

## Meeting of the Council

To be held from 09:30am on Wednesday 29 March 2017  
in the Council Chamber at 23 Portland Place, London W1B 1PZ

### Agenda

Dame Janet Finch  
Chair

Fionnuala Gill  
Secretary

- |          |  |           |       |
|----------|--|-----------|-------|
| <b>1</b> | <b>Welcome and Chair's opening remarks</b> | NMC/17/17 | 09:30 |
| <b>2</b> | <b>Apologies for absence</b>               | NMC/17/18 |       |
| <b>3</b> | <b>Declarations of interest</b>            | NMC/17/19 |       |
| <b>4</b> | <b>Minutes of the previous meeting</b>     | NMC/17/20 |       |
|          | Chair                                      |           |       |
| <b>5</b> | <b>Summary of actions</b>                  | NMC/17/21 |       |
|          | Secretary                                  |           |       |
| <b>6</b> | <b>Chief Executive's report</b>            | NMC/17/22 |       |
|          | Chief Executive and Registrar              |           |       |

### Matters for decision

- |          |   |           |       |
|----------|---|-----------|-------|
| <b>7</b> | <b>Section 60: FTP consultation outcomes and proposed Rules</b> | NMC/17/23 | 09:40 |
|          | Director of Fitness to Practise                                 |           |       |
| <b>8</b> | <b>Nursing Associates</b>                                       | NMC/17/24 | 10:10 |
|          | Director of Education, Standards and Policy                     |           |       |

- |           |  |           |       |
|-----------|--|-----------|-------|
| <b>9</b>  | <b>Appointment of Assistant Registrar</b><br>Director of Fitness to Practise                 | NMC/17/25 | 10:30 |
| <b>10</b> | <b>Review of Council member policies</b><br>Secretary  | NMC/17/26 | 10:35 |
| <b>11</b> | <b>Review of allowances for non-Council Committee members (partner members)</b><br>Secretary | NMC/17/27 | 10:45 |

### **Corporate reporting**

- |           |   |           |       |
|-----------|---|-----------|-------|
| <b>12</b> | <b>Midwifery Committee Report</b><br>Chair of Midwifery Committee | NMC/17/28 | 10:50 |
| <b>13</b> | <b>Audit Committee Report</b><br>Chair of Audit Committee         | NMC/17/29 | 11:10 |

### **Refreshments 11:20 – 11:40**

- |           |   |           |       |
|-----------|---|-----------|-------|
| <b>14</b> | <b>Performance and Risk report</b><br>Director of Resources | NMC/17/30 | 11:40 |
| <b>15</b> | <b>Financial monitoring report</b><br>Director of Resources | NMC/17/31 | 12:00 |

### **Matters for discussion**

- |           |   |           |                        |
|-----------|---|-----------|------------------------|
| <b>16</b> | <b>Questions from observers</b><br>Chair of the Council | NMC/17/32 | 12:10<br><b>(Oral)</b> |
|-----------|---|-----------|------------------------|

## Matters for information

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

### 17 Chair's action taken since the last meeting NMC/17/33

Chair of the Council

## Lunch 12:20 – 12:45

## Matters for decision

### 18 Transformation NMC/17/34 12:45

18a Outline Business Case

18b Gateway Review Report and Management Response

Director of Transformation

### 19 Draft Corporate Plan 2017–2018 and Budget 2017–2020 NMC/17/35 14:15

19a Draft Corporate Plan 2017–2018

19b Draft Budget 2017–2020

Director of Resources

**Close 15:00**



Meeting of the Council  
Held in the Council Chamber at 23 Portland Place, London W1B 1PZ on 25 January  
2017

## Minutes

### Present

#### Members:

Dame Janet Finch	Chair
Karen Cox	Member
Maura Devlin	Member
Maureen Morgan	Member
Robert Parry	Member
Stephen Thornton	Member
Lorna Tinsley	Member
Ruth Walker	Member
Anne Wright	Member

