needed to be communicated effectively to the midwifery community. The Committee is keen to ensure that the communications and engagement plan is appropriately aligned with the forthcoming Department of Health consultation.
  - c) The function of the midwife and scope of practice would not change as a result of the legislative changes: it was particularly important to provide assurance to the midwifery community around this.
  - d) The Committee will monitor the risks associated with the transition in detail at future meetings.
2. The Council welcomed the valuable work being done by the Midwifery Committee in ensuring that the Council fully met its responsibilities in relation to midwifery issues during the transitional period.

**NMC/15/85 Questions from observers**

1. The Chair of the Council invited questions from observers. The following points were raised:
  - a) The Council's focus on efficiencies was welcome. It was important that the NMC established a clear and transparent efficiencies programme to ensure that the nursing and midwifery communities had assurance that best value was being secured from registrants' fees. Consideration of charging Approved Education Institutions for quality assurance would be supported by the midwifery community.
  - b) The representative bodies had voiced strong objections in responding to the Privy Council consultation on the way in which the PSA fees were calculated, given the disproportionate impact on lower paid professions such as nurses and midwives.

- c) The increase in available free reserves was noted: registrants would urge the Council to bear this in mind in considering fee levels. The Chief Executive and Registrar confirmed that the normal annual review of registration fees would be undertaken as part of the budget setting process.
- d) In relation to self-certification for AElS, it was important that 'earned autonomy' should mean just that, to ensure accountability and compliance with the standards.
- e) Observers welcomed the quality of discussion and level of scrutiny exercised by the Council during the meeting.

The date of the next meeting is 27 January 2016.

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

**SIGNATURE:** *DRAFT*  
\_\_\_\_\_

**DATE:** *DRAFT*  
\_\_\_\_\_

Item 5  
NMC/16/05  
27 January 2016

## Council

### Summary of actions

**Action:** For information.

**Issue:** A summary of the progress on completing actions agreed by the meeting of Council held on 25 November 2015 and progress on actions outstanding from previous Council meetings.

**Core regulatory function:** Supporting functions.

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

**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.

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

## Summary of outstanding actions arising from the Council on 25 November 2015

Minute	Action	Action owner	Report back to: Date:	Progress to date
NMC/15/92	<p><b>Performance and Risk Quarter 2 report against the corporate plan 2015 – 2016</b></p> <p>Revise corporate plan commitments, as agreed.</p>	Interim Chief Operating Officer	27 January 2016	Completed. Reflected in Performance and Risk report (on agenda) and Quarter 3 report.
NMC/15/92	<p><b>Performance and Risk Quarter 2 report against the corporate plan 2015 – 2016</b></p> <p>Ensure education report to Council in January 2016 includes a clear timetable.</p>	Director of Continued Practice	27 January 2016	Completed. An indicative timetable is included in the education update item. The education strategic plan will be discussed at Council in March 2016 and will include a detailed timetable around delivery of all workstreams on the education agenda.
NMC/15/92	<p><b>Performance and Risk Quarter 2 report against the corporate plan 2015 – 2016</b></p> <p>Make progress on development of the Communication and Engagement plan and ensure this incorporates student engagement.</p>	Chief Executive and Registrar (Previously Director of Strategy)	27 January 2016	Drafting of the communications and engagement plan will take account of Council's request to address student engagement.

Minute	Action	Action owner	Report back to: Date:	Progress to date
NMC/15/92	<p><b>Performance and Risk Quarter 2 report against the corporate plan 2015 – 2016</b></p> <ul style="list-style-type: none"> <li>i) Arrange for the Council Budget Scrutiny Group to scrutinise existing efficiency commitments; and</li> <li>ii) Ensure that a clear programme of efficiencies and savings is developed as part of the budget setting process for 2016 – 2017.</li> </ul>	Interim Director of Finance	27 January 2016	i) Budget Scrutiny Group is scheduled to meet on Wednesday 20 January 2016.
NMC/15/92	<p><b>Performance and Risk Directorate updates, KPIs and dashboards</b></p> <p>Review reporting across directorate updates to ensure greater consistency and clarity.</p>	Interim Chief Operating Officer	27 January 2016	Work is ongoing to refine the presentation of performance information to the Council.

Minute	Action	Action owner	Report back to: Date:	Progress to date
NMC/15/92	<p><b>Performance and Risk Directorate updates, KPIs and dashboards</b></p> <p>Review the scope for a possible target to support KPI 3 or develop a clear plan to move towards setting a target.</p>	Director of Fitness to Practise	27 January 2016	Progress update included in Fitness to Practise performance and risk update.
NMC/15/92	<p><b>Performance and Risk Directorate updates, KPIs and dashboards</b></p> <p>i) Include total caseload figures in future FtP dashboards; and</p> <p>ii) Improve the dashboard format to make it more accessible.</p>	Director of Fitness to Practise	27 January 2016	Progress update included in Fitness to Practise performance and risk update.
NMC/15/92	<p><b>Performance and Risk Directorate updates, KPIs and dashboards</b></p> <p>Circulate the final Guernsey report to Council members on publication.</p>	Director of Continued Practice	27 January 2016	Completed. Final reports circulated 16 December 2015. The reports were discussed in detail by Midwifery Committee on 18 December 2015.

Minute	Action	Action owner	Report back to: Date:	Progress to date
NMC/15/92	<p><b>Corporate Risk Register</b></p> <p>Amend draft risk register to ensure that procurement and midwifery risks are captured appropriately.</p>	Interim Chief Operating Officer	27 January 2016	<p>With regard to procurement, we have since updated corporate risk CR21 (Use of resources and sustainability) with further detail in planned action 3. There is also a procurement risk at directorate level (risk CS2, rated amber).</p> <p>Risks related to midwifery are incorporated in corporate risk CR18 (Failure to develop our regulatory functions to meet public protection needs).</p>
NMC/15/93	<p><b>Financial monitoring report to 31 October 2015</b></p> <p>i) Improve the clarity of reporting against efficiencies; and</p> <p>ii) Review existing efficiency targets and look at developing new or modified targets.</p>	Interim Director of Finance	27 January 2016	<p>i) The financial monitoring report continues to be revised.</p> <p>ii) New and adjusted targets will be included as part of the 2016/17 budget process.</p>
NMC/15/93	<p><b>Financial monitoring report to 31 October 2015</b></p> <p>Further improve the clarity of financial monitoring information</p>	Interim Director of Finance	27 January 2016	The financial monitoring report continues to be revised to improve the clarity. The report on today's agenda includes year to date actuals and cashflow information.

Minute	Action	Action owner	Report back to: Date:	Progress to date
	and add information on 'year to date actuals' and 'cashflow'.			
NMC/15/94	<p><b>Corporate Quality Assurance Strategy</b></p> <p>Develop a revised approach to quality which adds value taking into account the NMC strategy 2015-2020 and existing initiatives.</p>	Interim Director of Registrations (previously Director of Strategy)	27 January 2016	An update will be brought to Council for consideration in March 2016.
NMC/15/95	<p><b>Annual report on quality assurance of education and local supervising authorities 2014 – 2015.</b></p> <p>Review the approach to quality assurance of AElS as part of the development of the education strategic plan.</p>	Director of Continued Practice	23 March 2016	Not yet due.
NMC/15/98	<p><b>Governance: Committee terms of reference</b></p> <p>Amend the Standing Orders and Scheme of Delegation.</p>	Secretary	27 January 2016	Completed. Standing Orders and Scheme of Delegation updated and published on NMC website.

## Summary of outstanding actions arising from the Council on 8 October 2015

Minute	Action	Action owner	Report back to: Date:	Progress to date
NMC/15/79a	<p><b>Introduction of Revalidation</b></p> <p>Update on progress on development of the scope of evaluation of the revalidation process.</p>	Director of Continued Practice	27 January 2016	Included as part of the Continued Practice performance and risk update on the agenda.
NMC/15/80	<p><b>English language requirements for registration</b></p> <p>Ensure arrangements are put in place to monitor the impact of the changes to English language requirements.</p>	Interim Director of Registrations	23 March 2016	Council will be updated in March 2016 on the implementation of the English language requirements for registration.
NMC/15/81	<p><b>Governance: Amendments to the scheme of delegation</b></p> <p>Undertake a review of the current scheme of delegation in consultation with Council members.</p>	Secretary	23 March 2016	A review is planned for Q1 of 2016.
NMC/15/84	<p><b>NMC Equality and Diversity Annual Report 2014-2015</b></p> <p>Ensure equality and diversity monitoring is included in future</p>	Director of Continued Practice	27 January 2016	Underway. An appropriate report to be developed for inclusion in the performance and risk report from April onwards.

<b>Minute</b>	<b>Action</b>	<b>Action owner</b>	<b>Report back to: Date:</b>	<b>Progress to date</b>
	performance and risk reporting.			

## Summary of outstanding actions arising from the Council on 29 July 2015

Minute	Action	Action owner	Report back to: Date:	Progress to date
NMC/15/62	<p><b>Shape of Caring review</b></p> <p>Commission a review to inform any future decisions relating to the Shape of Caring review.</p>	Chief Executive and Registrar	Council 27 January 2016	Both the education update in the agenda papers, and the education strategic delivery plan which will be presented in March 2016, address the recommendations proposed in the Shape of Caring review.



## Council

### Chief Executive's report

**Action:** For information.

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

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

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

**Decision required:** None.

**Annexe:** There are no annexes 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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- Context:**
- 1 This is a standing item on the Council agenda and reports on (a) key developments in the external environment; and (b) key strategic engagement activity. The focus of recent strategic engagement continues to be primarily around revalidation and the exploration of our strategic direction in relation to developing nurses and midwives for the future.
  - 2 Updates on operating performance can be found in the Performance and Risk Report.

**Discussion: External developments**

- 3 In December 2015 the Department of Health announced plans for a new 'nursing associate' role between a healthcare assistant and a graduate registered nurse. Health Education England (HEE) will launch a consultation early in 2016 which will cover issues including title, education and regulation. We will be responding fully to the consultation.
- 4 In advance of the announcement, the Chief Executive had been in discussion with Department of Health and HEE colleagues. On 9 and 10 December 2015 there were a series of meetings with the Parliamentary Under Secretary of State for Quality at the Department of Health, and Department of Health officials, which covered both the introduction of the new 'nursing associate' role and progress with legislation and the Law Commission Bill.

**Professional Standards Authority (PSA)**

- 5 George Jenkins OBE has now succeeded Baroness Pitkeathley as Chair of the PSA from January 2016. George Jenkins has been Chairman of Dover Harbour Board since 1 January 2013. He also serves as Chair of the Cystic Fibrosis Trust. He recently stood down as the Deputy Chair and Chair of Governance and Audit of NHS Blood and Transplant.
- 6 While we await the detail of the new performance review process for 2015–2016, we have responded to the PSA's request for copies of our policies and procedures relating to the following functions: registration; continuing fitness to practise; education; standards; fitness to practise and governance. We expect to receive a request in early January 2016 for the first set of data in relation to the PSA's common dataset. We understand that this information will inform the PSA's decision as to the scope of the review they will undertake.
- 7 The consultation on the PSA fee for 2016–2017 launched in November 2015 and concludes on 16 January 2016. The PSA will then analyse the responses and prepare a submission to the Privy Council, who determine the amount to be collected. The PSA will issue invoices to the regulatory bodies in March 2016. The indicative cost for the NMC for 2016–2017 is £1,818m; this would represent a

one percent decrease compared to this year.

## **Stakeholder Engagement and Communication**

### **Revalidation**

- 8 We have undertaken a significant amount of communications activity and, following a sustained drive, we have achieved our target of 80% of registrants signed up to the online service by the end of December 2015.
- 9 The Chief Executive and the senior team continue to engage widely with key stakeholders in the lead up to the implementation of revalidation. Engagements have included:
  - 9.1 the Unite CPHVA conference in Manchester (18 November 2015);
  - 9.2 the Healthcare Conference Nurse Clinic Annual Conference in London (19 November 2015);
  - 9.3 the Association of Direct nurse educators conference in Manchester (20 November 2015);
  - 9.4 Nursing Revalidation for Specialist Practice and Advanced Roles (2 December 2015);
  - 9.5 Nurse Prescribing Conference in Manchester (3 December 2015); and
  - 9.6 Point of Care foundation conference (16 December 2015).
- 10 We continue to host twitter chats on revalidation. These continue to be popular, attracting attention from a variety of audiences.

### **Chief Executive's other engagement**

- 11 On 2 November 2015, the Chief Executive and the Chair attended the Scottish regulation conference in Glasgow. The event, also attended by Council members, Maura Devlin and Robert Parry, provided the opportunity to liaise with colleagues from across the healthcare sector and to consider insights into healthcare regulation from speakers at the event. Shona Robison, MSP, the Cabinet Secretary for Health, Wellbeing and Sport gave the keynote address and reiterated her government's support for revalidation and the continuation of UK-wide regulation.
- 12 Between 30 November and 2 December 2015, the Chief Executive attended the CNO England's summit in Birmingham. The event provided an excellent opportunity to talk about the NMC's work, particularly around the progress with the introduction of revalidation in 2016, to key senior professional stakeholders. The Chief

Executive has also had a number of separate discussions with the Chief Nursing Officers for England and Wales.

- 13 On 17 December 2015, the Chief Executive met the Director of Quality at the Department of Health for the latest of their regular meetings to discuss the NMC's work. In addition to progress with revalidation, the issues raised included legislative changes, including the section 60 order relating to midwifery supervision.

### **Employer Link Service**

- 14 Since September 2015 the Employer Link Service (ELS) has made initial introductory contact with all Directors of Nursing in Wales, Scotland and Northern Ireland and with 80 in England. One to one engagement has taken place or has been scheduled with all Directors of Nursing in Wales, Scotland and Northern Ireland and 35 trusts in England. Feedback from these meetings has been positive with all employers appreciating the opportunity to improve engagement with the NMC.
- 15 There will be an incremental roll out of the service to the remaining trusts in England between January and March 2016, with the service fully operational from April 2016. Once fully operational the service will be available to employers of nurses and midwives across all settings to provide advice on making referrals, discuss local issues and to engage on key developments such as revalidation and MRPQ.
- 16 Proactive engagement activities will initially focus on NHS trusts and the largest independent sector employers of nurses and midwives with the aim of engaging on a one to one basis with all of these providers within the first year of service. This will be followed by a wider communications campaign in the summer which will concentrate on opening up engagement opportunities with smaller independent employers.
- 17 An interim impact review of the service, including an initial assessment of benefits will be conducted in summer 2016 and a full review of the service will be carried out in quarter four of 2016–2017.

### **Preparations for May 2016 Council**

- 18 In advance of Council's visit to Northern Ireland in May 2016, we have met with a number of key strategic stakeholders across Northern Ireland's health and social care, and patient and public sectors.

## **Midwifery issues**

### **Guernsey**

- 19 In mid-December 2015 we published reports from the return review visit to Guernsey undertaken in November 2015 by the Chief Executive, the Director of Continued Practice and the Assistant Director for Education and Standards. The visit was a follow-up to the extraordinary visit in October 2014 to assess progress with improvements to midwifery practice and supervision and student practice placements. The situation, as reflected in the reports, was much improved. Copies of the final reports were sent to Council members and were published on the NMC website.
- 20 To accompany the publication of the reports, the Chief Executive undertook a number of media engagements. These included interviews with the following outlets:
- 20.1 BBC Guernsey radio and TV;
  - 20.2 Island FM; and
  - 20.3 Channel TV.
- 21 Following the publication of the reports, the Chief Executive hosted meetings in London with the Chief Officer, Guernsey Health and Social Services and the Chief Nurse for Guernsey; and the former Interim Chief Nurse for Guernsey.

### **NMC Midwifery Panel**

- 22 On 12 November 2015, the Chief Executive chaired the inaugural NMC Midwifery Panel meeting. The Panel was convened to support the transition to the NMC's future oversight of midwifery regulation while the Midwifery Committee continues to fulfill its statutory role until the changes to legislation are completed. Attendees at the first meeting included the Chief Nursing Officers for Scotland and Wales and representatives from the offices of the other Chief Nursing Officers. The NMC's Senior Midwifery Advisor and the Chief Executive of the Royal College of Midwives also attended. Further meetings of the Panel are scheduled to take place throughout 2016 and beyond.

### **National maternity review (England)**

- 23 The Chief Executive met Baroness Cumberlege in the run-up to the publication of her review of maternity services in England which is planned for January 2016.

## Education

- 24 We continue to engage with key stakeholders in the four countries exploring our strategic direction in developing nurses and midwives for the future.
- 25 As part of the work being undertaken by Dame Jill Macleod Clark on nursing competencies at the point of registration, the Chief Executive met Dame Jill on a number of occasions in November and December 2015. In addition, the Chief Executive accompanied Dame Jill to the following meetings:
- 25.1 Shelford Group of nurses (16 November 2015);
  - 25.2 Jan Draper, Professor of Nursing, Open University and a Senior Policy Officer from the Council of Deans (17 November 2015); and
  - 25.3 Chief Executive and General Secretary, Royal College of Nursing (21 December 2015).
  - 25.4 On 11 December 2015, the Chief Executive chaired a meeting attended by Dame Jill, Lord Willis of Knaresborough, the NMC's Director of Continued Practice and the Director of Nursing at Imperial College Healthcare Trust.
- 26 The latest in the series of engagement events to support Dame Jill's work took place on 23 November 2015. The Chief Executive co-chaired a meeting with Dame Jill which was attended by a number of recently-qualified and student nurses. Two further events (with staff nurses and patient and public representatives from across the four countries) are scheduled to take place in early January 2016.
- 27 Engagement with Health Education England (HEE) colleagues continues to be a regular feature of the Chief Executive's engagement. This includes regular meetings with the Director of Nursing at HEE.

## Advisory Group activity

- 28 Our Patient and Public Advisory Group met on 2 December 2015. We updated the group on our work with revalidation and the changes to the statutory supervision of midwives. The group also discussed how we could further develop our patient and public engagement across all four countries.
- 29 Our Professional Strategic Advisory Group met on 14 January 2016. We updated the group on revalidation and in particular with how we are communicating to the professions across all four countries. The group also discussed the 'nursing associate' role announcement and was updated on the changes to the statutory supervision of

midwives.

### **Engagement with other regulators**

- 30 Engagement with other regulatory bodies over the period included separate and joint discussions with the Chief Executive of the General Pharmaceutical Council and the Chief Executive of the General Medical Council (GMC).

### **Collaboration**

#### **Promoting Professionalism**

- 31 The Chief Executive was on the platform for the GMC's 'Promoting Professionalism' event in Cardiff on 19 November 2015 where she shared the platform with the Chair and Chief Executive of the GMC among others. The GMC has put together a series of events across the UK designed to encourage doctors to contribute to the debates which most concern the public and profession. There was an interesting debate about how professional groups work together and the relationship between doctors and nurses.

### **Media activity**

- 32 Media activity during this period has involved Chief Executive interviews with Nursing in Practice and Nursing Standard (10 November 2015) and Nursing Times (11 November 2015). The Chief Executive also met the editors of the Nursing Times and the Nursing Standard on 9 and 16 November 2015 respectively. The final series of articles on revalidation were published in Nursing Times, including an additional end of year piece by the Chief Executive.

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

- 33 No direct public protection implications.

#### **Resource implications:**

- 34 No direct resource implications.

#### **Equality and diversity implications:**

- 35 No direct equality and diversity implications.

#### **Stakeholder engagement:**

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

#### **Risk implications:**

- 37 No direct risk implications.

**Legal implications:** 38 No direct legal implications.

## Council

### Performance and risk report

- Action:** For discussion.
- Issue:** Reports on performance and risk management since the November 2015 Council meeting.
- Core regulatory function:** All of our core regulatory functions.
- Strategic priorities:** All.
- Decision required:** The Council is recommended to:
- Note and discuss the Quarter 3 assessment of progress against the corporate plan 2015–2016 (paragraph 9).
  - Note and discuss the KPI information for November and December 2015 (paragraph 13).
  - Discuss and comment on the corporate risk register (paragraph 17).
- Annexes:** The following annexes are attached to this paper:
- Annexe 1: Quarter 3 report against corporate plan 2015–2016
  - Annexe 2: Performance and risk information
  - Annexe 3: Corporate risk register
  - Annexe 4: Risk map of corporate and directorate risks
- Further information:** If you require clarification about any point in the paper or would like further information please contact the author or the director named below.

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- Context:**
- 1 This paper provides an overview of performance and the management of risk since the last Council meeting in November 2015.

### **Performance against Corporate plan 2015–2016**

- 2 In November 2015 Council reviewed Quarter 2 progress against commitments in the Corporate plan 2015–2016. In order to reflect a more realistic picture of what will be achieved, Council agreed that:
  - 2.1 Commitment 5 (role, structure and content of the register) be refocused and taken forward in parallel with ongoing work on the education agenda to define the future nurse and midwife.
  - 2.2 Commitment 6 (education strategic delivery plan) be reframed to focus on the publication of a strategic plan on nursing and midwifery education for the future, by the end of the financial year.
  - 2.3 Commitment 14 (student engagement) be removed from quarterly reporting and refocused as part of wider communications and engagement work.
  - 2.4 Commitment 22 (efficiencies) be reframed to reflect the need to develop a clear programme of efficiencies and savings as part of the budget for 2016–2017. The position would be scrutinised in detail by the Council Budget Scrutiny Group.
- 3 The Quarter 3 report at **Annexe 1** presents progress against the Corporate plan 2015–2016. The report has been updated to reflect the changes agreed by the Council.

### **Performance against KPIs**

- 4 In November the Council considered the outcomes of a mid-year review of our 2015–2016 KPIs and targets. No changes were proposed for the second half of the financial year.
- 5 Further operational developments, performance updates, Key Performance Indicators (KPIs) and risk information are presented within **Annexe 2** as part of the directorate summaries. The summaries are not intended to be comprehensive, rather an update on significant developments since the last Council meeting which are not reported elsewhere on today's Council agenda.

### **Risk**

- 6 The refreshed corporate risk register is presented at **Annexe 3**. In October the Council accepted the register as a working document which will be subject to further review over the coming months.