#### NMC Officers:

Jackie Smith	Chief Executive and Registrar
Adam Broome	Director of Resources
Emma Broadbent	Director of Registration and Revalidation
Judith Toland	Director of Transformation
Geraldine Walters	Director of Education, Standards and Policy
Sarah Page	Director of Fitness to Practise
Fionnuala Gill	Secretary to the Council
Pernilla White	Governance and Committee Manager

## Minutes

### **NMC/17/01 Welcome and Chair's opening remarks**

1. The Chair welcomed all attendees to the meeting, including observers and staff members present, and outlined the order of business for the day.
2. On behalf of the Council, the Chair congratulated Professor Geraldine Walters, Director of Education, Standards and Policy on being awarded a CBE in the New Years Honours list and Ms Gail Adams, Head of Nursing, Unison on the award of an OBE.

### **NMC/17/02 Apologies for absence**

1. Apologies were received from Derek Pretty.

### **NMC/17/03 Declarations of interest**

1. NMC/17/04: Nursing associates. All registrant members and Geraldine Walters, Director of Education, Standards and Policy declared an interest. This was not considered prejudicial.
2. NMC/17/10: Future advice on Midwifery. Lorna Tinsley declared an interest as a registered midwife. This was not considered prejudicial.

### **NMC/17/04 Nursing associate**

1. The Chair introduced this item by reminding members of the letter from the Secretary of State for Health of 30 November 2016, asking the Council to be the regulator for the new nursing associate role. As a regulator, there was no bigger issue to be faced than deciding whether or not to agree to regulate a new profession. The Chair would respond to the letter once the Council had made a decision.
2. The Council received a presentation from the Chief Executive and Registrar on the context, issues, potential benefits and risks to be taken into consideration in reaching a decision on this request.
  - a) The Government had decided that the role was needed and that it should be regulated. The question for the Council was whether the NMC was willing to be the regulator for the role. In reaching a decision, the Council should be guided by its' overarching statutory duty to protect the public.
  - b) The benefits of regulation by the NMC included: patient safety and public protection; clarity for patients and public; potential for a career progression route to becoming a registered nurse;

confidence of the professions in the role; and the ability for the NMC to ensure that those providing care are educated to the right standards.

- c) Public consultation undertaken by Health Education England (HEE) had been strongly in favour of the role and that it be regulated by the NMC. The role had been created as a solution to workforce challenges in England. The different views taken by, and the strength of feeling in, the other three countries was understood and recognised. Whilst the NMC was committed to UK wide regulation, the role was not being imposed on the other countries.
- d) Legislative change would be required and would take at least 18 to 24 months. Given that pilot training schemes were already underway, this gap would need to be managed. However, the gap also offered the opportunity to develop greater clarity around the scope of the role, ensure that the right standards were set for entry to the nursing associate register, and thereby protect the role of the graduate nurse.

3. In discussion, the following points were made:

***Interests of patients and the public***

- a) There was a compelling and persuasive case for agreeing to regulate the role from a lay perspective. Patients and the public want to know that they are being cared for by someone with the right skills and who is regulated.
- b) If the NMC did not agree to be the regulator, the Government may ask another regulator to do this. This could create considerable confusion for patients and service users and a loss of confidence on the part of patients and public in both the profession and the NMC. It was difficult to see how the NMC would answer if asked in future why it had declined to regulate.
- c) In terms of public protection the NMC was best placed to regulate both taking a top down view, given that it was now one of the best performing regulators and from a bottom up approach, given that nurses and nursing associates would work closely together. No other regulator would have the depth of understanding of the role of the registered nurse and be able to ensure compatibility and alignment of the roles.
- d) There were understandable concerns amongst some that the role would be used to provide 'cut-price' nursing, given the huge funding pressures on the NHS. Availability of the role may lead to Nurse Directors coming under immense pressure to change skills

mixes on the wards in deploying scarce resources. Whilst deployment of the role that was a matter for employers, in taking on regulation, the NMC would have the ability to influence this by ensuring that the role scope and standards were set at the right level to ensure protection of the public.