**Discussion: Q3 report against the Corporate plan 2015–2016**

- 7 **Annexe 1** reports on our progress in Quarter 3 (October to December 2015) against the 21 commitments in our Corporate plan 2015–2016. We have assessed both our progress and our overall performance against our Corporate plan commitments using an red/amber/green rating system.
- 8 Our assessment for Quarter 3 is:
- 8.1 Good progress/performance against ten of our commitments, with most if not all aims/outcomes/objectives being achieved (green).
- 8.2 Mixed progress/performance against ten of our commitments, with some aims/objectives/outcomes at risk of not being achieved (amber). Explanations are provided within the update for each amber commitment in **Annexe 1**.
- 8.3 There is one commitment where progress is not where it should be, with significant risk of not being achieved (red). The rationale for the rating is provided within the update for commitment 10 in **Annexe 1**.
- 9 **Recommendation: The Council is invited to note and discuss the Quarter 3 assessment of progress against the corporate plan 2015–2016.**

**Corporate KPIs 2015–2016**

- 10 We are reporting against the KPIs agreed by the Council in March 2015 and which were subsequently reviewed midyear. The information within **Annexe 2** covers November and December.
- 11 There has been a notable dip in performance in processing registration applications, due to a number of factors. But overall we still expect to meet our year end targets.
- 12 Performance against the FtP KPIs has remained consistent and above target. The level of available free reserves (KPI 4) and the staff turnover rate (KPI 5) have improved.
- 13 **Recommendation: The Council is invited to note and discuss the KPI information for November and December 2015.**

**Risk**

**Corporate risk register**

- 14 Since the Council considered the corporate risk register in November 2015, corporate risks have been reviewed with some

planned actions having mitigations in place.

- 15 There has been one corporate risk score change: CR13 A (Revalidation – model delivery) has reduced from 12 (amber) to 8 (green). This reflects that our actions are mitigating the risk and that overall we are on track to deliver revalidation.
- 16 At its last meeting, the Council sought reassurance that we were managing and had captured our procurement and midwifery risks appropriately.
- 16.1 Procurement: We have since updated corporate risk CR21 (Use of resources and sustainability) with further detail in planned action 3. There is also a procurement risk at directorate level (risk CS2, rated amber).
- 16.2 Midwifery: Risk CR18 (Failure to develop our regulatory functions to meet changing public protection needs) has been amended to make more reference to the upcoming changes to midwifery regulation.
- 17 **Recommendation: The Council is invited to discuss and comment on the corporate risk register.**
- 18 A risk map of corporate and directorate risk is at **Annexe 4**.
- Public protection implications:** 19 Public protection implications are considered when reviewing performance and the factors behind poor or good performance.
- Resource implications:** 20 Resource implications will be captured in the financial monitoring report.
- Equality and diversity implications:** 21 Equality and diversity implications are considered when rating the impact of risks and determining the action required to mitigate risks.
- Stakeholder engagement:** 22 KPI information and performance dashboards are in the public domain.
- Risk implications:** 23 The impact of risks is assessed and rated on the risk register. Future action to mitigate risks is also described.
- Legal implications:** 24 No direct legal implications.

## Quarter 3 report against the Corporate plan 2015–2016

### Q3: 1 October – 31 December 2015

Our Corporate plan sets out the key commitments we made for 2015–2016 towards achieving the corporate strategy 2015–2020. This report presents a Q3 update and assessment of our performance and progress against each commitment.

As agreed by the Council on 25 November 2015, commitments 6 and 21 have been reframed and appear here as such. Commitment 14 has been removed from reporting and commitments 5 and 22 have a different focus.

### Summary of RAG ratings for each strategic priority

	Red	Amber	Green
<b>Strategic priority 1:</b> Effective regulation	0	4	4
<b>Strategic priority 2:</b> Use of intelligence	1	1	0
<b>Strategic priority 3:</b> Communication and collaboration	0	1	3
<b>Strategic priority 4:</b> An effective organisation	0	4	3
<b>Activity RAG totals (21 in total)</b>	<b>1</b>	<b>10</b>	<b>10</b>

### Definitions of table headings

<b>Commitment for 2015–2016</b>	Work we are undertaking in 2015–2016 as stated in the corporate plan 2015–2016.	
<b>Q3 update (Oct-Dec)</b>	Explanation of performance during quarter 3 and progress / achievements made.	
<b>Red / amber / green (RAG) rating</b> – for overall performance after Q3	<b>R</b>	Significant aims/objectives/outcomes for this commitment are not being achieved or are at risk of not being achieved.
	<b>A</b>	Mixed performance – some aims/objectives/outcomes for this commitment are being achieved and some are not or are at risk of not being achieved.
	<b>G</b>	We are performing well and most, if not all aims/objectives/outcomes for this commitment are being achieved or are on track to being achieved.
<b>For reference: PSA 2014–15</b>	<p>This column states our performance for 2014–2015 against relevant PSA Standards of Good Regulation. This is here to give wider context to our Q3 performance. For reference, the Standards of Good Regulation which we inconsistently met or did not meet during 2014–2015 were:</p> <ul style="list-style-type: none"> <li>- Education and Training 2 (revalidation): not met</li> <li>- Registration 3 (register accuracy and integrity): not met</li> <li>- FtP 5 (fairness and transparency of process): inconsistently met</li> <li>- FtP 7 (customer service): not met</li> <li>- FtP 8 (quality of decisions): not met</li> <li>- FtP 10 (information security): not met.</li> </ul>	

## 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.**

	Commitment for 2015–2016	Q3 update	RAG	PSA 2014-15
1	Work in partnership with the four UK governments to launch an effective, transparent and proportionate model of revalidation in late 2015.	<p>Engagement with the four country programme boards continues and is now focusing on implementation and monitoring of the revalidation process. Further information on our engagement activities is provided under commitment 13.</p> <p>Internally, all our systems are now ready and the focus has been on ensuring registration operations are appropriately resourced, including the appointment of a Revalidation Transition Lead.</p>	G	Edu & training 2, Reval (not met)
2	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 introducing language controls.	All necessary changes have been made to be compliant. We are ready to implement.	G	
3	Embed and evaluate the new case examiner function, implement the new powers to review 'no case to answer' decisions, and invest in strengthening our screening and investigation functions to secure consistent quality of regulatory decisions across all our fitness to practise processes.	<p>Case Examiners have successfully embedded and overall quality is sound with analysis of Q2 and Q3 decisions demonstrating clear and robust reasoning. Feedback quality circles have been introduced to help implement learning from Case Examiner decisions in the investigation process.</p> <p>The power to review process is working well and 53 requests for review have been made so far. Four requests have reached the final stage, all of which resulted in a decision by the Assistant Registrar to substitute the original decision with a case to answer decision.</p> <p>A dedicated screening decision team is in place and clinical advice at the screening stage is available where necessary from registrant case examiners.</p>	G	<p>FtP 5 – Process (inconsistently met)</p> <p>FtP 7 – cust service (not met)</p> <p>FtP 8 – Decision s (not met)</p>
4	Establish an employer link service which facilitates information sharing, increases understanding of our processes and helps	Good progress has been made in the implementation of the employer link service (ELS) function. The Assistant Director for ELS started in December 2015. All six Regulation Advisers have now been recruited, with all to be due in post by February 2016. Three more posts within the	G	<p>FtP 1, referrals (met)</p> <p>FtP 2, info</p>

	Commitment for 2015–2016	Q3 update	RAG	PSA 2014-15
	employers decide which fitness to practise concerns warrant referral to us and which are better handled locally.	function, including a Risk Intelligence Manager, are currently being recruited. An incremental roll out of the service will be taking place between January and April 2016 after which it is anticipated that ELS will become business as usual.		sharing (met)
5	Develop the necessary policy positions for specific aspects of the register in preparation for a possible regulation bill. We will carry out initial scoping and research for a longer term review of the role, structure and content of the register to ensure it supports public protection in a changing healthcare and practice landscape.	<p><b>Note:</b> At its November 2015 meeting the Council noted a regulation bill was not scheduled and therefore this commitment would not be achieved as originally framed. This commitment now focuses on the initial scoping activity, which will be undertaken to align with and support the education agenda.</p> <p>This commitment is rated amber. Work this quarter has focused on the legislative and policy work around the education agenda of the NMC.</p>	A	
6	Publish the NMC's strategic plan on nursing and midwifery education for the future.	This commitment has been reframed. Dame Jill MacLeod Clark's work in relation to competencies and outcomes for registered nurses of the future will be discussed at this meeting. The strategic plan will take account of the outcomes of this work and will be discussed by the Council at its March 2016 meeting.	A	
7	Undertake policy and legislation development work towards removing midwifery supervision from our legislation.	Policy and legislative development work is ongoing. This commitment is rated amber due to timing not being within our gift and the need to manage stakeholder expectations.	A	
8	Deliver a programme of quality management reviews across all our regulatory directorates. Quality objectives will be incorporated into staff objectives and we will review the overall impact of our quality programme in early 2016.	This commitment is rated amber as we are reviewing our approach to quality assurance as requested by the Council in November 2015.	A	

## 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.

	Commitment for 2015–2016	Q3 update	RAG	PSA 2014–15
9	Strengthen our approach to managing regulatory risk intelligence about settings where nurses and midwives practise. We will do this by establishing new systems and processes alongside the employer link service for collating, evaluating and acting on intelligence about risk from different sources.	<p>This commitment is rated amber because this work is in the early stages of development.</p> <p>An NMC wide risk intelligence group has been established to ensure that useful information is shared across the organisation.</p> <p>A contract for FtP allegation type coding has been awarded to an external contractor and research has commenced, with the aim of deriving better insight from our FtP data. The draft code for allegation types is due in April 2016 and scoping of changes to the case management system (CMS) will take place in the next financial year.</p>	A	
10	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.	<p>This commitment is rated red because a formal strategic programme approach is not in place.</p> <p>Research activity is focused around key priorities such as revalidation and FtP data analysis, as discussed in commitment 9 above.</p> <p>The evaluation of revalidation is on track to be commissioned externally and begin in April 2016. We are tendering for a quantitative project regarding black and minority ethnic (BME) registrants within FtP.</p>	R	

### Strategic priority 3: Communication and collaboration

**We will continue to improve the quality of our relationships to support our overarching purpose of public protection. To support this we will develop an overarching communications and engagement plan. Public, professional and employer awareness will be priorities. We will seek out opportunities to work in partnership with others to achieve shared goals.**

**Update:** Work is ongoing to develop an overarching communications and engagement plan. A first draft was delivered in October and a final version will be ready for approval in Q4.

	Commitment for 2015–2016	Q3 update	RAG	PSA 2014–15
11	Promote the Code through an ongoing campaign aimed at nurses, midwives and employers. We will produce and disseminate materials for patients and service users so that they understand what they should expect from nurses and midwives.	<p>We continue to promote the Code through our engagement with patient and public facing groups, particularly through our Patient and Public Advisory Group.</p> <p>Promotion of the standards and values of the Code are central to the ongoing work to implement revalidation and have been integrated into those communications plans.</p> <p>We continue to publish a monthly newsletter for patients and the public and for employers of nurses and midwives.</p>	<b>G</b>	Guid & Stds 4, public info (met)
12	Develop and publish employer facing resources on the implications and responsibilities of employing registered nurses and midwives.	We continue to disseminate and promote our range of materials for employers including information on the Code, a dedicated monthly newsletter and guidance for employers on revalidation.	<b>G</b>	Guid & Stds 4, public info (met)
13	Engage effectively with registered nurses and midwives and our stakeholders to ensure the smooth implementation of revalidation.	<p>Following the Council's decision in October 2015 we have embarked on a significant programme of communications and engagement in collaboration with the four countries.</p> <p>Key activities over this period to prepare for April 2016 included:</p> <ul style="list-style-type: none"> <li>• A direct email programme with registrants to support them through the new process.</li> <li>• Website updates of guidance materials for registrants, confirmers and employers as well as promotional material. A revalidation specific microsite is in production including digital material such as films and an animation.</li> <li>• 35 revalidation training days across the UK having received positive feedback.</li> <li>• A considerable number of external speaking engagements on revalidation with a wide range of audiences including registrants and</li> </ul>	<b>G</b>	Edu & Training 2, Reval (not met)

	Commitment for 2015–2016	Q3 update	RAG	PSA 2014–15
		employers. We are hosting a series of regional summits across England in February 2016 aimed at primary care and independent sector employers.		
14	<p>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.</p> <p><b>Commitment removed from reporting.</b> At its November 2015 meeting, the Council noted this commitment won't be met and agreed the removal of it from quarterly reporting. We will ensure that a range of methods for engaging with students are considered as part of our wider work on communication and engagement, being mindful of opportunities to use existing mechanisms.</p>			
15	<p>Develop sound relationships with other regulators – including system regulators, and train our staff to implement information sharing protocols consistently and well. We will launch joint guidance on candour with the General Medical Council.</p>	<p>This commitment is rated amber because some of the work being done to establish relationships is still at a formative stage.</p> <p>A joint working group with the Care Quality Commission (CQC) has been established by our Employer Link Service team and will meet quarterly, with the first meeting in December 2015. The objective of these meetings is to improve ways of working between the NMC and CQC and facilitate information sharing. ELS are meeting Health Improvement Scotland in December 2015, to look at information sharing for the Scottish services.</p> <p>Joint panellist training between FtP and Pharmaceutical Society Northern Ireland has taken place, in addition to training with the Health and Care Professions Council.</p>	<b>A</b>	

## Strategic priority 4: An effective organisation

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

	Commitment for 2015–2016	Q3 update	RAG	PSA 2014–15
16	Increase our focus on service to our customers and stakeholders by adopting the Cabinet Office's Customer Service Excellence® standard across the organisation. We will commission a programme of staff training and an initial assessment in July 2015, before developing an action plan to address any areas for improvement.	<p>This year we set up a corporate project to embed the Cabinet Office's Customer Service Standard. A team of customer service champions representing various areas of the business was established and they received training. We underwent an initial assessment against the Standard and the resulting report made recommendations for improvement.</p> <p>In Q3, emphasis has been placed on directorate responsibility for improvements. The champions have developed customer service action plans and directorates will implement these as part of day-to-day business.</p>	G	<p>Reg 2 (met)</p> <p>FiP 7 cust service (not met)</p>
17	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.	<p>The improvement programme is delivering on target and well on the way to completion. We have:</p> <ul style="list-style-type: none"> <li>Strengthened ICT system development and delivery processes by introducing a controlled agile methodology and co-locating business and TBS resources to form an improved collaborative culture.</li> <li>The ICT function has now moved from a majority contract base to a majority permanent base. Recruitment has been difficult but is progressing well.</li> <li>A cloud-based disaster recovery solution has now been deployed and successfully tested in support of any business continuity plans.</li> <li>IT Strategy has been drafted and circulated to directors and assistant directors for initial comment and review.</li> <li>Stronger contract management is now in place with proper supplier management and regular review meetings established.</li> </ul>	G	FiP 10, Info security (not met)
18	Carry out an assessment and mapping of our data and begin a programme of data cleansing as essential groundwork for our future data and intelligence gathering, reporting and	<p>An initial assessment of our data has been completed and a plan has been produced detailing short, medium and long term actions. This will need to be continually reviewed and a further more substantial assessment conducted in 2016–2017.</p> <p>Initial data cleansing activity has been procured and is scheduled to begin in January.</p>	G	

	Commitment for 2015–2016	Q3 update	RAG	PSA 2014–15
	dissemination.	We have now established a specific Data and Business Intelligence function within the current Technology Business Services (TBS) restructure to consolidate data management within our applications and reporting functionality to move us to clear, consistent, timely and accurate provision of all reporting requirements (internal and external).		
19	Promote equality, diversity and inclusion in carrying out our functions as a regulator, a service provider and as an employer. This will include improving the collection and use of diversity data about our registrants, commissioning research, and ensuring we maintain accessibility to our services for people with disabilities.	<p>This commitment is rated amber because further work is required to improve the collection and utilisation of data in this area. In particular, we need to collect equality and diversity data on at least 50% of our register to provide good analysis of the diversity composition. We are currently at 40% through NMC Online.</p> <p>We continue to engage with the Chief Nursing Officers BME Advisory Group to raise awareness to as wide and diverse a group as possible and to ensure we were taking an inclusive approach to our policies.</p>	A	
20	Provide a facility for nurses and midwives to make registration fee payments in instalments.	Preparatory changes to the registration readmission process were introduced successfully in November 2015. Work is on track to deliver Phased Payments in Quarter 1 2016–2017.	A	
21	Invest in our workforce to ensure it is engaged, high-performing and able to meet the future needs of the organisation. We will do this by: undertaking a review of our workforce structure and capabilities and by putting in place a programme of learning and development. This work will inform the development of a People Strategy in 2016–2017.	<p>This commitment has been reframed. It is rated amber to reflect that there is considerable further work to undertake in this area.</p> <p>The review of current organisational structures and capabilities is complete and learning and development interventions are in place to support next steps.</p>	A	
22	Continue to monitor and report on the existing plan for efficiencies whilst establishing a full programme of efficiencies and savings	<p>This commitment remains amber. Whilst FtP in particular are working to deliver efficiencies defined in the fee strategy, there is yet to be a formal programme of efficiencies in place.</p> <p><b>Existing plan for efficiencies:</b> Finance and FtP meet monthly to agree on</p>	A	

	Commitment for 2015–2016	Q3 update	RAG	PSA 2014–15
	for delivery in 2016–2017 and onwards.	<p>progress against the £55m fee strategy assured efficiencies identified in FtP. The current methodology is being developed to identify costs avoided through increased case closure at the pre-adjudication stage due to the development and training of the case examiners and increase in their numbers.</p> <p><b>2016–2017 and onwards:</b> All directorates have identified efficiencies and savings within their draft business plans 2016–2019. These efficiencies have been assessed for measurability.</p> <p>Once finalised these efficiencies will be quantified and modelled for monitoring and analysing from 1 April 2016. They will be collated to form the basis of an organisation wide efficiency programme that will be monitored and reported centrally.</p>		



## **Performance and risk information**

### **Contents of Annexe 2**

- 2a Registration performance and risk update
- 2b Registration dashboard
- 2c Fitness to Practise (FtP) performance and risk update
- 2d FtP dashboard
- 2e Continued Practice performance and risk update
- 2f Strategy performance and risk update
- 2g Estates, Finance and Procurement performance and risk update
- 2h Technology Business Services performance and risk update
- 2i IT portfolio and improvement programme dashboard
- 2j Human Resources and Organisational Development performance and risk update



## Registration performance and risk update

### Performance overview

This overview summarises recent key developments and performance in the Registration directorate and includes commentary on the Registration Key Performance Indicators (KPIs) and dashboard.

### NMC Online

- As of 31 December 2015, 554,000 registrants had signed up for NMC Online. We have achieved our target of 80% of registrants signed up to the online service by the end of December 2015. Targeted communications continue with those registrants who are due to revalidate and have not yet signed up to NMC Online.

### Applications and appeals

- In November and December 2015, we registered the following number of applicants:

Month	UK	EU	Overseas
November	1,324	1,133	122
December	641	788	101

### UK applications

- In November, we completed 14,643 periodic renewals with 99.51% of these completed within five days. In December, we completed 11,462 renewals with 99.68% completed within five days.
- The dip in performance is a statistical anomaly caused by the carrying forward of a significantly higher number (although normal ratio) of complex cases from the peak months which distorts the data for the relatively smaller November and December numbers. This is normal activity and we expect a return to above-target tracking from January 2016 onwards for the primary target.

### Appeals

- In November and December 15 appeals cases were heard. Of these, 11 were successful, three were dismissed and one was withdrawn. All were completed within six months of the appeals being lodged.

**International applications**

- 6 211 applicants completed the Objective Structured Clinical Examination (OSCE) in November and December 2015, a 370% increase on the previous report. As at 31 December, a total of 299 applicants had completed the OSCE since April 2015, of which 181 (60.5%) have passed.
- 7 91.6% of applications have been assessed within 70 days. The dip in this number on previous months has been caused by an increase in volume resulting from the forthcoming introduction of language controls and the increase in the granting of visas given that nursing is now on the shortage occupation list.

**Customer service**

- 8 During November and December 2015, the Registration Contact Centre received a total of 65,391 calls. Of these 61,352 calls were answered and 4,039 calls were abandoned (6.3%).

**Key performance indicators**

- 9 For November and December we achieved 95.3% of initial registrations completed within 30 days, leaving us with a year to date figure of 98.7%. This is below the target of 99%. This drop is a statistical anomaly driven by a large number, but normal ratio, of complex cases carried over from the peak months.

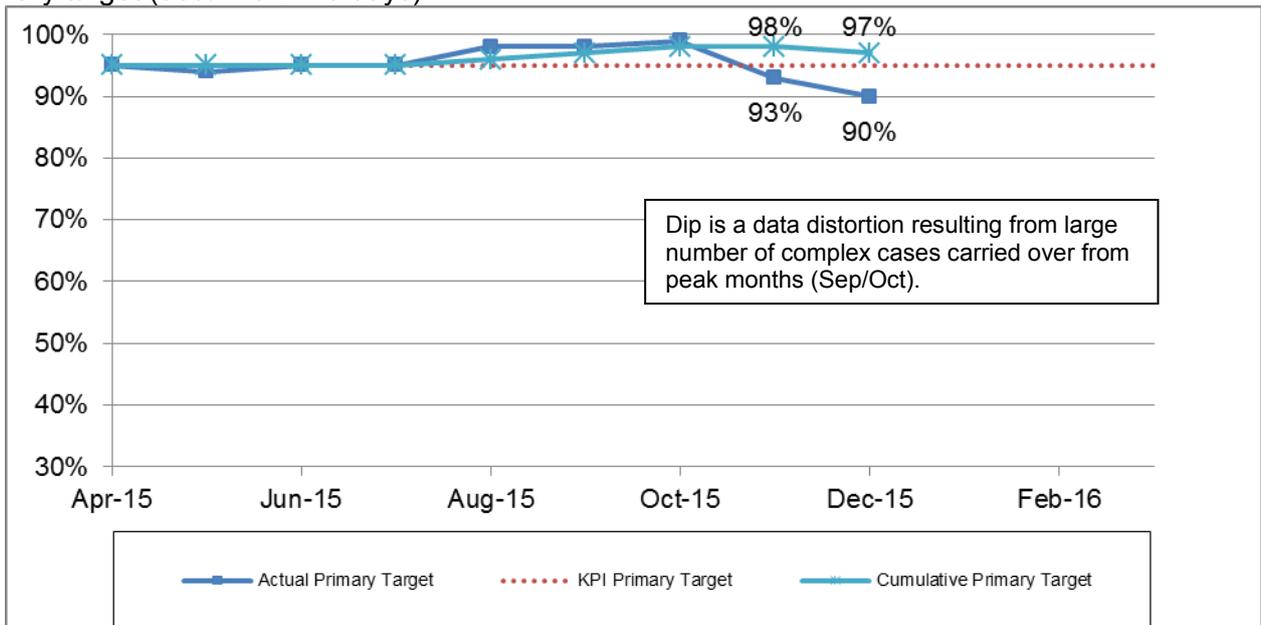
**Corporate risk update – please refer to corporate risk register at Annexe 3**

- 10 Registration risks are encompassed within the two corporate risks, under Strategic Priority 1, around systemic regulatory failure and failure to develop our regulatory functions to meet changing public protection needs. Both these risks are amber.

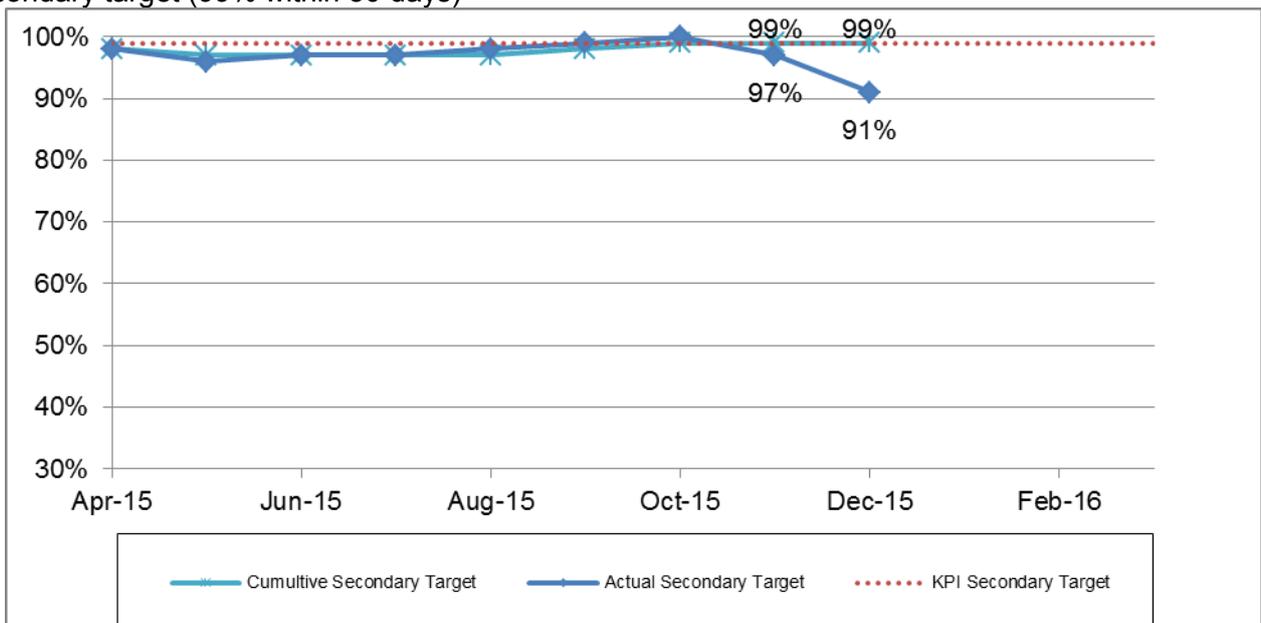
<b>KPI 1a - Percentage of UK initial registration applications completed within a set time</b>								
<b>Strategic priority 1: Effective regulation</b>								
<b>Rationale</b>	The KPI measures NMC assessment time for UK initial applications.							
<b>Definition</b>	This KPI will measure the time elapsed between receipt by the NMC of a new complete UK application and when the applicant joins the register or is notified of refusal.							
	<b>October 2015</b>		<b>November 2015</b>		<b>December 2015</b>		<b>Year to date average</b>	<b>Year end average target</b>
	<b>No. of apps within KPI</b>	<b>As a %</b>	<b>No. of apps within KPI</b>	<b>As a %</b>	<b>No. of apps within KPI</b>	<b>As a %</b>		
Primary figures/target	8863	99.1%	1226	92.6%	577	90%	97.5% (Green)	95% within 10 days
Secondary figures/target	8932	99.9%	1288	97.3%	584	91.1%	98.7% (Amber)	99% within 30 days
<p><i>Number:</i> Number of applications completed within the KPI target  <i>As a %:</i> That number expressed as a proportion of the total for the month  <i>Year to date average:</i> The cumulative average from April 2015  <i>RAG:</i> Year to date average vs. year end average target</p> <p><b>Red/Amber/Green rating (primary target):</b>  Green = figure matches or is higher than the target figure of 95%.  Amber = figure is between 90 and 94%.  Red = figure is 89% or lower.</p> <p><b>Red/Amber/Green rating (secondary target):</b>  Green = figure matches or is higher than the target figure of 99%.  Amber = figure is between 94 and 98%.  Red = figure is 93% or lower.</p>								

## Graphical information and commentary:

### Primary target (95% within 10 days)



### Secondary target (99% within 30 days)



#### November 2015

We processed a total of 1,324 UK initial registrations of which 92.6% were completed within 10 days. A total of 97.3% of applications were completed within the secondary target of 30 days.

In 2.7% of cases (36 cases) it took over 30 days to obtain and process the required information. These relate to applications where further information was requested from individuals, or expert reports were called for in connection with declarations of cautions/convictions.

#### December 2015

We processed a total of 641 UK initial registrations of which 90% were completed within 10 days. In respect of the secondary target, 91.1% of applications were completed within 30 days, with 57 applications (8.9%) taking longer. Again, these relate to cases where further information was required or cautions and convictions have been declared.

## KPI 1b - Percentage of EU/overseas registration applications assessed within 70 days

### Strategic priority 1: Effective regulation

**Rationale** The KPI measures the time taken to assess EU/overseas applications

**Definition** This is the percentage of EU/overseas applications which are assessed within 70 days of receipt.

This KPI will measure the time elapsed between receipt by the NMC of a complete international (EU and non-EU) application and when an assessment decision is issued on that application. Applications submitted with invalid documents will be reassessed when requested corrected documents are received; the KPI will measure the time elapsed between receipt of required information and each new assessment decision.

October 2015		November 2015		December 2015		Year to date average	Year end average target
Number	As a %	Number	As a %	Number	As a %		
2504	99.8%	1485	97.1%	1340	86.3%	98.2% (Green)	90%

*Number:* Number of assessments within the KPI target

*As a %:* That number expressed as a proportion of the total assessments for the month

*Year to date average:* The cumulative average from April 2015

*RAG:* Year to date average vs. year end average target

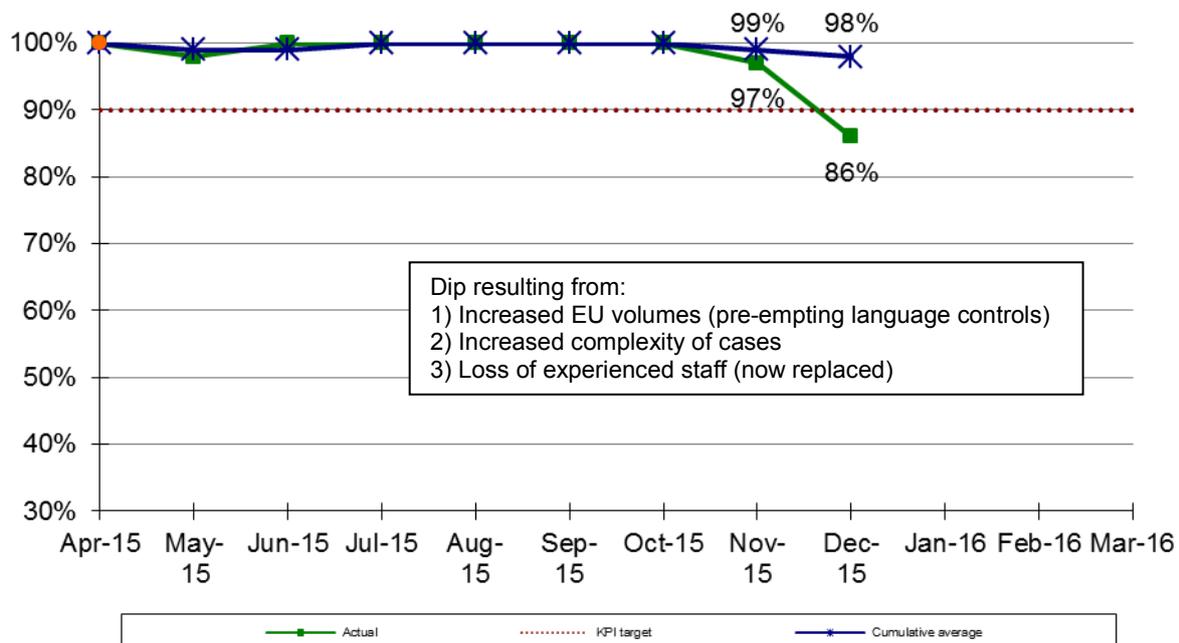
#### Red/Amber/Green rating:

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

Amber = figure is between 85 and 89%.

Red = figure is 84% or lower.

### Graphical information and commentary:



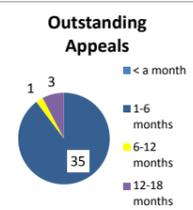
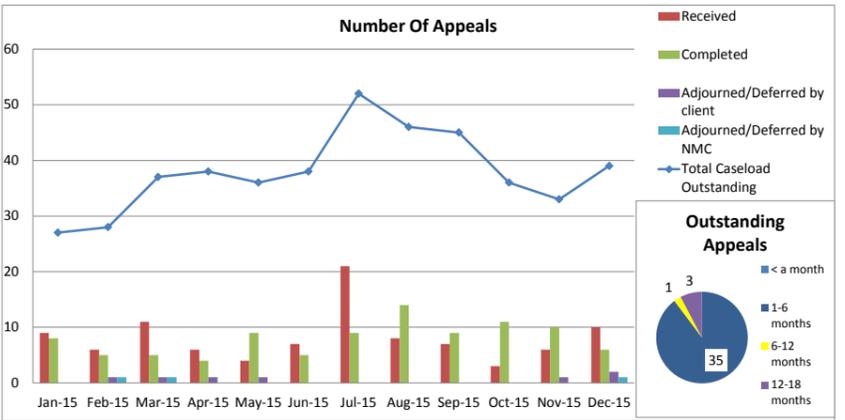
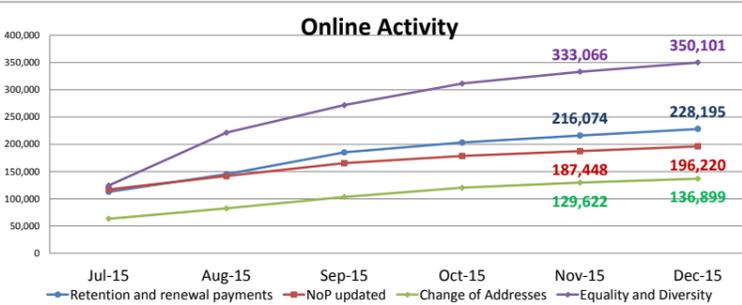
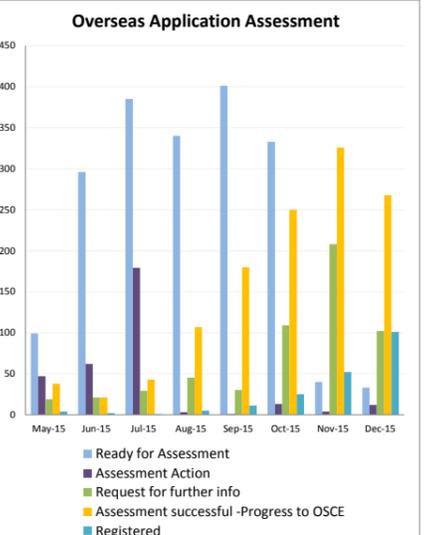
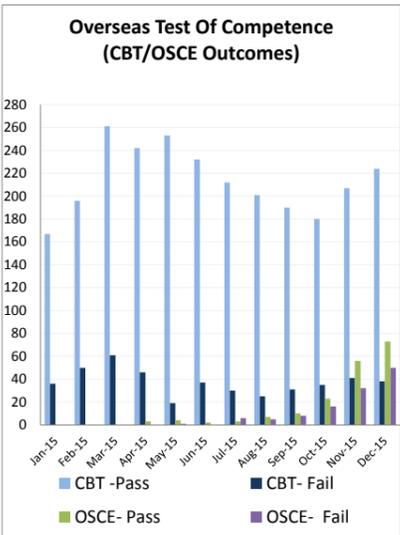
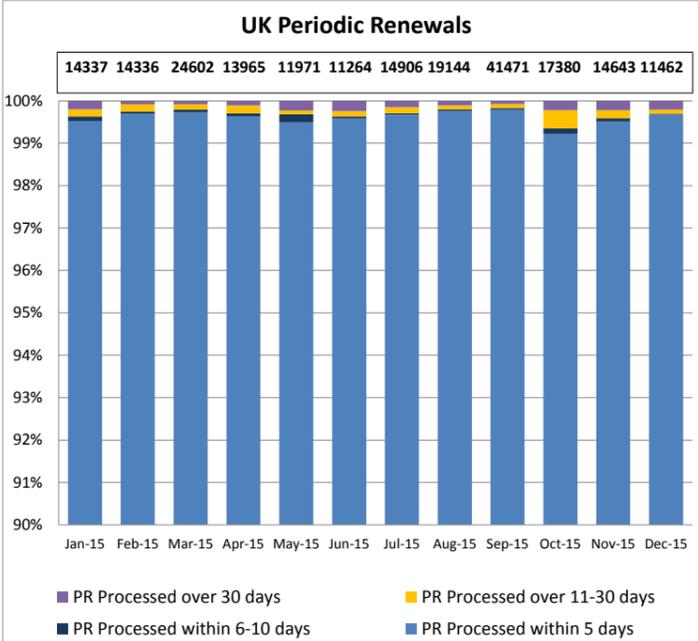
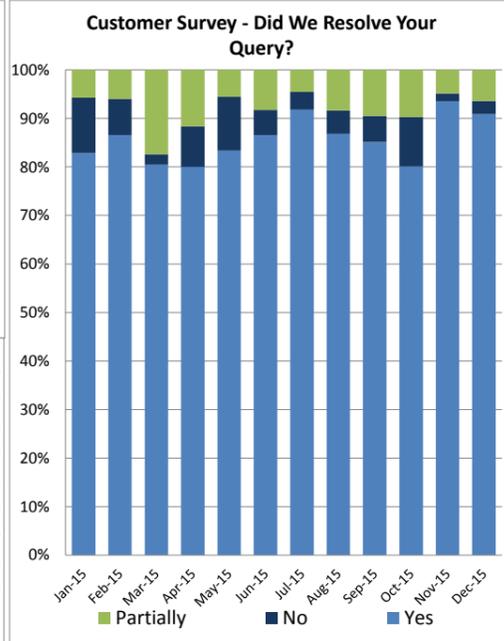
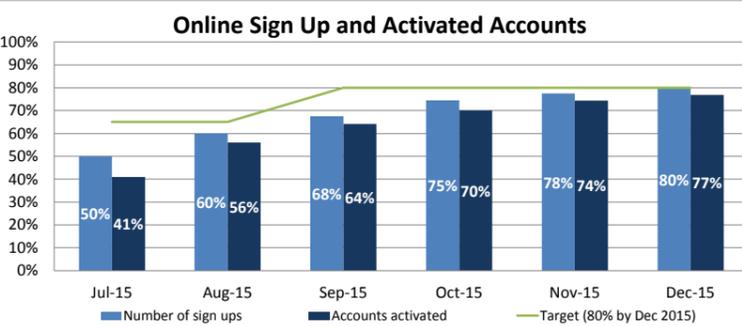
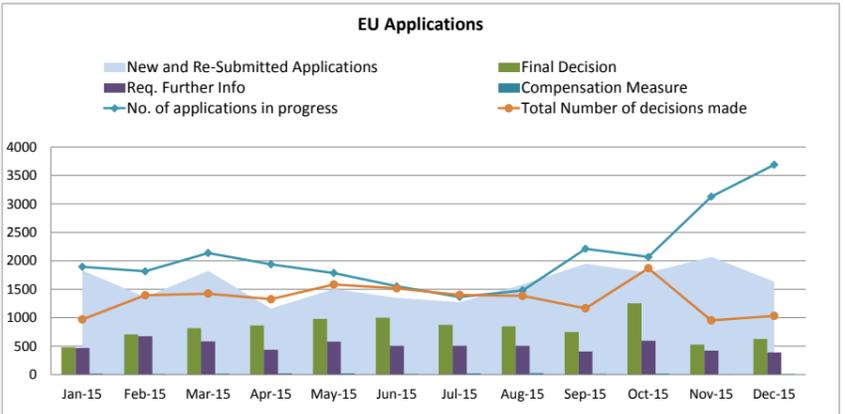
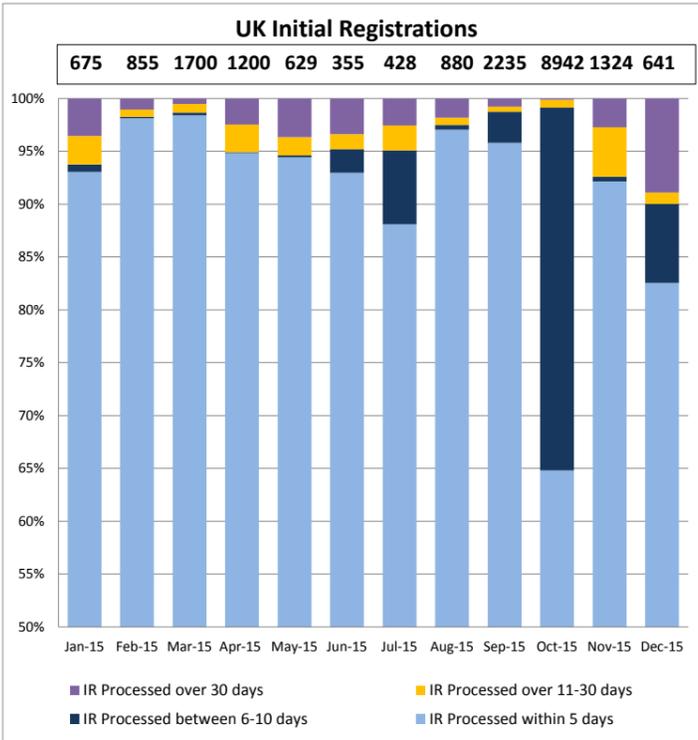
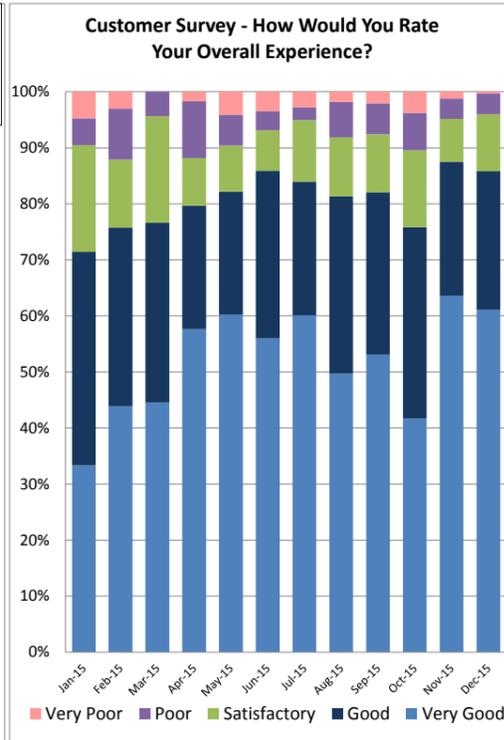
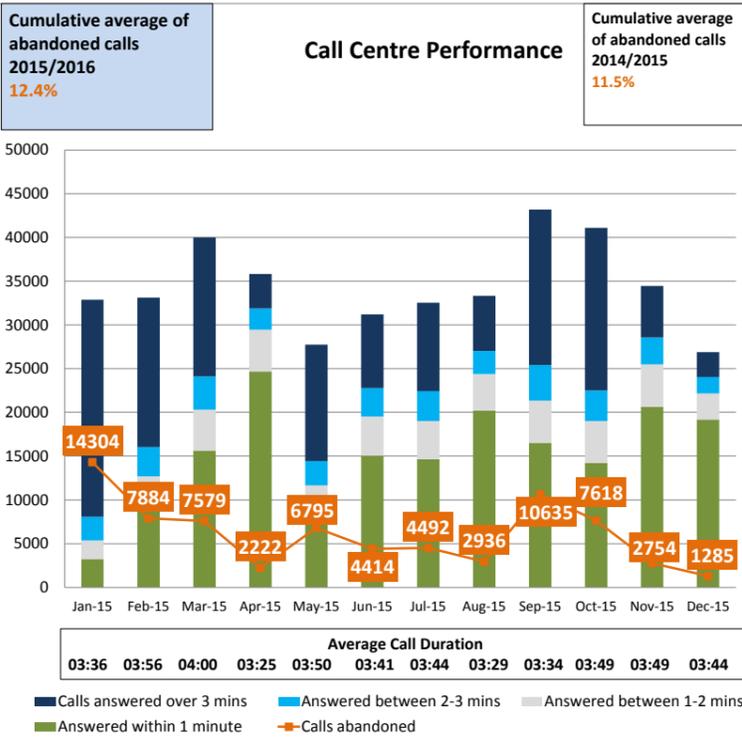
#### November 2015

1,529 international registration assessments were carried out, with 97.1% completed within 70 days.

#### December 2015

1,553 international registration assessments were carried out, with 86.3% completed within 70 days.







## **Fitness to Practise performance and risk update**

### **Performance overview**

This overview summarises key developments and performance in the Fitness to Practise (FtP) directorate and includes the FtP Key Performance Indicators (KPIs).

### **Employer link service (ELS)**

- 1 The Assistant Director for ELS started in December 2015 and all six Regulation Advisers have now been recruited, with all due in post by February 2016. Three more posts within the function, including a Risk Intelligence Manager, are currently being advertised and are anticipated to be recruited by the end of January 2016.
- 2 Following the successful soft launch of ELS, an incremental roll out of the service will take place between January and April 2016, after which it is expected that ELS will become business as usual.

### **Case management system (CMS)**

- 3 The CMS upgrade was successfully launched in December 2015. Reporting functionality is now being assessed and rolled out with a view to replacing existing offline work trackers.