#### ***Four Country issues***

- e) There were differing views about the need for the role across the four countries. However, this was not a matter for the Council, nor was it for the NMC to decide how the role was deployed or utilised in each country. Devolution of responsibility for health had led to each nation developing its' own workforce structures and frameworks. Current indications were that Wales, Scotland and Northern Ireland did not anticipate using the role and there would be a need to mitigate against differential use of the role.
- f) Overlap with existing roles in the other countries would need to be taken into account and enough time taken to ensure that the scope of the role was clear. It was crucial for the NMC to understand the impact on each country's frameworks and engage closely with all four countries in developing standards. There was an absolute commitment to work with all four countries to understand and address any concerns should the Council decide in favour of regulation.
- g) A possible England only approach to regulation, as mentioned in the Secretary of State's letter, would be divisive: regulation should remain UK wide. Any qualification would, as with the registered nurse, be portable, to the extent that it was recognised whether inside or outside the UK.

#### ***Scope of practice, education and training***

- h) When asked to do so, the Professional Standards Authority had indicated that there was not yet sufficient detail at that stage about the role and risks to public protection to recommend whether the role should be regulated. Further work on the scope of the role would be needed, recognising however that there was no definition of the scope of the role of registered nurse. Nursing was more than the sum of its tasks and defining the role would be a challenge. Clarity between the roles would be critical. The fact that the NMC understood nursing meant that it was best placed to take on this role, since no other regulator would be able to provide the same knowledge and understanding of nursing.
- i) Agreeing to be the regulator would give the NMC responsibility for determining the standards for the role and the interface with the role of the registered nurse and thereby improve public

protection. The NMC would be able to ensure that there was a clear career progression route to become a registered nurse, giving those with potential the opportunities to pursue this if they wished to do so. This contributed to the broader longstanding political agenda espoused by governments of all persuasions of encouraging social mobility by providing opportunities at a range of entry points for people from all backgrounds to have access to professional training.

- j) The NMC work being led by Dame Jill Macleod Clark on revision of the pre-registration nursing standards meant that this was a good time to also be shaping the standards for nursing associates. The revised standards for registered nurses would involve raising the bar in terms of the skills, capabilities and competencies required of the future registered nurse. However, inevitably there would be some overlaps since core caring skills would be fundamental to both the graduate nurse and nursing associate roles. Agreeing to regulate could be seen as bringing the 'nursing family' together.

#### ***Pilot programmes and transition***

- k) In relation to the pilot training programmes already running, concerns were expressed about the position that might arise if these did not meet the standards when set and for the students who may be placed in a difficult position. Transitional arrangements would be needed; this would include working closely with the consortia training providers, all of whom included an NMC approved education institution, to ensure that training met future NMC register entry requirements. Students would also need to understand the risks and that the NMC would need to do all it could to help mitigate this. Learning would be sought from the experiences of other regulators who had faced similar situations in taking on regulation of a new profession.

#### ***Legislation and nature of regulation***

- l) The Department of Health had committed to make the necessary legislative changes. During that time, consideration would need to be given to questions around the Code, standards, registration and revalidation requirements and fitness to practise and revalidation. Currently, it was envisaged that the full regulatory framework would apply. All of these issues would need to be brought back to the Council for policy decisions, if the decision was in favour of regulation.

#### ***Impact on the NMC***

- m) If the Council agreed to regulate, it was important that it did not

do so lightly but in the confidence that it could do this well in the interests of both the public and the professions. The Council needed to be assured that the organisation had the capacity to take on regulation, as this would be a major programme, touching all aspects of the organisation. The Council already had a number of substantial programmes in train, including a significant organisational transformation programme. It was within the Council's control to speed up or slow down the transformation programme as it considered appropriate. The Executive was confident that regulation of nursing associates could be delivered without causing any delay in the transformation programme.

- n) The NMC was well versed in setting standards and delivering regulation, so the capability to do this was already in place. In capacity terms, there would be need for external support to deliver the regulatory framework in time to register nursing associates to meet the expected legislative timetable.
- o) The Council could take assurance from the success of implementing revalidation. This had been achieved when the NMC had not been in as strong position and in the face of scepticism in some quarters. The NMC was now performing better than at any time previously, as judged by the PSA's recent performance review; for the first time the NMC was meeting all but one of the standards of good regulation. This was therefore the optimum time for the NMC to embark on such a major undertaking.
- p) The Council's strategic ambition was to be a 'dynamic' regulator and there was a need to be mindful of future proposals for regulatory reform. The Council should have confidence in the NMC's role and work and that it was best placed to take on this task.

#### ***Costs and funding***

- q) The Council would need absolute assurance that the Department of Health would meet the costs of setting up and introducing regulation. This could not, and should not, be subsidised by nurses and midwives currently on the register. Initial work by the NMC suggested that costs would be in the region of £4m to set up regulation and this had been shared with the Department of Health.

#### ***Declining to regulate***

- r) If the NMC refused the request, the risk that the government might decide to proceed initially on an unregulated basis could present substantial risks to both the public and the NMC. It was

difficult to see how the NMC would be able to justify refusing to take on regulation of a new nursing profession given public protection considerations.

- s) Declining to regulate would also present significant difficulties for ensuring that the new role and the role of the registered nurse were sufficiently aligned. The reality was not always simple, given the wide range of roles and settings in which registered nurses worked and it was unlikely that all aspects of this had yet been considered but this would need to inform future work.

### ***Summary and conclusions***

4. The Chair thanked members for the full and through consideration of the issues, benefits and risks, as set out in the annexe to the report. All areas had been addressed. The Council had set out clearly its expectations and the assurance it required in relation to:
- i. legislative change;
  - ii. set up costs being covered by the Department of Health; and
  - iii. full authority being given to the NMC as the regulator to set standards and determine regulation requirements.
5. Subject to the above conditions, the Chair concluded that the weight of discussion was in favour of agreeing to regulate.
6. In addition, the Council considered the following essential in taking work forward:
- i. Close engagement with the four countries.
  - ii. Ensuring clarity around the scope of practice and standards
  - iii. Action to ensure that the pilot training programmes would meet the standards to be set.
  - iv. Business as usual and other programmes to be delivered without any diversion as a result of taking on regulation.
  - v. Reports to each meeting of the Council.
7. **Decision: The Council agreed that the NMC should be the regulator for the new nursing associate role.**

<b>Action:</b>	<b>Provide a standing report to the Council including reporting back on issues identified at paragraphs 4 to 6 above</b>
<b>For:</b>	<b>Director of Education, Standards and Policy</b>
<b>By:</b>	<b>29 March 2017</b>

### **NMC/17/05 Questions from observers**

1. The Chair invited questions from observers. The following comments were made:

- a) It was disappointing that the Council had not consulted registrants and had not given observers an opportunity to comment before reaching a decision. The discussion appeared to be stage managed and the outcome a foregone conclusion.
- b) It is important that the £4 million expected cost is not an underestimate: registrants should not have to pay. In future, differential fees may be appropriate; nursing associates will be lower paid so the Council should not expect them to pay the same as registrants.
- c) The concerns for students on the pilot programmes expressed by the Council were shared; the cart was being put before the horse.
- d) The Council's decision would not further public protection, as employers would seek to substitute nursing associates for registered nurses. The Council should have taken this into account if it was focused on public protection.
- e) Not everyone wanted to be a nurse and some would have preferred to see a multi-professional approach being taken with regulation through HCPC.
- f) Despite reservations, the unions would seek to work with the NMC to ensure regulation was as good as it could be.
- g) Disappointment was expressed that there had been no public consultation by the NMC before the Council reached a decision and that reliance had been placed on the consultation carried out by Health Education England. The devolved administrations viewed the HEE consultation as flawed and had made their views known to the Department of Health.
- h) Whilst there was support for widening avenues for career progression, regulation was not essential to career progression.
- i) There was a possibility that regulatory reform would result in a single register and the NMC could have chosen to go down the route of operating a voluntary accredited register pending such reform.
- j) Introduction of nursing associates would lead to a dilution of roles; some employers were already looking at 'public health associates' given the scarcity of funds for Health Visitors. There was concern that this was all about saving money.
- k) An observer from HEE took the opportunity to assure the Council that HEE had been very clear with students about the risks arising from the pre-registration standards not having been set at

this stage. HEE had also been clear with employers that they could not badge trainees as 'nursing associates'. HEE welcomed the Council's decision.