### **PSA Initial Stages Audit**

- 4 The Professional Standards Authority's (PSA) initial stages audit report was published on 6 November 2015. The audit covers a sample of 100 fitness to practise cases closed during the period January to July 2014, having been opened at various points during the preceding three years. The sample represents less than 3% of cases closed in the period.
- 5 The report is available on the PSA website [www.professionalstandards.org.uk](http://www.professionalstandards.org.uk) and a copy has been circulated separately to members of the Council. We are pleased that the report confirms a number of areas of good performance, including compliance with the risk assessment process, record keeping in the Screening team, and examples of good case handling and good customer care. The PSA has made a number of recommendations which are set out in section 4 of the report. We have already made improvements since the audit period and have taken account of the PSA's recommendations in planning activity for the remainder of this financial year and the next. In summary:
  - 5.1 We review all our guidance and policies on a rolling basis. We are launching revised screening guidance in Q4 2015–2016. Ensuring that we take a proportionate approach, progressing only cases where the seriousness of the allegations warrants regulatory action, remains a key objective.
  - 5.2 All Assistant Registrars undertook refresher training in Q3 2015–2016 and we have scheduled a review of our voluntary removal guidance in Q1 2016–2017. We intend to discuss our approach to voluntary removal with the PSA in Q4 2015–2016

because we are concerned that there is a misalignment of expectations.

- 5.3 We have in place a directorate quality framework, which includes monitoring compliance with our standards. The corporate Quality Assurance team conducts periodic reviews of our functions and reports on the design and implementation of the quality framework.
- 5.4 In Q4 2015–2016, we will launch a revised ‘evidential matrix’ approach to investigation reports and associated guidance and training for investigators.
- 5.5 During 2015–2016, we have strengthened our approach to complaint handling and have put in place a directorate-wide process for recording and monitoring stage 1 complaints.
- 5.6 During 2015–2016, we participated in the corporate customer service excellence project which has identified key areas for action. We will take these forward in 2016–2017 as part of our business plan deliverable to improve our communication and engagement with employers, registrants, patients, and the public.
- 5.7 During 2015–2016, the FtP data security working group has been reviewing and improving our data security practices. We are planning to build on this work in 2016–2017 by undertaking preparatory assessments for ISO27001 accreditation.
- 5.8 Prior to the publication of the PSA audit report, we met with the President of the Administrative Court to discuss ways of streamlining the material that we submit in interim order extension applications. No concerns about the completeness of the information were raised.

### **Performance dashboard and KPIs**

- 5 We have included a performance reporting dashboard with this report, having made some minor amendments in line with discussion at previous Council meetings.
- 6 We are developing a new version of the dashboard which concentrates on case progression and the age profile of cases at the major stages of the FtP process. The new dashboard will be submitted alongside our proposed KPIs for 2016–2017.
- 7 We have reviewed the scope for a possible target for KPI 3. Providing visibility of aged cases will allow for tracking of their progress and ultimate closure. This is a prerequisite for meaningful discussion about an appropriate target for end to end case progression so we will further review KPI 3 and look at setting a target at the same time as other KPIs in March.

### **Corporate risk update – please refer to corporate risk register at Annexe 3**

- 8 Changes to FtP planned actions on the corporate risk register can be summarised as follows:
  - 8.1 The CMS update which was a planned action for CR19: Systemic failure of one of our regulatory functions, was launched in December 2015, providing better management information across the FtP function. This is now reflected as a mitigation against this risk.

- 8.2 A joint working group has been set up with the Care Quality Commission and a procedure is in place for NMC attendance at risk summits, with further NMC attendance at all NHS England regional quality surveillance groups. These meetings will help mitigate against CR19: Operational use of intelligence. In addition the corporate risk intelligence function will include a corporate model for risk intelligence. This will be developed by looking at our approach to operational use of intelligence in our 2016–2017 work. The Risk Intelligence Manager post will give further focus to this function and our planned actions against this risk.

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

### Strategic priority 1: Effective regulation

<b>Rationale</b>	A measurement of how quickly we protect the public in the most serious cases by applying restrictions to a nurse or midwife's practice.
<b>Definition</b>	<p>Percentage of interim orders imposed within 28 days of opening the case. The measure will use the cumulative number of interim orders imposed over a rolling 12 month period. Our target is to exceed 80% every month.</p> <p>Definition of the start and end points of the measure - The period starts on the day that a case is logged on the case management system and the day that an interim order is imposed is the end of the measurement period.</p> <p>Cases which do not have an order imposed are not counted towards this measure.</p>

Historical figure (also March 2015) Average for 2014–15	October 2015	November 2015	December 2015	Year end average target
92%	89%	88%	88% (Green)	80%

Each monthly figure is based on numbers for a rolling 12 month period, thus presenting a longer term trend.  
RAG rating: December figure vs Year end average target.

#### Red/Amber/Green rating

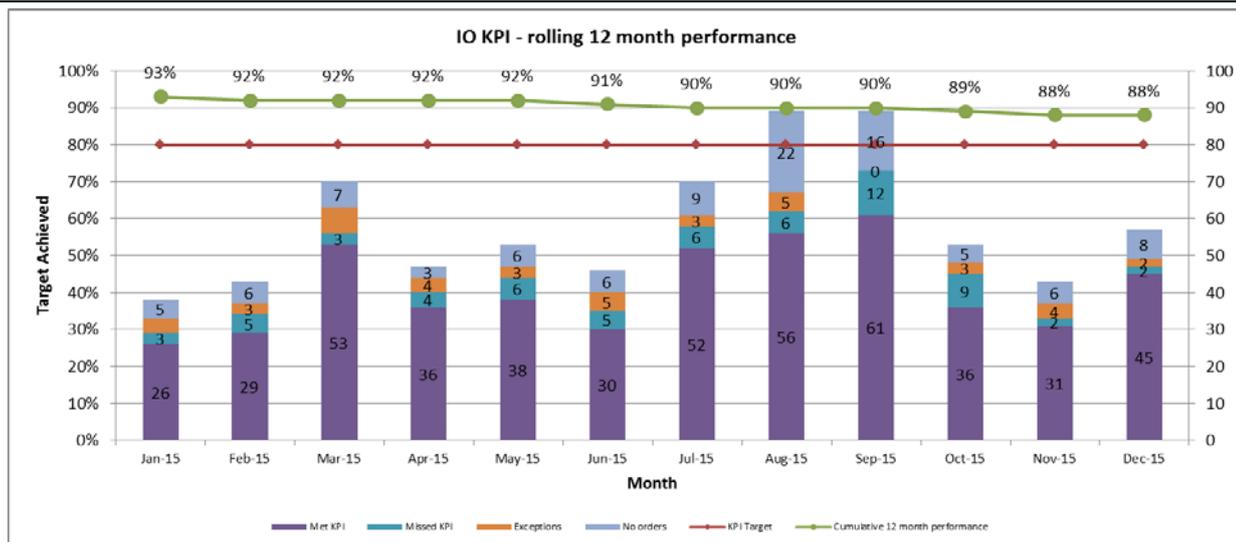
Based on 10% variance threshold:

Green = figure matches or is higher than the target figure

Amber = figure is between 70-79%

Red = figure is 69% or lower

### Graphical information and commentary:



The number of new interim orders imposed in November and December have remained within the normal range. Cumulative performance has stabilised and is expected to remain at the current level.

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

### Strategic priority 1: Effective regulation

**Rationale** Measures timeliness of the end to end FtP process.

**Definition** This is the proportion of FtP cases which are concluded within 15 months of being opened.

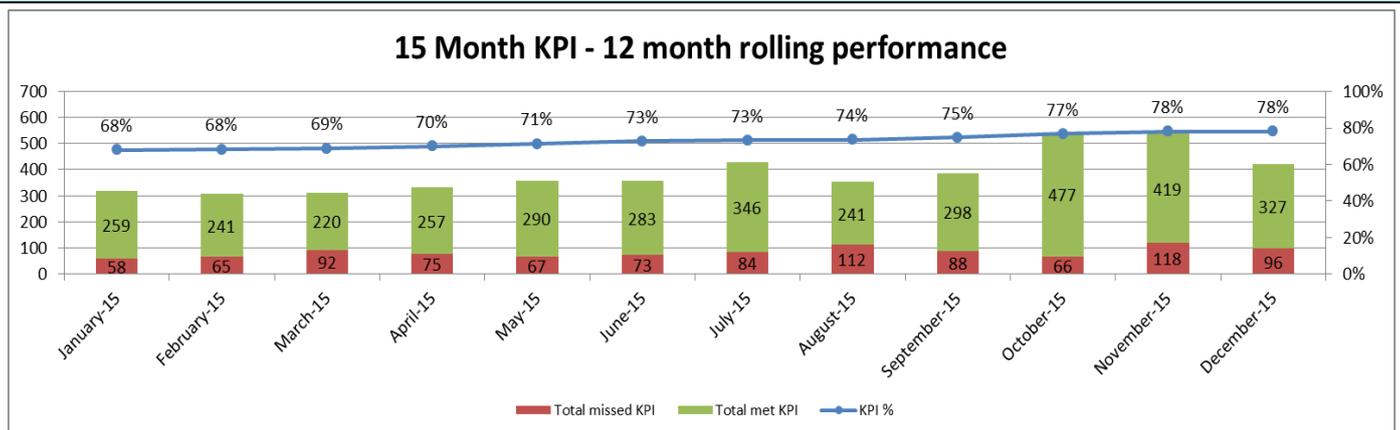
By concluded, the case has either been:

1. Investigated at Screening and closed
2. Closed no case to answer by Investigating Committee or case examiners
3. Closed by voluntary removal
4. Concluded at an adjudication hearing or meeting
5. Cases where a registrant has lapsed or cannot be identified are *not* included.

Historical figure (March 2015) Average for 2014–15	October 2015	November 2015	December 2015	Expected minimum performance*
69%	77%	78%	78%	65%

\*Performance is expected to match or be higher than 65% each month. This is not a formal target and there is no RAG rating. Following a midyear review of the KPI, we are proposing not to set a target for the second half of the year and to continue monitoring performance to prevent it falling below 65%.

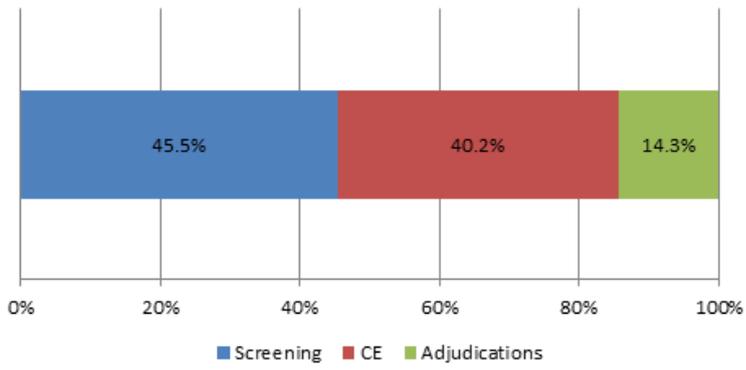
### Graphical information and commentary:



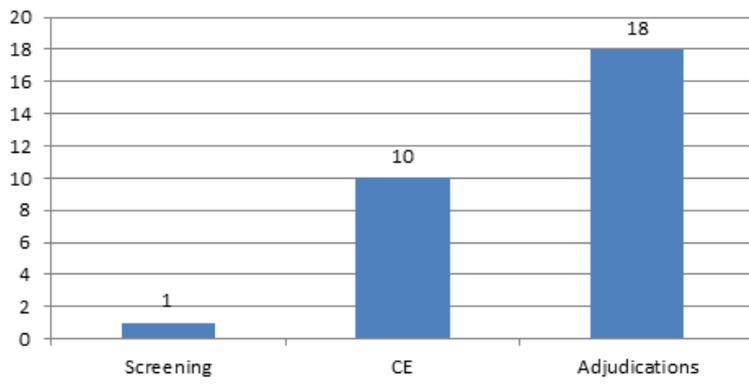
Performance in November and December was consistent with previous months albeit with fewer cases closing in December. We anticipate a dip in performance over the last quarter of this year as a large number of older cases reach the investigation decision stage. How much of an effect on the cumulative percentage they will have is difficult to predict but we expect that it will remain above 65% before recovering at the start of the new financial year.

A breakdown of the cases counting towards this measure and their median age at closing is shown below.

### Percentage of total closing caseload

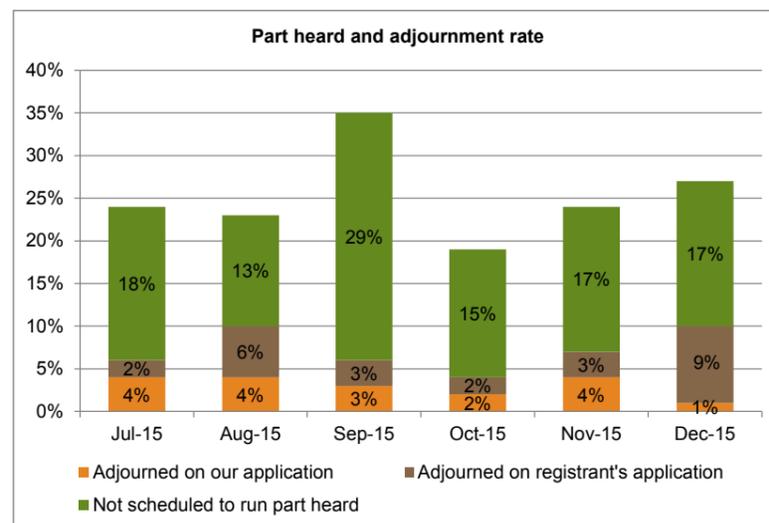
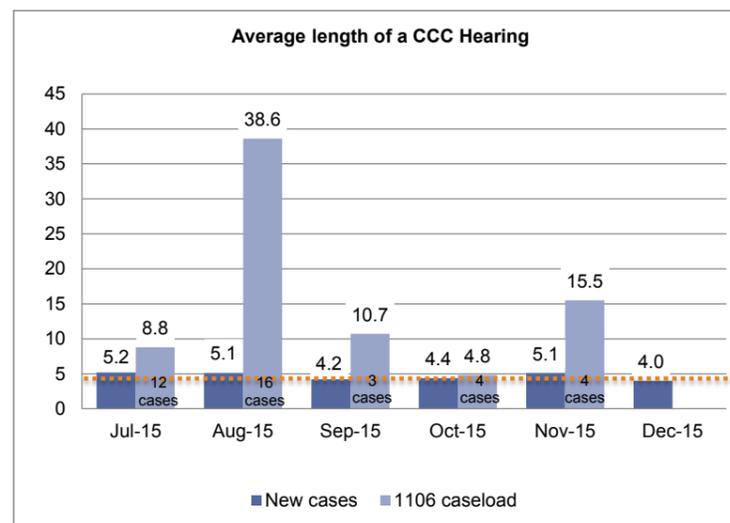
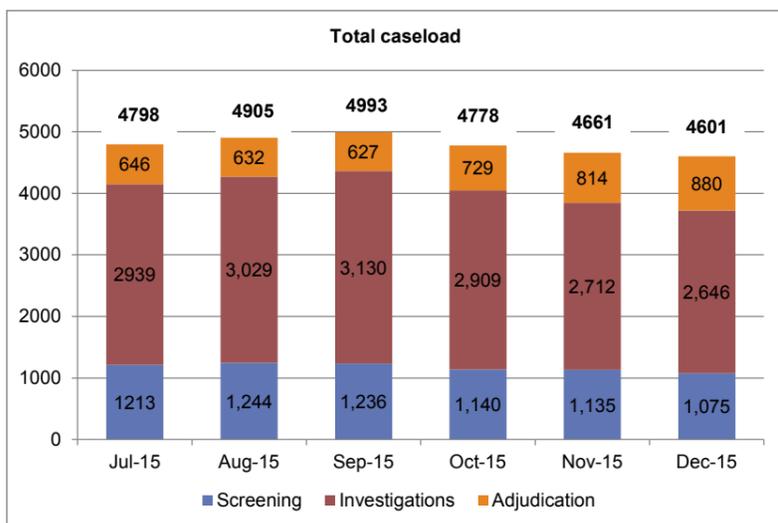
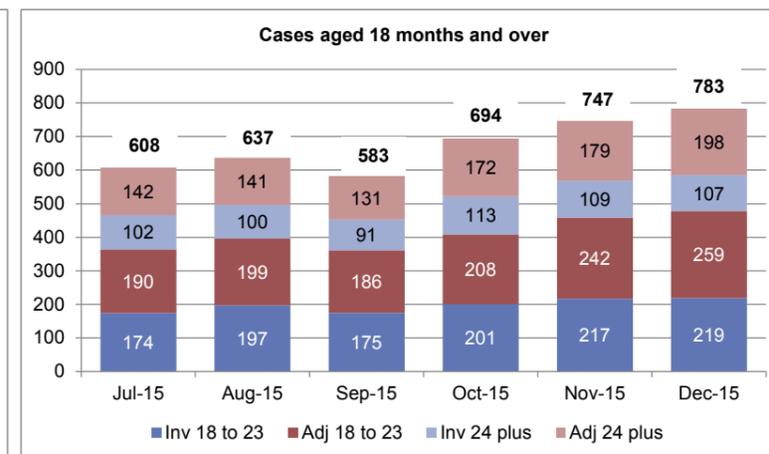
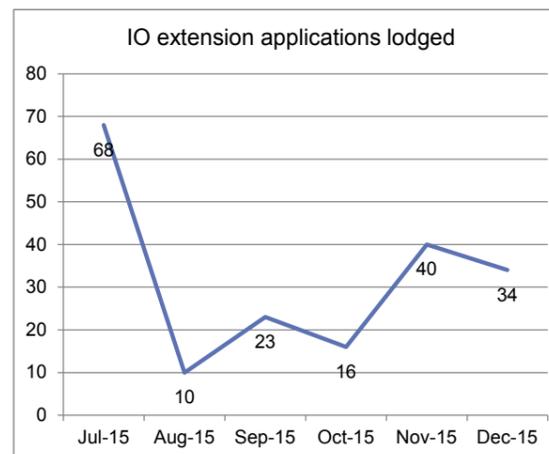
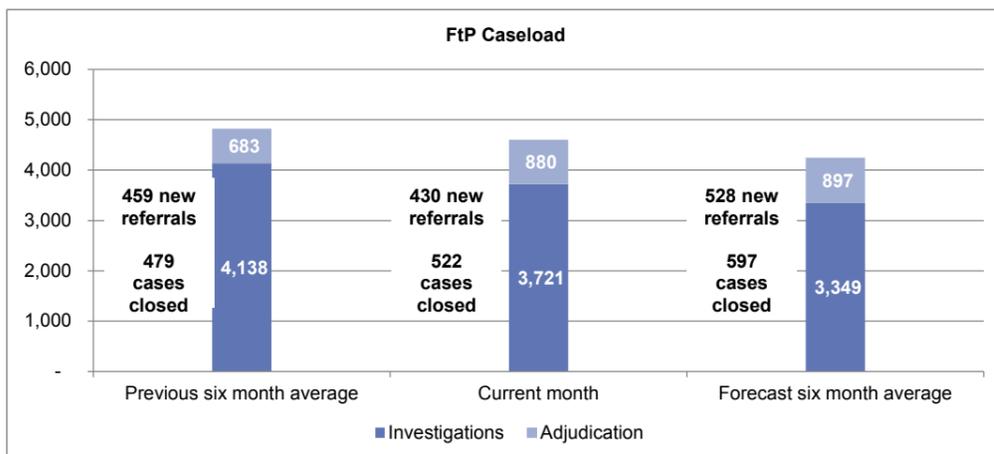
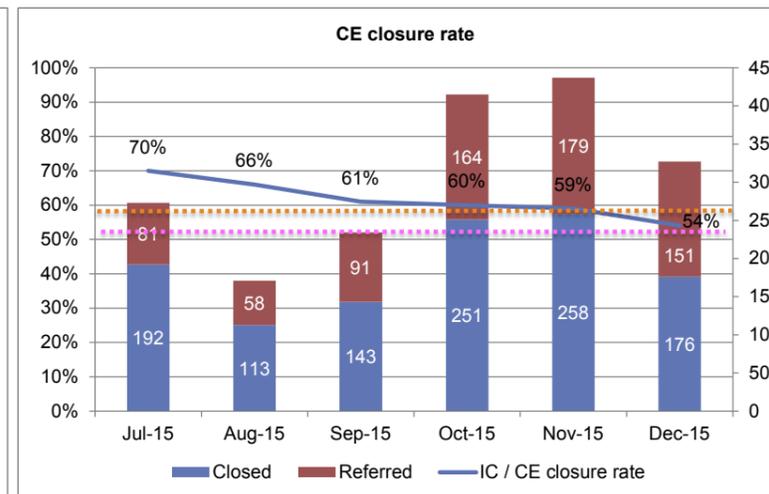
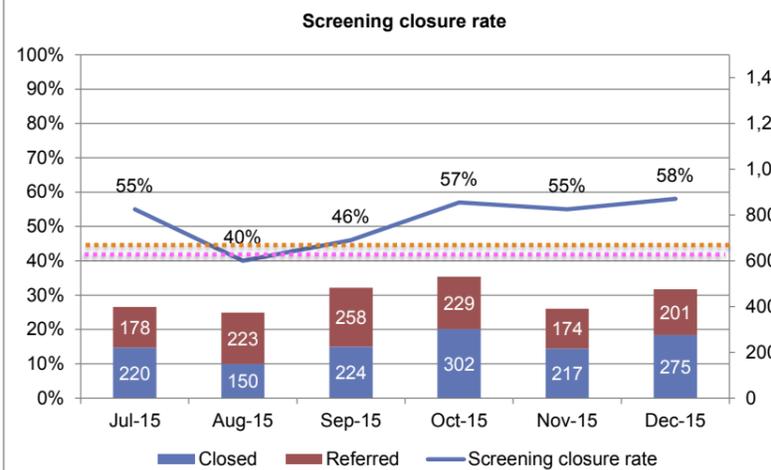
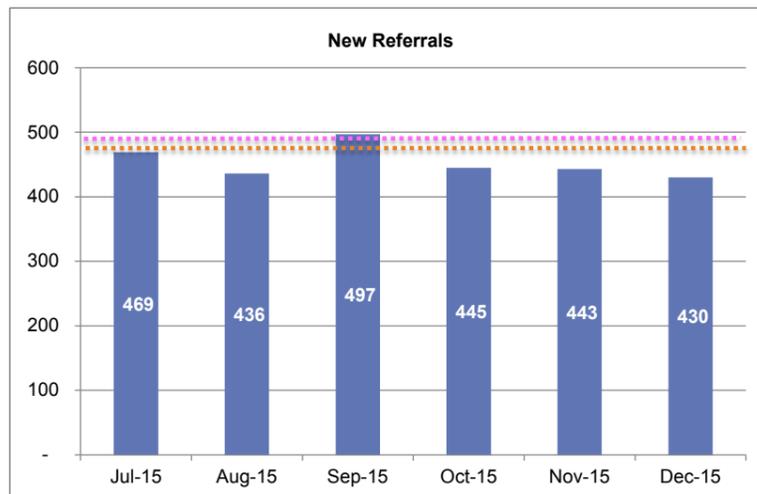


### Median age at closing (months)



# FtP Performance for July to December 2015

12 month average  
 2015/16 planning assumption





## Continued Practice performance and risk update

### Performance overview

This overview summarises key operational developments and performance in the Continued Practice directorate.

### Update on revalidation

- 1 Our revalidation work is progressing as planned. The first nurses and midwives to participate in our new revalidation process are those who are due to renew their registration in April 2016. Formal notices are being sent to all these registrants between 15 January and 1 February and the new revalidation system will be open for them to complete their online applications from that time.
- 2 We have already been in direct contact with all these registrants to offer additional information and support. We have recently updated all the guidance on our website to reflect feedback received since it was first published and new advice issued by the Information Commissioner's Office in relation to data protection issues. We continue to work closely with all four countries to raise awareness and increase readiness for revalidation across practice settings.

### Evaluation plans

- 3 In approving implementation of revalidation, the Council agreed that the model should be subject to a full evaluation process and that this should be scoped at the earliest opportunity. Three main evaluation activities in relation to revalidation are now being taken forward:
  - 3.1 Early monitoring of the process and any feedback from the outset to assist in identifying and resolving any urgent issues.
  - 3.2 Regular data reporting, including numbers of registrants completing the process, any impact on registration patterns and available equality and diversity data.
  - 3.3 Formal evaluation of the impact of revalidation against our primary regulatory objective of public protection.
- 4 We are currently finalising a specification for a contract for independent evaluation with the aim of initiating work in April 2016. This will build on the research carried out in the pilots and the stakeholder workshop held in November 2015.
- 5 The chosen supplier will be expected to carry out a range of research comprising both qualitative and quantitative elements. The evaluation will critically consider the benefits and challenges of revalidation for all those involved, including nurses and midwives, confirmers and employers. We do not intend to undertake a full cost benefit analysis across the UK, which would be outwith our regulatory responsibility.

- 6 Ownership of the evaluation rests with the NMC. So whilst we will not be seeking formal approval from the four country programme boards, we will continue to share our plans with them, as well as engaging closely with all our stakeholders to ensure that we have a good understanding of all the issues as they arise.
- 7 The Council will receive quarterly monitoring reports and we expect an interim evaluation report to be available by the end of 2017.

### **Education**

- 8 An update on our other work in the education arena is provided elsewhere on the Council agenda.

### **Corporate risk update – please refer to corporate risk register at Annexe 3**

- 9 Since the last Council meeting, updates have been made to relevant aspects of the corporate risks and also the revalidation risks.

## Strategy performance and risk update

### Performance overview

This overview summarises key operational developments and performance in the Strategy directorate.

### Internal communications

- 1 Work is underway to develop new internal communications processes for the organisation. There has been a particular focus on the integrated reviews (organisation review, accommodation review and financial strategy) and revalidation.

### Update on Section 60 Order

- 2 Progress is continuing on the current Section 60 Order to implement the changes to midwifery regulation and to make some urgent changes to improve the fairness, efficiency and effectiveness of our fitness to practise.
- 3 The Department of Health's latest timeline indicates public consultation on the draft Order between March and May 2016, parliamentary passage in autumn 2016 with the amendments taking effect around March 2017. Any rule amendments needed to implement the fitness to practise changes would then follow.
- 4 We understand that the scope of the Department's consultation and the legal drafting are both close to being finalised.

### Corporate risk update – please refer to corporate risk register at Annexe 3

- 5 No significant updates to report with regard to Strategy-related aspects of the corporate risk register.



## **Estates, Finance and Procurement performance and risk update**

### **Performance overview**

This overview summarises recent operational developments and performance in the Estates, Finance and Procurement directorate.

#### **Accommodation**

- 1 We have commenced a review of our estate which includes four buildings in London and one in Edinburgh to determine the NMC's long term requirements, in advance of the expiration of building leases in 2019.

#### **Finance and Procurement improvement**

- 2 Strengthening of financial control and management capability continues in line with the finance improvement programme. The recruitment of the Assistant Director of Finance and Audit has commenced. We are planning to commence recruitment of a permanent structure in the commercial function in the near future.
- 3 We are developing a business case to update the purchase-to-pay system and process. Once implemented this will enable us to mitigate financial and commercial risk across the organisation. Additionally, our procedures have been reviewed and improvements to the current process have been identified, which are being progressed. A training module is in development to support the introduction of changes.
- 4 The procurement pipeline reported in November has been further developed and validated by directorates. The pipeline covers projects for the next 12 months and is valued in the region of £20m with 50 projects.

### **Corporate risk update – please refer to corporate risk register at Annexe 3**

- 5 The two relevant corporate risks; Use of resources and sustainability and Business Interruption, have been updated. Both risks remain amber and continue to be managed.

## KPI 4 – Available free reserves

### Strategic priority 4: An effective organisation

<b>Rationale</b>	<p>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.</p> <p>This KPI also demonstrates delivery against meeting the target 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.

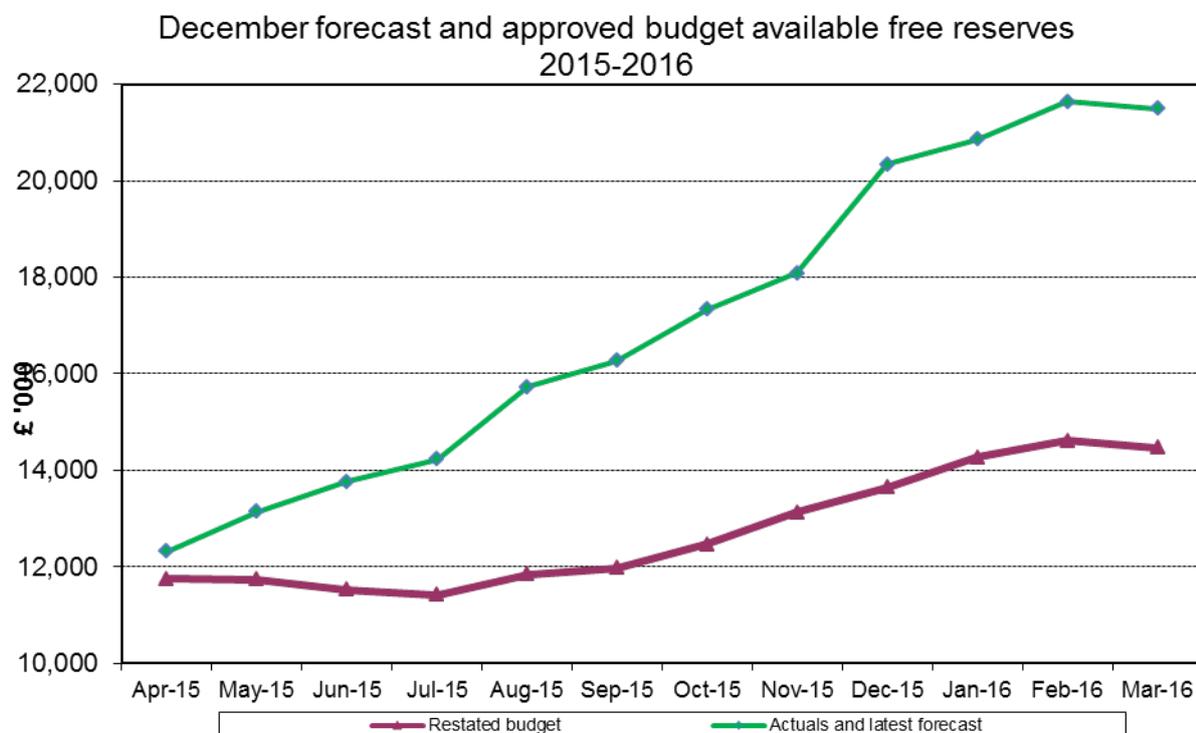
2014–15 year end (March 2015)	October 2015	November 2015	December 2015	December 2015 budget	Year end (March 2016) current forecast	Year end (March 2016) target
£11.8m	£17.3m	£18.1m	£20.3m	£13.6m	£21.5m* (Green)	£14.5m*

Available free reserves are derived by taking into account revenue expenditure, capital expenditure, movements in working capital and the pension deficit

*RAG rating:* Year end forecast vs Year end target

\* As adjusted for restatement of opening balance sheet

### Graphical information and commentary:



Further information is contained in the Financial Monitoring report. We are on track to meet the Department of Health's target which was a condition of the grant we received in 2013.

## Technology Business Services performance and risk update

### Performance overview

This overview summarises recent developments and performance in the Technology Business Services (TBS) directorate.

We continue to make good progress against both our improvement activities and portfolio of business priorities.

### IT Improvement

- 1 IT improvement progress demonstrates a move to Maturity Level 2 across core processes (CMMI) and we are on target for a Level 3 (where appropriate by the end of March 2016).

### IT Portfolio

- 2 The latest updates to our case management system (CMS) are live. This is an enhancement to the Fitness to Practise system to better support case management.
- 3 We have successfully implemented the revalidation system on target (January 2016) which is now available for nurses and midwives to complete their online applications in time for April 2016 renewals.
- 4 Our focus to-date on priority projects has been on providing essential functionality. We have now commenced planning on additional functionality for the systems.

### Corporate risk update – please refer to corporate risk register at Annexe 3

- 5 Both relevant corporate risks have been reviewed and updated in accordance with the latest developments. CR12 *ICT business systems* remains amber and CR24 *Information management and governance* remains red.



# IT Improvement Plan

77

Completed on: 21/12/15

Completed by: Rachel Murphy

## Executive Summary

Progress	Risk	Control

- Disaster Recovery (DR) as a service now available, tested and an 85% success rate for system recovery within a four hour window achieved
- Penetration test (security checking) undertaken by third party, early indication is that we have some gaps we will need to address as a priority
- First draft of IT Strategy shared with Directors and ADs, this dovetails into the wider business strategy
- Reliance on contractor resource reduced to 32% as permanent hires continue

### Output Plan for Next Reporting Period

- Tactical Wi-fi rolled out across Portland Place
- Recruitment to the rest of the permanent structure
- TBS roadshows and open technical forums across the business
- Data Centre retender progressed to supplier selection
- Second IT Maturity assessment report published
- Selection of external ICT consultancy in Council advisory capacity

## IT Portfolio Summary

## Executive Summary

Progress	Risk	Control

- CMS 4.1 has successfully gone live.
- Revalidation approved at Programme Board and IT systems live 9/10 January 2016.
- MPRQ IT system changes live 9/10 January
- Extra Disaster Recovery test around public facing services in advance of the Revalidation business go-live
- Commidea reported **Red** as this remains an outstanding issue from PCI (Payment Card Industry) compliance review. This is a firewall issue which we expect our supplier to resolve in the next 2 weeks.

### Output Plan for Next Reporting Period

- Phased payments business requirements and user stories completed.
- CMS project closure.
- Planning for ongoing system improvements and transformational activity aligned with business planning and strategy to a 2 year horizon.

## Workstream Dashboard - Summary

WS 1: Portfolio Process		
WS 2a: Service Management		
WS 2b: Infrastructure Resilience		Remedial activities to complete around resilience e.g. Wi-fi
WS 2c: Commercial		
WS3: DR		Remaining amber until 100% achieved on DR tests
WS4: Strategy and Architecture		
WS 5: Financial Management		
WS 6: Comms & Engagement		
WS 7: Business Transformation		
WS 8: Information Security		

## Project Dashboard - Summary

Revalidation		IT delivery on track for 8 Jan 2016.
Phased Payments (RAdm)		Delivered
Phased Payments (FPP)		Number of user stories now mapped but requirements gathering still underway.
MRPQ		
CMS 4.1		Delivered
Commidea		Ongoing challenges with A365 delivery



## **Human Resources and Organisational Development performance and risk update**

### **Performance overview**

This overview summarises key operational developments and performance in the Human Resources and Organisational Development (HR and OD) directorate.

- 1 Organisational review - KPMG presented the final report to the Chief Executive in November 2015. A discussion was held with the Council at which the findings were discussed and Council explored key themes. The organisational review outputs will inform the development of our People Strategy in 2016–2017.
- 2 Recruitment is in hand for the permanent Assistant Director of HR and OD with interviews taking place at the end of January 2016.

### **Corporate risk update – please refer to corporate risk register at Annexe 3**

- 3 No change. The risk around staff capacity and capability now and in the future is rated amber.

## KPI 5 – Staff turnover rate

### Strategic priority 4: An effective organisation

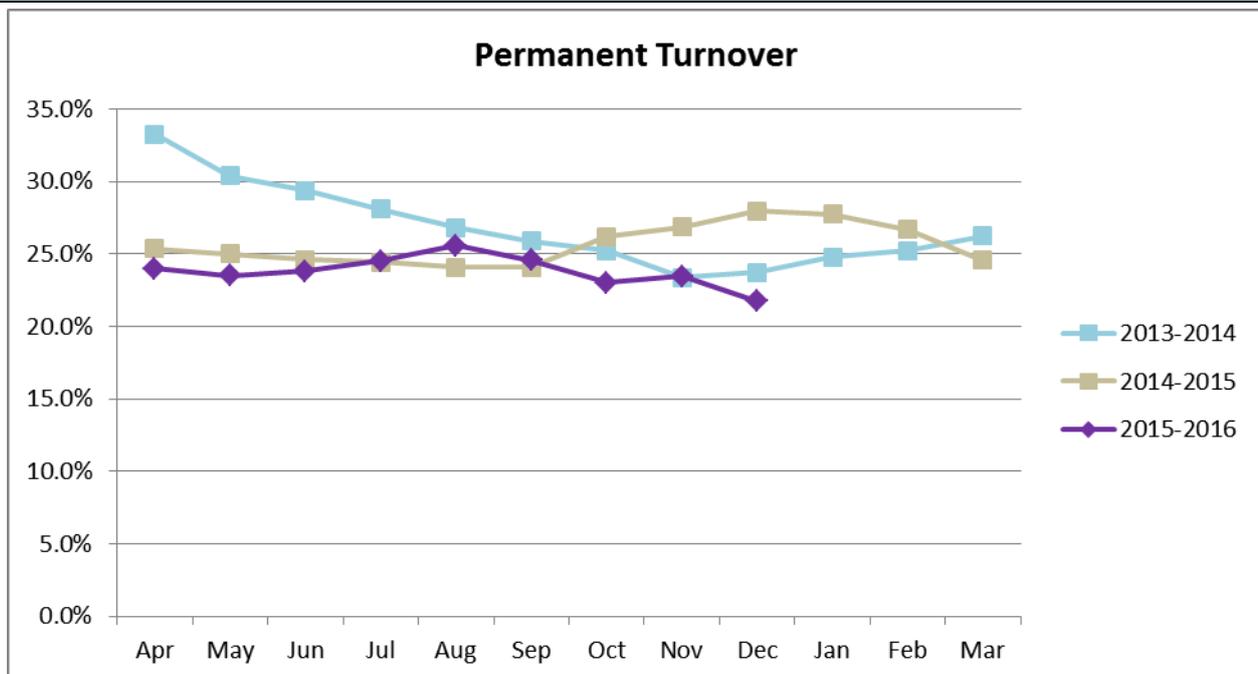
**Rationale** The level of staff turnover is consistently high and represents a recognised risk to organisational effectiveness.

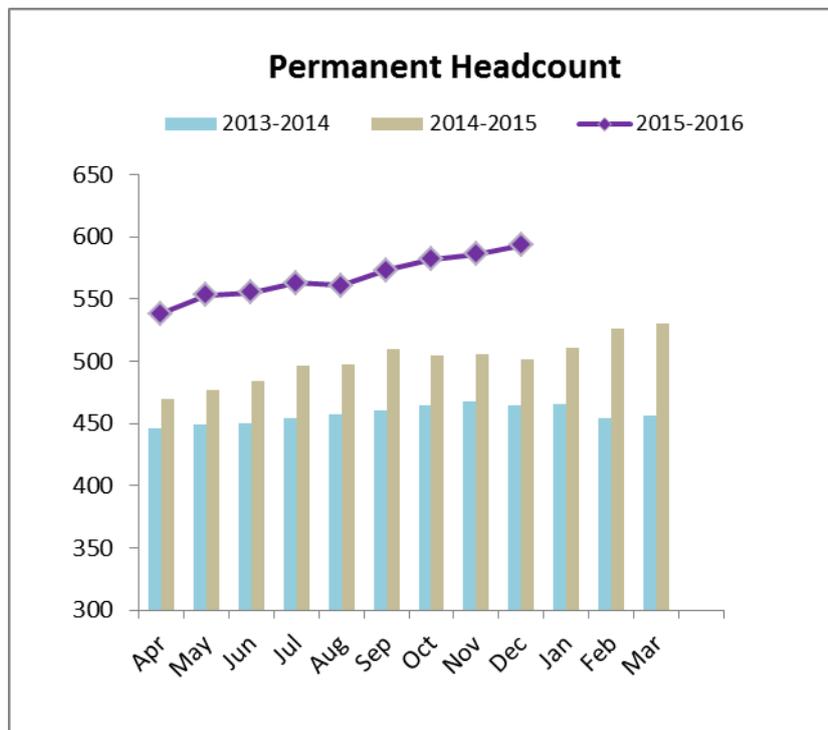
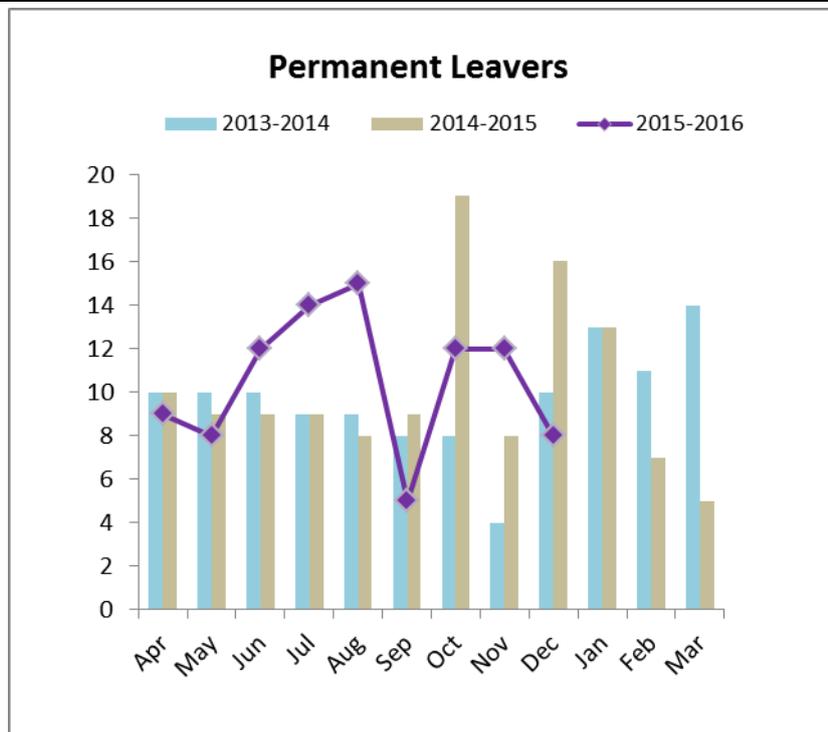
**Definition** 
$$\frac{\text{Sum of permanent leavers in past 12 months (X)}}{\text{Average number of permanent staff in post in last 12 months (Y)}}$$

2014–15 year end spot figure (March 2015)	September 2015	October 2015	November 2015	December 2015
24.5%	24.6%	23%	23.5%	21.7%

No target has been set for 2015–16 and no forecast reported. It would be difficult to set a meaningful target due to unpredictability over the size of the permanent workforce over the year, due to a high period of growth. Instead, performance will be monitored and will include reference to longer historic trends.

### Graphical information and commentary:





The permanent headcount continues to increase, rising by seven employees in December. The permanent headcount at the end of December was 593. Staff numbers have grown significantly in the past 12 months with 91 more permanent employees now than this time last year, representing an 18% increase.

Turnover in December decreased by 1.8% to 21.7% compared to November. This is the lowest turnover rate recorded since the KPI 5 data was first produced. There were eight permanent leavers in December, all of them resignations. The average length of service for permanent leavers in December was two years. Only one of the leavers was employed for less than one year.