2. In response, the Chief Executive and Registrar recognised the strength of feeling and that many had reservations about the role. However, the creation of the role was a decision for Government, not the NMC. She gave an assurance that the NMC would undertake full and open consultation on the standards for the new role.

***Secretary's note: the Council adjourned until 1.30pm***

**NMC17/06 Minutes of the previous meeting**

1. The minutes were agreed as an accurate record.

**NMC/17/07 Summary of actions**

1. The Council noted progress on actions from previous meetings.
2. Arising from Minute NMC/16/84 1c), it would have been helpful to have an action and progress update on the work underway to understand apprenticeship arrangements in the four countries. An update on this should be provided at the next meeting.
3. Arising from Minute NMC 16/85 4b), it would have been helpful to have had a specific action and update on how the Council would be ensured that the triennial signoff on mentorship by Supervisors of Midwives would be addressed in the new arrangements. The minute noted that this would be picked up in future work. The Director of Education, Standards and Policy would ensure this was picked up and reported back to Council.
4. Arising from minute NMC/16/90 20, it would be helpful to know how the comments made had been reflected in the revised competencies for Council members. The Council was advised that some minor amends had been made to the final competencies and this had been used for the current recruitment process.

**Action:** Provide an update on work being undertaken to understand apprenticeship arrangements in the four countries.

**For:** Director of Education, Standards and Policy

**By:** 29 March 2017

**Action:** Provide further information about where triennial signoff on mentorship by Supervisors of Midwives would sit in the future arrangements.

**For:** Director of Education, Standards and Policy

**By:** 29 March 2017

### **NMC/17/08 Chief Executive's report**

1. The Council considered a report from the Chief Executive and Registrar on key external developments, strategic engagement, and media activity since the previous Council meeting. In discussion, the following points were noted:
  - a) In relation to the section 60 legal changes, the Department of Health had now published a response to the public consultation and was confident that the timetable for the legislative changes by March would be achieved.
  - b) The NMC hosted an event for the Chairs and Chief Executives of all the professional regulators and the Professional Standards Authority on 15 December 2016. A commitment to work together had been made by all those present.
  - c) The New Routes into Nursing Oversight Board would now include work on routes for the nursing family, including nursing associates.
  - d) It was noted that the Chief Executive had contributed evidence to the House of Lords Committee on Long-Term Sustainability of the NHS. There may be value in this work looking at increased involvement with the social care sector and the multiple lines of accountability of those working in such areas.

### **NMC/17/09 Midwifery Committee Report**

1. The Council considered the report presented by the Chair of the Committee. The report had been deferred from the last Council meeting and therefore covered work from last year. In discussion, the following points were noted:
  - a) A major focus for the Committee had been monitoring the progress and impact of the section 60 changes relating to midwifery and overseeing preparation of the documents to help support the transition.
  - b) At its October 2016 meeting, the Committee had received a very useful presentation on the proposed regulatory changes affecting Fitness to Practise.
  - c) The Committee had welcomed the provision of disaggregated revalidation data relating to midwives, which represented a small step forward.
  - d) Throughout the year, the Committee had reviewed its remit and role in light of the proposed removal of the Committee with a view

to assisting the Council identify any gaps which may result and need to be managed. The Committee had identified a number of areas which had been flagged in the report, including:

- Governance - the committee was part of the structure of, and reported to, the Council.
  - Regulatory – the need to ensure regulation of midwifery matters continued to be addressed.
  - Communication and engagement – the Committee had valued the input from invited observers, which had ensured that the Committee was able to hear the views of stakeholders, the four countries, LSAMOS and LMEs and the Department of Health.
  - Strategic oversight - of reviews, reports and other midwifery related issues.
- e) Some members of the Committee considered that there may be value in keeping the Committee through the transition phase to offer midwives reassurance that the needs of the profession were being brought to the Council's attention.