No.	Date of origin	Risk Scenario			Inherent risk scoring			Mitigation in place / Planned action	Post-mitigation scoring			Risk Owner (and Mitigation Owner)	Dates updated	Status (open / closed plus whether on track / not on track to reduce scoring)	Direction (of risk score)
		Root cause(s)	Potential situation	Consequences	Likelihood	Impact	Score		Likelihood	Impact	Score				
CR18	Jul-15	<b>Failure to develop our regulatory functions to meet changing public protection needs</b>						<b>Mitigation in place:</b> 1. Our corporate strategy and corporate plan articulate the changes we need to make. 2. Strategic development programme structure is in place overseen by Strategy and Policy Board. 3. A Future FtP Steering Group has been established to bring a more focused and consistent approach to change initiatives and optimisation of end-to-end process.  <b>Planned action:</b> 1. Programmes have been set up as part of 2015/16 plan to take forward the following: - Pursuing legislative change (ongoing). - Legislative change to provide clarity on our role in midwifery regulation. 2. Programme to begin in April 2016 to focus on future nurses and midwives providing clarity on outcomes and competencies for both professions. 3. Impact assessment of midwifery regulation review in terms of operations within the NMC and ongoing engagement with the sector.				Chief Executive (relevant directors)	23.10.2015 - risk updated.	Open - new corporate risk  The most effective mitigation will be limited without legislative change so this risk may stay at amber for some time.	
<b>Cross ref:</b>		Changing external environment and demands.  Changing nature of practice and workforce.  Public have greater access to data and information and expectations of registrants are changing.  Our current legislative framework is outdated and limits our ability to adapt and improve the effectiveness of our processes.	We fail to be flexible and adapt to changing needs to deliver public protection in the future. This will affect the regulation of both nurses and midwives in a changing landscape.	Our regulatory functions fall behind modern-day needs and do not deliver appropriate public protection.  Our functions do not respond effectively to changes affecting the regulation of both nurses and midwives.	4	4	16		3	4	12		13.11.2015 - planned actions with regard to education key dates have been updated.  21.12.2015 - Planned actions updated by CP directorate.  30.12.2015 - Risk scenario updated.		
CR13 A	May-13  (previously risk CR3/CP1. Date of origin: May 13)	<b>Revalidation - model delivery</b>						<b>Mitigation in place:</b> (1-3) Close working with the Department of Health in England around revalidation priorities and future legislation (if/as required following phase one). Close working relations with all four UK governments and four-country programme boards around readiness and delivery. (1-3) Final standards, guidance and supporting communications material published. (3) Clear programme governance structure and resources in place. (2-3) Communication and engagement plan in place. (1, 3) Extensive ongoing stakeholder engagement activities across settings and four countries including specialist stakeholder groups. (3) Piloting of the model completed and evaluated. (2,3) Independent review of NMC readiness assessment by internal auditors.  <b>Planned action:</b> (2) Communication and engagement programme ongoing (October 2015 onwards). (3) Continuous close working with four programme boards across the UK focusing on implementation and monitoring.				Director, Continued Practice	Risks updated 17.08.2015 to distinguish between delivery of revalidation model and regulatory effectiveness of the model.  26.10.15: Risk updated following 8 October decision.  22.12.15 - risk updated.  30.12.15: Score has decreased to reflect the strength of mitigations.	Open - Programme to be achieved in April 2016  Engagement activity has moved to focus on strategic partnership building. Stakeholder groups have been re-shaped to support programme's needs.	
<b>Cross ref:</b>		(1) Decrease/ loss of government and/ or four-country programme boards support.  (2) Time and resource constraints around delivery.  (3) Complexity of revalidation model delivery at four country level and across settings.	(1) Revalidation not delivered to set time/quality/ budget.  (2) Inadequate preparations made to effectively support or comply with revalidation process due to lack of understanding or unaddressed resistance.  (3) Inconsistent level of preparation and readiness.	(1) Revalidation is not delivered as planned.  (2) Criticism by employers, registrants, other regulators, media etc.  (1,3) Impact on public protection and credibility of NMC around delivery.  (1-3) Public protection compromised. Negative impact on nurses and midwives, and employers.	4	4	16		2	4	8				

No.	Date of origin	Risk Scenario			Inherent risk scoring			Mitigation in place / Planned action	Post-mitigation scoring			Risk Owner (and Mitigation Owner)	Dates updated	Status (open / closed plus whether on track / not on track to reduce scoring)	Direction (of risk score)
		Root cause(s)	Potential situation	Consequences	Likelihood	Impact	Score		Likelihood	Impact	Score				
CR13 B	May-13	<b>Revalidation - regulatory impact</b>						<b>Mitigation in place:</b> (1) Agreed model to add more value than PREP through reflection on the Code and challenging professional isolation. (2) Agreed model with inherent flexibility for different scopes of practice. (3) Pilots tested in different settings and scopes of practice. (3) Pilots informed perceptions of benefits. (4) Final Standards and guidance published.  <b>Planned action:</b> (1) Evaluation framework developed and ongoing monitoring built into the revalidation process. (2) Communication and engagement plan implemented (October 2015 onwards). (3) Continuous close working with four programme boards across the UK (4) Strategic engagement with government, key stakeholders and accountability partners led by CEO and her senior team.				Director, Continued Practice	Risks updated 17.08.2015 to distinguish between delivery of revalidation model and regulatory effectiveness of the mode.  Update - all mitigations have influence on the risk score, however the communications products will provide the most effective mitigation when in place.  26.10.15: Risk updated.  22.12.15 - risk updated.	Open - Programme to be achieved in April 2016  Engagement activity has moved to focus on strategic partnership building. Stakeholder groups have been re-shaped to support programme's needs.	
	(previously risk CR3/CP1. Date of origin: May 13)	(1) Lack of buy-in from stakeholders and accountability authorities (PSA, HSC). (2) NMC revalidation model is developed within current legislative framework. (3) Inconsistent levels of buy-in across the system and register. (4) Stakeholders expectations / understanding of revalidation model are not accurate.	(1) Revalidation may not improve on existing PREP process. (2) Delivered model may fail to be applicable to all scopes of practice and nurses and midwives across four countries.	(1) Criticism drawn as PSA standards of good regulation, and expectations of HSC are not met. (2, 3, 4) Criticism /confusion from nurses and midwives and stakeholders. (2, 3, 4) Loss of nurses and midwives from the register. (2, 3, 4) Unable to effectively support/ engage with revalidation process. (4) Contributes to a loss of nurses and midwives from the register.	4	4	16		3	4	12				

**Strategic priority 2: Use of intelligence**

CR19  Cross ref:	July 2015 (previously risk CR15)	<b>Operational use of intelligence</b>						<b>Mitigation in place:</b> 1. Corporate data and intelligence group established to review risk intelligence. 2. Procedures in place for NMC attendance at risk summits and quality surveillance groups (England) where NHS England or CQC have identified an issue with nurses or midwifery. NMC in attendance at all NHS England regional quality surveillance groups. 3. Memoranda of Understanding or operational protocols in place or in development with key agencies. 4. A central database is in operation within ELS using a scoring system to index risk intelligence against employers. 5. Information sharing is currently taking place between Continued Practice and FtP around risk intelligence.  <b>Planned action:</b> 1. We will establish a corporate risk intelligence function alongside the Employer Link Service (new function scoped Q3). Initial development of risk intelligence as part of ELS to proactively address potential sources of referrals is expected Q4 2015-2016. This will include a corporate 'model' for risk intelligence which will be developed by looking at our approach to operational use of intelligence in our 2016/2017 work. 2. We will improve our use of employer data by adopting a standardised taxonomy and exploring ways of more reliably linking registrant data to settings (2016-2017). 3. Introduction of a Risk intelligence manager (Quarter 4).				Director of Fitness to Practise	23.10.2015 - risk updated.  16.12.2015 Risk updated.	Open - new corporate risk  We expect this risk score to go down with the establishment of the risk intelligence function in Q3.  Initial development of risk intelligence as part of the ELS function is now due in Q4, so risk score may remain until this is in place.  Due to timescales being extended during the earlier procurement process, it is looking unlikely that taxonomy will take place this financial year. Implementation of code frames into CMS will now take place in 2016-2017.	
		Still building up stronger links with key stakeholders, for the sharing of information. Limited protocols in existence to share data.  Our internal systems to enable visibility and sharing are still in development.  The data we hold is not readily accessible. Historic data may be unreliable.	We fail to receive, act on or share information that may be relevant to public protection.  Serious and high profile failures of care in settings. Higher expectations that regulators will work together.  External expectations not met.	Failure to identify risk and/or mitigate harm.  Serious high profile failures in care settings go undetected.  Failure to initiate appropriate regulatory action in line with our duties and powers.	4	4	16		3	3	9				

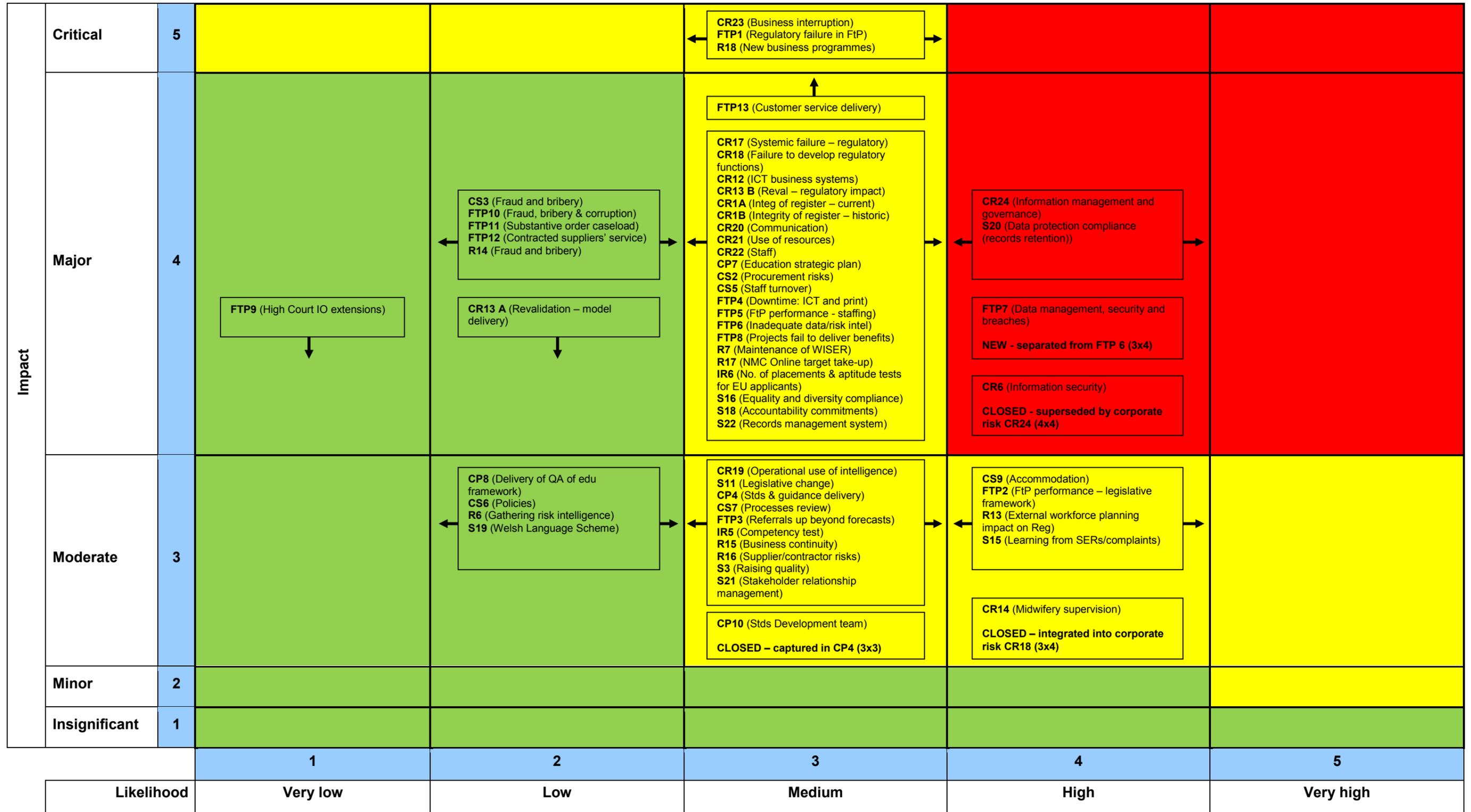
No.	Date of origin	Risk Scenario			Inherent risk scoring			Mitigation in place / Planned action			Post-mitigation scoring			Risk Owner (and Mitigation Owner)	Dates updated	Status (open / closed plus whether on track / not on track to reduce scoring)	Direction (of risk score)
		Root cause(s)	Potential situation	Consequences	Likelihood	Impact	Score	Likelihood	Impact	Score							
<b>Strategic priority 3: Communication and collaboration</b>																	
CR20	July 2015 (previously in risk CR10)	<b>Communication</b>						<b>Mitigation in place:</b> 1. We have a communications, media and strategic engagement team in place undertaking a programme of work. 2. The chief executive and directors engage in regular communications and engagement activities. 3. We have engaged external resources to support key areas as an interim measure. 4. We have recruited internal communications resource.						Chief Executive	Reviewed 10/11/15 - Mitigations and planned actions updated.	Open - new corporate risk	↔
Cross ref:		Large diverse external stakeholder group and emergence of multi discipline professional teams.  Complex external environment subject to constant change.  Rapid growth internally across all functions. Internal systems still in development.  Our current internal resources may not be sufficient to deliver necessary programme of work.  Strategic engagement plan still in development.	We fail to communicate and engage effectively with our key internal and external stakeholders in a way that adds value to our work and meets their needs.	Failure to maximise impact of our regulatory activity.  Limited ability to influence.  Stakeholder dissatisfaction.  Reputational damage that impacts ability to transform services efficiently.  Ineffective engagement with staff	4	4	16	<b>Planned action:</b> 1. We will develop a business case for investment in resources to deliver the communications and engagement plan (as part of business planning Q3), augmenting capacity in key areas on an interim basis in the meantime (February 2016). 2. We are developing a comprehensive communications and engagement plan to support the organisational strategy. This first draft was delivered in October 2015. Final plan to be confirmed (January 2016).			3	4	12		11/11/2015 - mitigation 4 and planned action 2 have been updated (for November Council).  Reviewed 21/12/15 - timescales added.		
<b>Strategic priority 4: An effective organisation</b>																	
CR21	July 2015 (previously in risk CR5)	<b>Use of resources and sustainability</b>						<b>Mitigation in place:</b> 1. Delegation letters have been drafted and are due for sign off by Chief Executive and Registrar in October. This is a move towards increased financial accountability and responsibility within the Executive team. 2. Additional capability in place by the appointment of interim and permanent resources. 3. Initial steps have been taken to improve financial reporting. Structured monthly financial reporting and forecasting meetings take place with the Finance Director and budget holders. 4. Legal advice has been sought on pension scheme risks. This is now under consideration. 5. An accommodation review has been commissioned. 6. Implement a scheme of financial delegation, linked to business priorities. 7. Provide greater transparency to the reporting of financial results (Ongoing improvements). 8. A methodology to capture some efficiencies has been defined. Savings plan and high level efficiencies for 2016/2017 are being developed as part of the budget process. 9. A financial strategy has been developed and presented to Council in December 2015.						Director of Finance	09.09.2015	Open - improvement plans will require additional short term resources.	↔
Cross ref:		We must maintain sufficient resources to sustain effective operations and deliver an ambitious programme of change.  We must prioritise our resources to ensure we achieve best value for the public and our fee payers.  We must ensure the organisation remains financially viable with sufficient resources to meet ongoing and new requirements.  Our long term accommodation needs have yet to be determined.	We may have insufficient financial resources to meet operational requirements and deliver change.	Inability to deliver corporate strategy, plans and improvements.  Reserves depleted and need to increase fees.  Failure to deliver value for money.  Reputation damaged.	3	4	12	<b>Planned action:</b> 1. Develop and implement an efficiency programme. 2. A business case seeking additional finance resource has been submitted for approval (Q3). 3. Define and commence implementation of a Procurement Improvement Programme to mitigate the risks highlighted by the recent procurement review carried out by external specialist consultants (Q3, 2015). 4. A business case for additional procurement resource and the reorganisation of the current team has been submitted for approval (Q3). 5. Working in conjunction with the PMO, ensure that a robust process for business cases exists. To ensure that scarce resources are utilised effectively and benefit realisation is captured. 6. New procurement team structure will be proposed. 7. A NAO Financial Management Maturity Assessment commenced in Q3 with the completed report due Q4.			3	4	12		22.10.2015  25.11.2015 - planned action 6 updated with reference to the recent procurement review.  21.12.15 - mitigations 6 to 9 have been moved from planned actions, as they are now in place.		

No.	Date of origin	Risk Scenario			Inherent risk scoring			Mitigation in place / Planned action	Post-mitigation scoring			Risk Owner (and Mitigation Owner)	Dates updated	Status (open / closed plus whether on track / not on track to reduce scoring)	Direction (of risk score)
		Root cause(s)	Potential situation	Consequences	Likelihood	Impact	Score		Likelihood	Impact	Score				
CR22	July 2015 (previously in risk CR9)	<b>Staff - capacity and capability now and in the future</b>			4	4	16	<b>Mitigation in place:</b> 1. Organisation review under way will propose options for future structure that is fit for purpose and sustainable into the future. 2. Review of current recruitment policy, practices and their impact is being scoped with the aim of gaining a better understanding of recruitment and retention challenges. Report providing a baseline of evidence around 'as is' planned for Quarter 4, 2015/16. 3. Staff Survey Action Plans established to address key themes arising from staff survey. Published and kept under review. 4. Communications/staff engagement plan including dedicated intranet page, opportunities for Q&As, email inbox, regular briefings, engagement with Staff Consultation Group. 5. Senior leadership structure - defined behaviours and competences of directors in terms of motivation and engagement with our workforce and to drive and champion transformational change.  <b>Planned action:</b> 1. The Development of a Workforce Strategy will ensure NMC can attract, recruit, develop and retain the people it needs to deliver effective regulation now and into the future. Workforce planning, succession planning and talent management will be key enablers of the strategy, will take place in 2016/17 and will be a key deliverable in the 2016/17 HR & OD business plan. This work will be a priority for the permanent leadership of HR & OD following the outcome of the organisation review and a target date of July 2016 is proposed for the development of a draft strategy for consultation with the Executive (assuming a permanent HR lead is in post by April 2016). A more detailed analysis of employee turnover will be undertaken in Q4 to inform perceptions around turnover and its link to retention and reward. 2. Development of the HR team and planning of organisational change HR-related activities to ensure readiness to support changes arising from the organisation review. 3. Establish Transformation programme (Q4 2015/16) to assess and cost options for change and ensure alignment of all workstreams that will deliver transformation and People Strategy (people, structures, location, technology etc).	3	4	12	Director of HR and OD and COO for transformation aspects (pending appointment of Director of Transformation)	26.10.2015 - risk updated 10.11.2015 - risk updated 21.12.2015 - risk updated with transformation-related information.	Open - the establishment of the Transformation Programme and workstreams around people, communications and culture through transformation will mitigate the wider risks arising from transformation.	
		We must deliver an ambitious programme of change.  Our organisational structure is inflexible and requires review.  We face challenges in terms of recruitment and retention.	We may not have the right organisational structure and capabilities to deliver high performing operations and achieve our ambitions for transformation.	Inability to deliver corporate strategy, plans and improvements.  Negative impact on staff morale, motivation and performance.  Continuing high staff turnover.  Poor customer service.  Poor decision-making.											
CR23	July 2015 (previously in risk CS9)	<b>Business interruption</b>			3	5	15	<b>Mitigation in place:</b> 1. Limited business interruption Insurance cover in place. 2. Specialist advisers engaged and engagement with directors commenced. 3. Business Impact Assessment (BIA) completed with independent advisor input. 4. IT deep dive undertaken on business continuity risks. 5. TBS: The successful 'datacentre move' in November 2015 enabled the testing of IT infrastructure disaster recovery arrangements.  <b>Planned action:</b> 1. Development of incident management plans and emergency response plans (2015/16). 2. Establishment of business continuity steering group (Q4, 2015/16). 3. Follow up review of BIAs and alignment with IT requirements (Q4, 2015/16) 4. Business continuity policy, framework, training and awareness programme to be released (Q1 2016/17). 5. Testing and Business continuity plan in place by end of Q3, 2016/17. 6. Closure of IT risks under IT improvement programme (2015-16).	3	5	15	All Directors.  Director of Finance to lead	09.09.2015 22.10.2015 18.12.15 - mitigation 5 has moved here from planned actions and has been updated.	Open - new corporate risk	
Our business continuity arrangements require updating.  Insufficient priority placed on planning and testing business continuity arrangements.  We need to build resilience into our organisational arrangements.	We may not be prepared in the event of actions giving rise to a loss of business continuity.	Our ability to protect the public is compromised.  Loss of services.  Financial loss.  Reputation damaged.													

No.	Date of origin	Risk Scenario			Inherent risk scoring			Mitigation in place / Planned action	Post-mitigation scoring			Risk Owner (and Mitigation Owner)	Dates updated	Status (open / closed plus whether on track / not on track to reduce scoring)	Direction (of risk score)
		Root cause(s)	Potential situation	Consequences	Likelihood	Impact	Score		Likelihood	Impact	Score				
CR24	July 2015 (previously risk CR6)	<b>Information management and governance</b>						<b>Mitigation in place:</b> 1. Information security and data protection policies in place and reviewed regularly. 2. Mandatory training for staff and panellists in place. Includes refresher information security e-learning every 2 years. 3. Oversight by Information Governance Steering Board. 4. Information security management system in place based on ISO 27001. 5. Review meeting held with Information Commissioner's Office and voluntary ICO information risk assessment taken March 2015. 6. April 2015 11 priority areas for improvement remain, with mitigating actions on defined information security work plan 2015-16. Information security work plan 2015-16 in place and ongoing. 7. Established data management function in TBS. 8. Data improvement programme established.  <b>Planned action:</b> 1. Implement information security work plan 2015-16 (ongoing). 2. Review of records management and retention practices (Records management review undertaken. Awaiting final report). 3. Accountability for this area of work will be addressed as part of the organisational review (Q3).				Chief Operating Officer and Chief Technology Officer	01.09.2015	Open - to be addressed through Information security plan 2015-16.	
Cross ref:	Our governance around data requires clarification.  We lack the ability to harness and use information effectively.  Our structures, policies, procedures, processes and controls must be kept up to date.  Large volume, complex, information processing with high reliance on paper-based processing. Processing involves high volumes of sensitive personal data.	Our information management and governance could fail to ensure appropriate storage, access and use of data and information.	Limited ability to support our regulatory, legal, risk, environmental and operational requirements.  Information security breaches.  Reduced opportunities to enter into data sharing arrangements with other organisations.	5	4	20	4		4	16					
CR12	May-14	<b>ICT business systems</b>						<b>Mitigation in place:</b> 1. IT improvement programme and IT portfolio programme is in place, to manage IT delivery. We are undertaking work to align the IT programme management function with the business one. 2. We have improved how we govern and manage processes and procedures, for running an effective IT function. This includes: strengthened governance and reporting on IT issues, the use of IT KPIs, and reviews of the technical design of all technology projects. 3. Other improvements recently realised as part of the IT improvement programme: Disaster Recovery - we have procured and implemented a DR solution; Supplier & Contract Management - we now have a robust list of key contracts and active management of suppliers.  <b>Planned action: To undertake a comprehensive IT Improvement Programme during this financial year that tackles the following workstreams and deadline dates for delivery.</b> a. Project and Portfolio Delivery - Implementation of Agile methodology and prove the concept during Re-Admissions go-live 8th Nov 2015 for MVP 1. <b>Achieved.</b> Next phase of work is to explore a join together of the programme management functions in IT and Strategy during Q1 of 2016. b. (i) Service Management - Achieve maturity level 2 across core ITIL processes and introduce an SLA with the business that we report on. At early December 2015 maturity had improved by 50% compared to maturity measure at April 2015. SLA with the business to be implemented by January 2016; (ii) Infrastructure Resilience - Improve core infrastructure, re-let datacentre contract by April 2016. c. Disaster recovery - we now have a solution in place (mitigation 3. above). d. Strategy & Architecture - clarity on Hold/Invest & retire from an Infrastructure perspective, staff being hired to support S&A function in permanent recruitment by Mar 2016. e. Financial Management (RUN & CHANGE) – baseline budget in place and being monitored against Opex and Capex with Finance business partner. <b>In place and ongoing.</b> f. Comms & Engagement - introduction of Business relationship management function, all staff surveys, focus groups, blogs etc. g. Business Transformation - new TBS structure in place. h. Information Security. <b>Information security plan 2015-16 ongoing.</b>				Chief Operating Officer and Chief Technology Officer	06.05.15 - Risk fundamentally updated to reflect findings of the recent CTO Review.  15.07.2015 - Risk updated.  22.10.2015 - risk updated. Post-mitigation reduced from red to amber to reflect the progress made so far with the Improvement Programme.  10.11.2015 - risk updated.  24.12.15 - risk updated. Status updates added next to planned actions, and some planned actions moved to mitigation 3. as they are in place.	As issues have been driven out through the CTO Review and an improvement plan is being established - this risk is expected to incrementally reduce over the next few months - by March 2016	
Cross ref:	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. 8. High reliance on contractors, including a contractor CTO.	Our systems do not support effective business delivery or strategic transformation.	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	3		4	12					

**Risk map of all corporate and directorate risks as at 30 December 2015**

This map shows post-mitigation score changes for corporate and directorate risks between 30 October (preparation of papers for 25 November Council meeting) and 30 December 2015 (preparation of papers for 27 January 2016 Council meeting).



**Arrows indicate the direction of travel:**  
 ↑ Risk score has increased since 30 October 2015  
 ↓ Risk score has decreased since 30 October 2015  
 ↔ Risk score has stayed the same since 30 October 2015

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

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

CS: Estates, Finance & Procurement or HR and OD risk (to be re-numbered)  
 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



## Council

### Financial monitoring report to 31 December 2015

<b>Action:</b>	For information.		
<b>Issue:</b>	Provides financial performance information for current and future reporting periods.		
<b>Core regulatory function:</b>	Supporting functions.		
<b>Strategic priorities:</b>	Strategic priority 4: An effective organisation.		
<b>Decision required:</b>	None.		
<b>Annexes:</b>	<p>The following annexes are attached to this paper:</p> <ul style="list-style-type: none"> <li>• Annexe 1: December 2015 management accounts, highlighting spend by directorate, cost category and associated cash flow movement.</li> <li>• Annexe 2: Full year financial forecast December 2015</li> <li>• Annexe 3: FtP efficiency performance 2014/15 – 2015/16</li> </ul>		
<b>Further information:</b>	<p>If you require clarification about any point in the paper or would like further information please contact the author or the director named below.</p> <table> <tr> <td>Author: Graeme Holt Phone: 020 7681 5633 <a href="mailto:Graeme.Holt@nmc-uk.org">Graeme.Holt@nmc-uk.org</a></td> <td>Director: Alison Sansome Phone: 020 7681 5911 <a href="mailto:Alison.Sansome@nmc-uk.org">Alison.Sansome@nmc-uk.org</a></td> </tr> </table>	Author: Graeme Holt Phone: 020 7681 5633 <a href="mailto:Graeme.Holt@nmc-uk.org">Graeme.Holt@nmc-uk.org</a>	Director: Alison Sansome Phone: 020 7681 5911 <a href="mailto:Alison.Sansome@nmc-uk.org">Alison.Sansome@nmc-uk.org</a>
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- Context:**
- 1 The Performance & Resources Board (PRB) reviews the financial results and forecast each month.
  - 2 The financial monitoring report is presented to Council at each meeting and this covers income, expenditure and reserves.
  - 3 As agreed at the Council meeting held on the 25 November 2015, this paper now provides information on cash flow and in-year actual performance to date as well as the forecast information.
  - 4 Over the past 4 years the NMC has been moving from a position of financial insecurity to one of stability. Although good progress has been made, that process is not yet fully complete. The accounts reflect this.
  - 5 Full financial stability will allow us to fulfil our responsibilities as a dynamic regulator in accordance with the NMC Strategy, whilst at the same time giving excellent value for the fees that our registrants pay.
  - 6 To progress that aim we need to invest in changes that will enable us to release financial efficiencies in fulfilling our regulatory role. That process is just beginning.
  - 7 We have committed to keeping fee levels under review on an annual basis as we move to financial stability. As our work to estimate both the costs and savings of the required transformational change progresses this will inform these reviews.

**Discussion: Available Free Reserves**

- 8 Charity Commission guidelines require that we hold appropriate levels of reserves to provide resilience for unexpected events. Council has previously agreed that we should aim to maintain reserves of between £10 million and £25 million. We are successfully building reserves within those parameters.
- 9 One of the conditions of the Department of Health grant in 2013 was that we must have at least £10 million in available free reserves at January 2016. We achieved this target earlier than anticipated and have successfully maintained the minimum level.
- 10 In December 2015 (Q3) all directorates conducted an end of quarter review to provide as robust as possible a forecast of the year end position. Performance in recent months had been indicating that we were unlikely to need to draw on the £4.5 million contingency provided for in the budget, in the event of unforeseen or unexpected events. The Q3 review confirmed this position and it is therefore proposed that the contingency provision should be transferred to the available free reserves at year end giving a

forecast of £21.5 million at 31 March 2016 compared to the budgeted level of £14.5 million available free reserves and £4.5 million contingency.

### Year to 31 December 2015 (Annexe 1)

- 11 **Income** is £0.2 million higher than the budgeted year to date position, primarily owing to an increased volume of European Union (EU) assessment and registration fees.
- 12 **Revenue expenditure** has not been in line with budget expectations and is £2.6 million lower than budget. This is driven by:
- 12.1 £1.0 million underspend in Strategy primarily from the reduced spend on PMO resource as a consequence of re-prioritisation of project work to accommodate the IT Improvement Plan and the focus on the agreed priority projects (Revalidation, MRPQ and Phased payments). This resulted in other planned IT project delivery being put on hold and as PMO supporting resources were no longer required the associated recruitment was deferred (£0.6million). Additionally there has been a lower than budgeted requirement for external legal advice.
  - 12.2 £0.7 million underspend in Continued Practice this is mainly due to a reduction in the number of education programmes seeking approval. As AEs are aware of the planned work to develop revised standards and the wider education discussion, many are seeking to extend existing programmes rather than develop new programmes pending any revision of the standards.
  - 12.3 £0.8 million underspend in Estates, Finance and Procurement primarily as a result of the release of the Old Bailey dilapidation provision previously reported and the release of accruals for rent and rates, following a review of our London premises confirmed the full amounts provided for were not required.
  - 12.4 £1.0 million underspend in FtP driven primarily by lower headcount related costs as a result of continued high staff turnover. Whilst temporary resource has been utilised to cover gaps and maintain output where possible, this represents the cumulative effect of continued high staff turnover running at 37% in some areas. Current action is being taken to manage our planned year end position in terms of caseload.
  - 12.5 The listed underspends are offset by an increased spend of £0.8 million in project expenditure; however as previously

reported to Council in November this is a reallocation of spend to revenue from capital to ensure correct categorization of expenditure.

- 13 **Capital expenditure** is £0.7m lower than budget due to the reallocation of capital project spend into revenue expenditure as stated above (paragraph 12.5), offset by slightly increased costs associated with the overseas test of competence project.

## **Full Year Forecast (Annexe 1 and Annexe 2)**

### **Income**

- 14 Total income for the full year is forecast to be £0.6 million higher than budget.
- 14.1 The full year forecast for registration fee income is broadly in line with budget at £77.2 million.
- 14.2 As indicated above we are continuing to see an increase in the number of EU applicants. As a result, EU assessment fee income is now forecast to be £0.4 million more than budget for the full year.

### **Expenditure**

- 15 The approved revenue expenditure budget for 2015-2016 is £77.7 million planned expenditure and £4.5m contingency for unplanned or unexpected expenditure.
- 16 Following the December 2015 review, the full year forecast for revenue spend is now £76.2 million, which represents a £1.6 million underspend.
- 17 The recent reforecast has identified that the potential draw down on contingency previously notified to Council in October 2015 can be met from budgetary underspend. No draw down from contingency is therefore included in the forecast.
- 18 The Revalidation programme remains within its planned budgetary envelope including IT system development costs. However this did not include provision for evaluation as these costs were initially expected to be included in the post implementation cost. Due to feedback from the four country programme boards and key stakeholders, it was agreed to commence evaluation work earlier than initially scoped. Procurement for evaluation is expected to complete in the current year, commencing in April and provision for this is being included in the 2016-17 budget.

### **Capital expenditure**

- 19 Following the latest review full year capital expenditure is now forecast to be £3.9 million; £0.8 million lower than budget, for the reasons set out above.

### **Cash Flow (Annexe 1)**

- 20 Although registrants pay the full year fee in advance, the income cannot be recognised in the accounts until the month it covers, therefore annual fees are recognised in 12 equal monthly amounts. Monies received but not yet recognised are held by the NMC but are liable to being refunded should the NMC cease to exist or be passed to a successor organisation. Therefore we are required to hold at least £50 million in cash flow to meet this liability and fund re-imburement costs if required.
- 21 Cash at bank is forecast to be £86.0 million at 31 March 2016. This is £7.6 million more than budget which is the reflection of the movements outlined elsewhere in this paper, that is increased income of £0.6 million; unspent contingency provision of £4.5 million; revenue underspend of £1.6 million; and underspend of the capital expenditure of 0.8 million.
- 22 The planned introduction of a facility allowing nurses and midwives who wish to do so to pay annual registration fees in quarterly installments is likely to affect the cash flow position from May 2016 and this will be closely monitored.
- 23 The management of cash flow and our Treasury management need to be further developed to reflect our more stable financial position.

### **Accounting Adjustments**

- 24 As reported to the Audit Committee in October 2015, mandatory changes to accounting standards are being introduced this year (FRS 102) which impact a number of areas of the accounts.
- 25 The majority of these will have negligible impact, except that the cost of repaying the pension deficit will no longer be recognised as revenue expenditure. This accounting adjustment will introduce a favourable variance against budget of £1.0 million.
- 26 Further changes to the NMC's method of calculating the Pension deficit may also reduce the liability as shown in the accounts and impact the level of available free reserves. External advice is being sought on this recalculation and the results will not be known until after the year-end.
- 27 These changes do not feature in the current forecast but will be reflected in the year-end audit and preparation of the Financial

Statements to 31st March 2016.

### Risks

- 28 The major risk areas identified at this stage and subject to ongoing monitoring include:
- 28.1 that the introduction of language testing in early 2016 may affect the number of applicants joining the register with a consequent impact on income. Financial impact is not expected in the current year; however it may have an adverse impact in 2016-17. This will be reflected in the proposed budget for 2016-17.
- 28.2 that, if staff turnover remains high, there may potentially be a requirement for increased temporary and contractor resource.

### Opportunities

- 29 The key items identified at this stage and subject to ongoing monitoring on a monthly basis are:
- 29.1 **Income tax and national insurance (NI) repayment:** As previously reported, we continue to pursue the repayment of tax and NI paid on FtP panelist expenses in prior years. Significant progress has been made in identifying the relevant data requirements, but we are advised by BDO that it is unlikely that this will conclude in this financial year. It is therefore expected that this will fall into 2016-2017 and will be budgeted accordingly.
- 29.2 As part of the arrangement to confirm the lease end date in 2019, contractual dilapidation obligations relating to 1 Kemble Street may be reduced or removed. This could potentially result in the release of accruals of £0.3 million and provide a similar level of cost avoidance over the remaining years of the contract.

### Efficiencies

- 30 Our track record on delivering the efficiencies identified in 2014 is mixed (**annexe 3**). As part of planning for the future we will ensure that efficiencies are realistically forecast and carefully monitored.
- 31 We will need to invest in order to release efficiencies and we anticipate that some of our reserves will need to be used for this purpose.
- 32 In 2014 a three year programme of FtP efficiencies of £55 million was identified based on a number of specific actions and we have

been tracking against this programme. In 2014-15 we achieved £9.2 million and we are forecasting to achieve efficiencies of £11.3 million this financial year. Based on current budget assumptions, FtP will save a further £16 million in 2016-17.

- 33 This will result in total efficiency savings of £36 million for the three year period, £19 million below the target. However as the original target of £55 million was based on assumptions made in 2014 which have changed over time, these no longer represent the full range of FtP efficiencies being generated.
- 34 Forecast savings are below the original target principally due to lower throughput from the in-house case investigation teams and a lower than planned rate of alternative disposals.
- 35 Importantly, part of the reason for the lower throughput of cases is a higher rate of case closure at the early stages of the process achieved through improved and more proportionate decision making. The higher closure rate has led to fewer cases going forward for a full legal investigation thereby reducing the number of cases on which efficiencies from in-house investigations can be gained.
- 36 We have also seen an increase in cases closed following investigation which in time will reduce the number of cases requiring a hearing.
- 37 A methodology is currently being developed to identify and quantify costs avoided by improved early decision making, which was not part of the fee strategy or £55 million efficiency target.
- 38 Completion of case examiner training and the full implementation of case examiners has seen the cost per decision at the investigation stage reduce by 25% since September 2015.
- 39 We are currently working on further efficiency initiatives targeting high volume/high cost activity including further improvement of case management through the proposed end to end review of the FtP process and taking action to make more efficient use of hearing space.

**Public protection implications:**

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

**Resource implications:**

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

<b>Equality and diversity implications:</b>	42	None.
<b>Stakeholder engagement:</b>	43	None.
<b>Risk implications:</b>	44	Risks in relation to forecasting and financial resourcing are set out in directorate and corporate risk registers.
<b>Legal implications:</b>	45	None.

## Annexe 1: December 2015 management accounts

2015/2016	April to December				Full Year				
	Actual	Budget	vs budget	% vs budget	Actual & Forecast	Budget	vs budget	% vs budget	
<b>Total Income:</b>	<b>58,721</b>	<b>58,482</b>	<b>239</b>	<b>0%</b>	<b>80,105</b>	<b>79,538</b>	<b>568</b>	<b>1%</b>	
Office of the Chair & Chief Executive	626	458	(169)	(27%)	893	618	(276)	(31%)	Includes additional capacity and expertise through the appointment of and interim Chief Operating Officer and specialist nursing & midwifery advisors
Strategy	3,283	4,320	1,037	32%	4,468	5,809	1,341	30%	Favourable variance primarily due to unfilled vacancies in the PMO and lower third party spend on research and enquiries
Registration	3,147	3,217	69	2%	4,351	4,285	(66)	(2%)	
Continued Practice	3,524	4,194	670	19%	4,357	5,031	674	15%	Reduced spend on third part standards development and compliance work combined with reduced demand for Mott MacDonald led assurance events
TBS	4,050	4,433	383	9%	5,463	5,811	348	6%	Favourable variance primarily due to reduced consultancy costs and the savings recognised following the negotiation of the A365 contract extension.
Estates, Finance & Procurement	5,249	6,057	808	15%	7,516	8,001	485	6%	Includes additional spend on interim leadership and financial strategy activity offset by release of dilapidations on Old Bailey and provisions held on rent following a detailed review.
HR&OD	2,468	2,319	(149)	(6%)	3,414	3,057	(357)	(10%)	Includes interim leadership and the organisational review activity
FTP	28,427	29,411	984	3%	38,408	39,801	1,393	4%	Primarily driven by reduced salary related costs
<b>Total directorate revenue spend</b>	<b>50,775</b>	<b>54,409</b>	<b>3,634</b>	<b>7%</b>	<b>68,869</b>	<b>72,411</b>	<b>3,542</b>	<b>5%</b>	
Projects	1,442	605	(837)	(58%)	2,043	807	(1,236)	(60%)	Includes Test of Competence (Phase 2) project. Increase is driven by a reallocation of projects from capital spend into revenue
Depreciation	2,435	2,487	52	2%	3,507	3,315	(192)	(5%)	
NMC Corporate/General	187	42	(145)	(77%)	490	57	(434)	(88%)	Includes a provision for 2015/16 unused holidays (Financial Reporting Standards 102) and unbudgeted redundancy costs
PSA Fee	785	708	(76)	(10%)	1,228	1,133	(95)	(8%)	
Total revenue spend (excl contingency)	55,624	58,252	2,628	5%	76,138	77,724	1,586	2%	
Contingency	0	3,347	3,347	0%	0	4,463	4,463	0%	
<b>Revenue Spend</b>	<b>55,624</b>	<b>61,599</b>	<b>5,975</b>	<b>11%</b>	<b>76,138</b>	<b>82,187</b>	<b>6,049</b>	<b>8%</b>	
<b>Surplus / (Deficit)</b>	<b>3,097</b>	<b>(3,117)</b>	<b>6,215</b>	<b>&gt;100%</b>	<b>3,967</b>	<b>(2,649)</b>	<b>6,617</b>	<b>&gt;100%</b>	
<b>Capital</b>	<b>2,823</b>	<b>3,488</b>	<b>665</b>	<b>24%</b>	<b>3,877</b>	<b>4,651</b>	<b>774</b>	<b>20%</b>	Includes capital expenditure relating to Revalidation, Phased Payments and MRPQ EU directive. Favourability is driven by a reallocation of projects from capital spend into revenue
<b>Cash at bank</b>	<b>87,963</b>	<b>77,786</b>	<b>10,177</b>	<b>13%</b>	<b>86,033</b>	<b>78,434</b>	<b>7,599</b>	<b>10%</b>	
<b>Available free reserves (excluding pension deficit &amp; restricted funds)</b>	<b>20,341</b>	<b>13,649</b>	<b>6,692</b>	<b>49%</b>	<b>21,495</b>	<b>14,469</b>	<b>7,026</b>	<b>49%</b>	Available free reserves are forecast to be £21.5 million at 31 March 2016 vs. budgeted figure of £14.5 million. This is predominantly due to the release of the contingency and the release of directorate unallocated expenditure which are both no longer anticipated to be required.

## Annexe 1: December 2015 management accounts

## BREAKDOWN OF REVENUE SPEND BY COST CATEGORY

2015/2016	April to December				Full Year			
	Actual	Budget	vs budget	% vs budget	Actual & Forecast	Budget	vs budget	% vs budget
<b>Income</b>	<b>58,721</b>	<b>58,482</b>	<b>239</b>	<b>0%</b>	<b>80,105</b>	<b>79,538</b>	<b>568</b>	<b>1%</b>
Staff costs (permanent)	19,491	23,213	3,722	19%	27,509	31,223	3,714	14%
Temporary & contractor costs	3,723	1,607	(2,116)	(57%)	4,631	1,817	(2,814)	(61%)
Other staff costs	2,604	2,438	(166)	(6%)	3,639	3,281	(359)	(10%)
Professional & Legal fees	11,713	11,473	(240)	(2%)	15,072	15,261	188	1%
Panellists costs	7,179	6,799	(381)	(5%)	9,688	9,124	(565)	(6%)
Witness & Others	526	781	255	48%	725	1,091	366	50%
Members costs	225	266	41	18%	310	360	50	16%
Building costs	2,291	3,300	1,010	44%	3,431	4,337	906	26%
Depreciation	2,435	2,487	52	2%	3,507	3,315	(192)	(5%)
Event & Communications Costs	783	466	(317)	(41%)	979	675	(304)	(31%)
Office admin and systems costs	3,015	3,555	541	18%	4,335	4,747	412	10%
Print & postage	896	908	12	1%	1,262	1,215	(46)	(4%)
Quality Assurance Costs	744	959	215	29%	1,050	1,278	228	22%
<b>Revenue Spend (excl contingency)</b>	<b>55,624</b>	<b>58,252</b>	<b>2,628</b>	<b>5%</b>	<b>76,138</b>	<b>77,724</b>	<b>1,586</b>	<b>2%</b>
Surplus(Deficit) (excl contingency)	3,097	230	(2,867)	(93%)	3,967	1,814	(2,153)	(54%)
Contingency	0	3,347	3,347	0%	0	4,463	4,463	0%
<b>Surplus(Deficit) (incl contingency)</b>	<b>3,097</b>	<b>(3,117)</b>	<b>6,214</b>	<b>&gt;100%</b>	<b>3,967</b>	<b>(2,649)</b>	<b>6,616</b>	<b>&gt;100%</b>

Favourable variance in permanent staff is mainly due to vacancies in FIP and senior management vacancies in other areas. Contractors are being used to offset the FIP vacancies and interims are filling permanent senior leadership roles.

These items are resources together and the overspend in contractor costs is managed to be within the level of underspend on permanent headcount

Driven by finance strategy, organisational review and FIP activity

Driven by increased hearing activity in FIP

Benefit flowing from prior year

Due to releasing the Old Bailey dilapidation and review of provisions held on rent and rates.

Accelerated Revalidation communications

Additional costs to be incurred through the provision of disaster recovery as a service offset by reduction in costs following successful renegotiation of the A365 Contract

Reduced demand for Mott MacDonald work

## CASH FLOW STATEMENT

2015/2016	April to December				Full Year			
	Actual	Budget	vs budget	% vs budget	Actual & Forecast	Budget	vs budget	% vs budget
Net (outgoing)/incoming resources	3,097	(3,117)	6,215	>100%	3,967	(2,649)	6,617	>100%
Add back Depreciation	2,435	2,487	52	2%	3,507	3,315	(192)	(5%)
Net Inflow/(Outflow) of Funds	5,532	(631)	6,163	>100%	7,474	666	6,808	>100%
Capital Expenditure	(2,823)	(3,488)	665	19%	(3,877)	(4,651)	774	17%
Movement in debtors/creditors/deferred income	8,595	2,655	5,940	>100%	5,774	5,757	17	0%
<b>Net cash inflow/(outflow)</b>	<b>11,304</b>	<b>(1,464)</b>	<b>12,768</b>	<b>&gt;100%</b>	<b>9,371</b>	<b>1,772</b>	<b>7,599</b>	<b>&gt;100%</b>

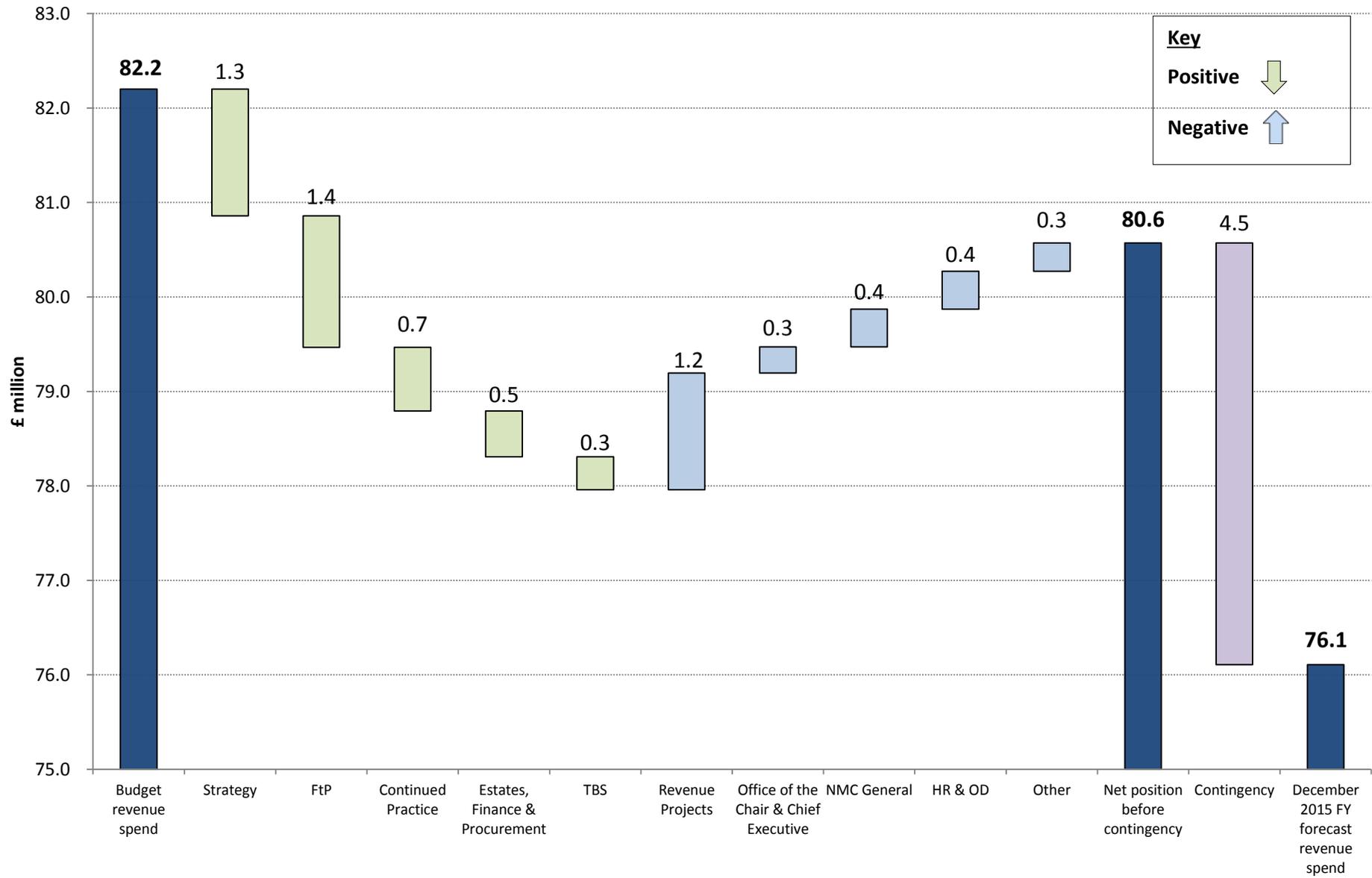
Increased incoming resources reflecting the delayed ramp up in directorate spend and the release of the contingency which is no longer anticipated to be required.

Includes capital expenditure relating to Revalidation, Phased Payments and MRPQ EU directive. Favourability is driven by a reallocation of projects from capital spend into revenue

Year to date movement is primarily due to increased deferred income due to the fee rise and increased creditors

Net inflow of cash is higher than budget primarily due to reduced spend (both revenue spend and capital expenditure)

## Annexe 2: Full year financial forecast at December 2015





### Efficiency performance 2014-2017

Dec-15  
£000's

		Efficiencies assured by KPMG				Actual/Forecast			Variance	Variance
		2014-15	2015-2016	2016-2017	Total	2014-2015	2015-2016	Total	2015-2016	2014-2016
In-house investigations	Note 1	8,184	9,664	10,762	28,610	2,469	7,272	9,740	(2,392)	(8,108)
Shorthand writers	Note 2	1,583	1,385	1,453	4,421	2,062	1,716	3,778	331	810
Cases to investigating committees	Note 3	1,336	30	30	1,396	824	7	832	(23)	(534)
Alternative methods to case disposal	Note 4	6,251	5,835	6,055	18,141	3,960	2,602	6,562	(3,233)	(5,524)
Introduction of case examiners	Note 5	(36)	903	1,054	1,921	(149)	(310)	(459)	(1,213)	(1,326)
<b>Total</b>		<b>17,318</b>	<b>17,817</b>	<b>19,355</b>	<b>54,490</b>	<b>9,166</b>	<b>11,287</b>	<b>20,453</b>	<b>(6,530)</b>	<b>(14,682)</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. Savings are calculated by including both closed cases and completed investigations awaiting CE decision.

**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

### Education update

<b>Action:</b>	For decision.
<b>Issue:</b>	Outcomes and competencies for the registered nurses of the future and recommendations for review of pre-registration education standards.
<b>Core regulatory function:</b>	Education, standards, registration.
<b>Strategic priority:</b>	Strategic priority 1: Effective regulation.
<b>Decision required:</b>	Council to note intelligence gathering to date and approve further work to define the nurses of the future.
<b>Annexes:</b>	None.
<b>Further information:</b>	If you require clarification about any point in the paper or would like further information please contact the author or the director named below.

Director: Katerina Kolyva  
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- Context:**
- 1 The Nursing and Midwifery Council (NMC) is mandated under the Nursing and Midwifery Order (2001) to establish requirements for entry into the nursing and midwifery professions to fulfil its purpose of public protection. It can only achieve this if pre-registration education appropriately equips newly qualified nurses and midwives with the knowledge, skills, values and competencies required to fulfil their professional responsibilities. It is essential that the standards and requirements of education are subject to constant monitoring and review.
  - 2 Following a commitment in the NMC response to the Francis report, the NMC Council commissioned an evaluation of the pre-registration standards for nursing and midwifery education. Council appointed Dame Jill Macleod Clark to lead the development of the outcomes and competencies required for the registered nurse of the future in line with the NMC Strategy 2015-20.
  - 3 The current pre-registration nursing education standards were published in 2010. In the intervening years there has been unprecedented change in the health and care landscape. The need for future registered nurses to demonstrate relevant skills and expertise has been articulated in recent key policy statements and reports across the four countries of the UK.<sup>1</sup> Similarly, changes in skill mix, with growing numbers of unregistered carers and blurring of professional boundaries, are placing greater responsibility and accountability on the registered nurse for delegation, support and supervision.
  - 4 The aim has been to generate an understanding, through wide engagement and debate with key stakeholders, on:
    - 4.1 the nature of the changing health and care landscape and its impact on registered nurses' practice;
    - 4.2 the professional and practice knowledge, skills and competencies that a future registered nurse must demonstrate at the point of registration; and
    - 4.3 the extent to which the content, outcomes and assessment criteria for pre-registration nursing education need to be revised to prepare the registered nurse of the future.

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<sup>1</sup>In England, *Raising the bar* (Health Education England, 2015); in Wales, *Health professional education investment review* (Welsh Government, 2015), *Aligning nursing skills – guidelines. An all Wales governance framework 2014* (NHS Wales Shared Service Partnership, 2015); In Scotland, *Setting the direction for nursing and midwifery education in Scotland* (Scottish Government, 2014); In Northern Ireland, *Evolving and transforming to deliver excellence in care: A workforce plan for nursing and midwifery in Northern Ireland* (Northern Ireland Practice and Education Council for Nursing and Midwifery, 2014)

### **Intelligence gathering**

- 5 High level dialogues have taken place with key individuals and groups of professional leaders and stakeholders from across the UK, and a preliminary documentary analysis is ongoing including national and international comparisons.

### **Discussion and options appraisal:**

#### **The registered nurse of the future**

- 6 The debates generated at each event were open, thoughtful and constructive. The summaries below provide an overview of the main areas where consensus was demonstrated both within and between groups.
- 7 Consensus on the changing health and care landscape and its impact on the practice of registered nurses:
- 7.1 Registered nurses are clearly facing significant challenges within the current care environment requiring them to work flexibly across professional boundaries and care settings, caring for patients throughout the age spectrum with increasing complexity and often with combined mental and physical health conditions. There are increasing expectations of the registered nurse as a team leader, coordinating and delegating high quality care with an increasing emphasis on health promotion and public health.
- 8 Consensus on the professional and practice knowledge, skills and competencies that a future registered nurse must demonstrate:
- 8.1 There are increasing expectations on the nurses' capabilities in respect of their assessment and communication skills to diagnose patients' nursing care needs and create an evidence based plan of care. This demands expertise in evidence based nursing care to allow safe delegation, and a high level of clinical skills and competencies to be demonstrated by every nurse at registration with effective assessment of core practical skills and competencies. At the point of registration, all nurses need a comprehensive general understanding across mental and physical health as well as robust understanding of the biological basis of common health conditions.
- 8.2 They should also have research literacy with in depth knowledge of the evidence base for effective nursing interventions and the ability to evaluate outcomes. They need to be confident in negotiation, co-ordination, advocacy and dealing with conflict and an understanding of people management and leadership skills. They must be technologically literate with preparation for budget and resource management and highly skilled in promoting health

and supporting the self-management of care.

- 8.3 Education outcomes should be articulated in a way which results in consistency and predictability in the skills and competencies of new registrants to assure confidence in their ability and ensure patient safety.
- 9 Consensus on future registered nurse proficiencies being clear and separate from the requirements of education institutions and training environments:
  - 9.1 The current pre-registration standards are seen as complex and result in a perceived variability in the knowledge, skills and competencies demonstrated by registrants. Future standards should be clear about what knowledge, skills and competencies a newly qualified nurse must demonstrate through competency outcomes. The assessment of practice competence should be explicit, clear and consistent.
  - 9.2 The future proficiencies should reflect leadership skills and should clearly differentiate what is expected of a registered nurse in relation to other health and care staff. They should also reflect depth rather than breadth and focus on the 'pillars' of fundamental nursing care and responsibilities within an EU framework.
  - 9.3 The requirements for education providers, for practice learning environments, and the proficiencies of the registered nurse should be separated for clarity and the latter articulated to ensure they provide the foundation for the acquisition of knowledge, skills and competency for career long learning.

### **Conclusions to date**

- 10 The intelligence gathered to date supports the need to review the current standards for pre-registration. Whilst there are many examples of excellent education provision, there were also questions with respect to the consistency and clarity across the UK. Future standards with greater clarity, transparency and prescription of outcomes would provide a stable platform on which to build reliable and valid assessment. Achieving greater clarity would improve consistency and would help set realistic expectations for education and professional practice for potential recruits, the general public, as well as across the health and social care sector.
- 11 Initial registration is a point of transition from student to registrant and from supported practice to independent practice. It is the foundation on which career long learning is built, supported by revalidation.
- 12 Issues emerged around the increasing clinical leadership roles of registered nurses and the acquisition of knowledge and skills required to deal with complexity and co-morbidity. There is a clear

need to ensure that education outcomes are geared to higher level skills and competencies. Future registered nurses must be equipped to be team leaders with expertise in assessing and planning nursing care and, where appropriate, delegating, supervising and supporting care delivered by the wider care team.

- 13 The project has also highlighted the dynamic nature of the health and care environment. Therefore, future proficiencies should be accessible and framed in a way which is amenable to monitoring and ongoing revision.

### **Recommendation**

- 14 Council is recommended to approve a programme of work to bring forward revised proficiencies for the future registered nurse. The programme forms part of the education strategic delivery plan both of which are subject to approval by Council of the corporate plan and budget 2016-2017.
- 15 The strategic delivery plan for education will be presented to Council in March outlining the work required to achieve:
- 15.1 separation of registered nurse proficiencies from the requirements of education institutions and those of practice learning environments;
  - 15.2 revised proficiencies for the registered nurse following consultation (during 2016-2017) and to be in place by the end of 2017;
  - 15.3 revised proficiencies for the registered midwife following consultation (during 2016-2017) and to be in place by the end of 2017;
  - 15.4 revised requirements for education institutions and their practice partners to be in place by the end of 2017;
  - 15.5 regulatory mechanisms to support an outcome focused approach to defining standards for the professions. This would include scoping assessment strategies, the role of the regulator in mentorship and preceptorship and the role of the regulator in post-registration standards.

### **Public protection implications:**

- 16 The range of policy changes that may potentially arise following further investigation will be entirely driven by the objective of improving public protection.

### **Resource implications:**

- 17 The development of a future registrant change programme will require a business case as part of the business plan for 2016-2020.

- Equality and diversity implications:** 18 Further investigation of the issues arising from and underpinning this paper will require an equality and diversity impact assessment as part of the business planning process.
- Stakeholder engagement:** 19 Early engagement events have been undertaken UK wide with the members of the NMC Education Advisory Group, members of the Shelford group, Executive Nurses and Nurse Directors, Magnet hospital staff, frontline staff, deans and educators, students and newly qualified registered nurses, and members of the public. Targeted meetings with key stakeholders to date have included the Council of Deans, Royal College of Nursing and the Queen's Nursing Institute. The engagement will continue; further review and policy change will require lengthy consultation.
- Risk implications:** 20 Stakeholder expectations, the political and policy landscape that affects healthcare, and resources internally to carry out this work are some of the key areas of risk associated with this piece of work.
- Legal implications:** 21 A full legal review will be carried out as part of this programme of work. The legal basis for the education function is set out in the NMC Order and the education and registration rules, as well as EU directive requirements.

## Council

### Appointment of Fitness to Practise panel members

**Action:** For decision.

**Issue:** To approve the appointment of new registrant members to serve as panel members of the Conduct and Competence Committee for the period 27 January 2016 to 27 January 2020.

**Core regulatory function:** Fitness to Practise.

**Strategic priorities:** Strategic priority 1: Effective regulation  
Strategic priority 4: Effective organisation

**Decision required:** The Council is recommended to appoint the individuals set out in Annexe 1 to the Conduct and Competence Committee.

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

Annexe 1: Registrant panel members recommended for appointment

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

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- Context:**
1. At its meeting on 24 April 2015 the Appointments Board approved a recruitment process to replace registrant panel members coming to the end of the second term of appointment.
  2. The recruitment process attracted applicants from 781 individuals with 140 taken forward to interview and assessment. Following completion of the interview process 53 individuals were identified as being suitable for appointment and 29 of those have now undertaken training.
- Discussion and options appraisal:**
3. At its meeting on 15 December 2015 the Appointments Board considered and recommended the appointment of all 29 individuals who had successfully completed their training.
  4. A recommendation on the remaining 24 individuals, who will be undertaking training in January 2016, will be made by the Appointments Board on 22 February 2016.
  5. **Recommendation: The Council is recommended to appoint the individuals set out at Annexe 1 to the Conduct and Competence Committee.**
- Public Protection Implications:**
6. Panel members are required to make decisions at Fitness to Practise events that protect the public.
- Resource Implications:**
7. There are no direct resource implications. Panel member costs are included in existing budgets.
- Equality and Diversity Implications:**
8. As part of the tender specifications for the recruitment agency, the NMC was explicit that the publicity campaign was inclusive of diversity and targeted the nursing and midwifery institutions and communities, healthcare employers and BAME communities.
  9. The campaign attracted individuals from a diverse range of backgrounds. There is no indication that the process resulted in any adverse equality and diversity implications and the individuals put forwards have been selected on merit.
- Stakeholder Engagement:**
10. The campaign included engagement events and presentations with several groups of stakeholders and used social media to broaden the range of applications received.
- Risk Implications:**
11. Not having sufficient registrant panel members would negatively impact on our ability to run fitness to practise events.

**Legal  
Implications**

12. Individuals appointed will be required to agree to contractual terms with the NMC.



## **Registrant panel members recommended for appointment**

The following 29 individuals have been recommended by the Appointments Board for appointment as registrant panel members to the Conduct and Competence Committee.

The Council is asked to appoint the individuals listed for a 4 year period from 27 January 2016 to 27 January 2020.

<b>No.</b>	<b>Surname</b>	<b>Forename</b>
1	Banner	Jodie
2	Bezzant	Kim
3	Callender	Christine
4	Clarke	Frances
5	Clarke	Claire
6	Cousland	Susan
7	Darby	Manjit
8	Dowie	Iwan
9	Duque	Michael Marlo
10	Eatherton	Helen
11	Hopper	Rachel
12	Jones	Susan Anne
13	Lezama	Lisa
14	Lyne	Richard
15	McCann	Judith Bridget
16	McGrath	John
17	McKenzie	Frances Christina
18	Mitchell	Florence
19	Murphy	Michael
20	Nicholson	Jacqueline

21	Pratt	Pauleen
22	Robertson	Marian
23	Scattergood	Mary Jane
24	Scott	Laura
25	Tapson	Linda
26	Taylor	Lorna
27	Thompson	Julia Louisa
28	Tokley	Susan
29	Witherow	Anne

## Council

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

- Action:** For information.
- Issue:** Reports action taken by the Chair of the Council since 25 November 2015 under delegated powers in accordance with Standing Orders.
- Core regulatory function:** Supporting functions.
- Strategic priority:** Strategic priority 4: An effective organisation.
- Decision required:** None.
- Annexe:** The following annexe is attached to this report:
- Annexe 1: Chair's action – Approval of Annual Returns 2014-2015 to the Charity Commission and the Office of the Scottish Charity Regulator (OSCR)
- Further information:** If you require clarification about any point in the paper or would like further information please contact the author or the director named below

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

<b>Chair's action</b>	<b>Approval of Annual Returns 2014-2015 to the Charity Commission and the Office of the Scottish Charity Regulator (OSCR)</b>	
	1	As a registered charity with income in excess of £10,000 a year, the NMC is required to submit annual returns to the Charity Commission and OSCR, together with copies of the audited annual report and accounts.
	2	Charity Commission guidance requires that the annual returns are reviewed and approved by a Trustee of the Charity. The Audit Committee confirmed in June 2015 that review and approval by the Chair of the Council of the annual returns to the Charity Commission and OSCR is appropriate.
	3	The Chair of the Council reviewed and approved the annual returns 2014-2015 to the Charity Commission and OSCR on 15 December 2015.
	4	The Secretary submitted the returns on behalf of the Council on Monday 21 December 2015.
	5	Further details of the action are set out at <b>annexe 1</b> .
<b>Public protection implications:</b>	6	None arising directly from this report.
<b>Resource implications:</b>	7	None arising directly from this report.
<b>Equality and diversity implications:</b>	8	None.
<b>Stakeholder engagement:</b>	9	None
<b>Risk implications:</b>	10	None.
<b>Legal implications:</b>	11	None.

## Chair's Action

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

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

<b>Requested by:</b> Fionnuala Gill AD Governance (x 5842)	<b>Date:</b> 15 December 2015
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### Approval of Annual Returns 2014-2015 to the Charity Commission and the Office of the Scottish Charity Regulator (OSCR)

1. As a registered charity with income in excess of £10,000 a year, the NMC is required to submit annual returns to the Charity Commission and OSCR, together with copies of the audited annual report (Trustees annual report) and accounts. Charity Commission guidance requires that the annual returns be reviewed and approved by a Trustee of the charity. The Audit Committee has confirmed in June 2015 that review and approval by the Chair is appropriate.
2. The proposed 2014-2015 annual returns are attached for review:
  - 2.1. Annexe 1: Charity Commission
  - 2.2. Annexe 2: OSCR
3. The returns have been populated using information already produced in the audited annual report and accounts 2014-2015. Additionally, the OSCR return needs to indicate expenditure in Scotland: this is estimated at 10% of expenditure in line with previous submissions and based primarily on FTP activity.
4. The Chair is requested to review and approve the returns.
5. Once approved, the returns will be submitted by the Secretary online by the deadline of 31 December 2015.

Signed: Janet Finch (Chair)

Date: 15.12.15.



## Council

### Governance: Committee review outcomes

**Action:** For information.

**Issue:** Council Committee membership for 2016-2017.

**Core regulatory function:** Supporting functions.

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

**Decision required:** None.

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

- Annexe 1: Council Committee membership 2016-2017

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

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

<b>Context:</b>	1	The Council Committee review looked at the Council's committee composition to ensure it was best suited to current and future priorities and responsibilities.
	2	The outcomes of the review suggested that there was scope to better align member skills and expertise to committee membership and distribute the workload more evenly among members.
<b>Discussion:</b>	3	Under Standing Orders (paragraph 4.3.4), the Chair of the Council is responsible for appointing the Chair and members of discretionary Committees. Appointments to Council committees were initially made in June 2013, and on an ad hoc basis as a result of vacancies.
	4	The Council adopted principles to guide appointment of Council members to Committees at the meeting on 25 November 2015 (confidential session). These, together with member skills and expertise, were considered by the Chair when making appointments as set out at annexe 1.
	5	The term of office for the current appointments is from 1 January 2016 to 31 March 2017, to ensure that future appointments are aligned with the financial year. Thereafter, terms will normally be for a period of two to three years to a Committee.
	6	Council member appointments to Committees are attached at annexe 1.
<b>Public protection implications:</b>	7	None.
<b>Resource implications:</b>	8	None.
<b>Equality and diversity implications:</b>	9	The principles of Council committee appointments provide for a range of factors including diversity, registrant and lay membership and four country representation to be taken into account in making appointments.
<b>Stakeholder engagement:</b>	10	Not applicable.
<b>Risk implications:</b>	11	None.
<b>Legal implications:</b>	12	None.

## **Governance: Committee membership 2016-2017**

### **Principles for Committee appointments**

- 1 The following principles will be applied by the Chair of the Council when making appointments to the formal Council Committees (Audit, Remuneration and Midwifery).

### **Principles for Committee appointments**

- 1.1 Committee appointments should be informed by an agreed skills matrix and aim to optimise individual member skills, experience, interests and expertise.
  - 1.2 Committee members should be appointed for a specified term of office, usually two to three years.
  - 1.3 Committee membership should be reviewed annually and refreshed regularly, whilst also maintaining appropriate continuity and avoiding unnecessary disruption.
  - 1.4 Where possible Committee appointments should aim to distribute responsibilities evenly amongst members, in any given year and over terms of office, and to spread the opportunities to Chair committees.
  - 1.5 Committee appointments should seek to balance factors including diversity, registrant and lay members and four country representation, where possible.
- 2 These principles were agreed by the Council on 25 November 2015 and are subject to review at the Council's discretion.

## Council member appointments to Committees 2016 – 2017

<b>Remuneration Committee membership</b>
Stephen Thornton (Chair)
Maura Devlin
Karen Cox
*Chair of Council to receive papers and attend meetings
<b>Audit Committee membership</b>
Louise Scull (Chair)
Maureen Morgan
Robert Parry
Amerdeep Somal
<b>Midwifery Committee Council members</b>
Anne Wright (Chair)
Lorna Tinsley