2. The Council noted the report.

#### **NMC/17/10 Future advice on Midwifery**

1. Introducing this item, the Chair said that it was a privilege for the Council to be the regulator of midwives. This was an important item: the proposed changes represented a unique opportunity to strengthen both Council's knowledge and understanding of midwifery issues and strengthen the way midwifery matters were addressed by the Council and the organisation as a whole.
2. The Chief Executive and Registrar introduced the report and outlined the proposed arrangements for ensuring future access to advice on midwifery matters.
3. In discussion, the following points were noted:
  - a) The overwhelming majority of responses to the Department of Health's consultation had opposed the proposed removal of the statutory Committee. The Council would want to assure itself that the NMC will have appropriate access to advice and expertise on matters affecting midwifery.
  - b) The proposals for the Council as a whole to take responsibility for matters affecting midwifery regulation and for ensuring midwifery matters are mainstreamed within NMC business were welcome. It was agreed that it would be helpful to include the full text of the Government's response which made clear that midwifery matters

should be mainstreamed 'without the nature of the midwifery profession being marginalised within the NMC.'

### ***Midwifery Panel***

- c) The Midwifery Panel had been in place since November 2015, operating alongside the Midwifery Committee, but looking specifically at future arrangements post legislative change. The Panel should continue for the transitional period of twelve to eighteen months. In light of the confirmation of the changes, the planned review by the Panel of its remit and membership including ensuring increased midwifery presence was timely.
- d) It was welcome that the Panel's membership carried forward the same constituencies as those who had contributed to the Midwifery Committee; this resolved the need for any continuation of that Committee for a transitional period. At the same time, it was important to guard against the Panel's membership becoming too large and unwieldy.
- e) The Chair of the Council had recently attended a Midwifery Panel meeting and had been impressed by the range of ideas and depth of discussions. The Panel was well placed to take forward the transition, without the statutory constraints that had applied to operation of the Committee and to provide strategic advice.
- f) The disadvantage of a statutory committee had been that it had been seen as the sole channel for the Council to receive information and advice on midwifery matters; this should not be replicated with the Panel. The Council had been fortunate in being very well advised and informed through the two Council members on the Committee but it was important that the Council as a whole would in future take responsibility for midwifery matters.

### **Hearing the Midwifery voice/Listening events**

- g) Given the much smaller numbers of midwives than nurses on the register it was important that they did not feel outnumbered or marginalised. Midwives were passionate about ensuring that their voice was heard and it was important for the NMC to listen.
- h) There was support for the proposals to hear the voice of midwives through expert task-focused groups, stakeholder events and workshops as part of specific projects, together with annual or twice yearly listening events for all levels of the profession. The recognition of the importance of hearing from front line midwives was welcome.

- i) It was good to see that the ideas and suggestions put forward by stakeholders being adopted. It would be good to work through the communications and engagement ideas further to see what worked best and how there could be engagement across the business.
- j) More generally, the proposals as well as providing the Council a better way to hear the voice of midwives offered a possible model which might also be adopted for understanding and gaining intelligence about different roles within the nursing profession.

### **Strategic intelligence**

- k) This was a long standing issue and the need for further progress in this area was recognised. Recent developments and system changes which enabled better coding of FTP midwifery cases would help. The need for continued focus was understood.

### **Strategic focal point**

- l) The proposal for a standing item on the Council agenda and for ensuring that the Council had increased briefings and seminar sessions on midwifery and maternity matters were warmly supported. This would help both widen out and embed Council's understanding of the issues. This offered the opportunity to ensure that midwifery regulation was the best that it could be for the profession, mothers, babies, and families.

4.

**Decision: The Council endorsed the proposed arrangements for ensuring future access to advice on matters relating to midwifery regulation.**

<b>Action:</b>	<b>Take forward the proposals and ensure that midwifery matters are mainstreamed within NMC business without being marginalised</b>
<b>For:</b>	<b>Chief Executive and Registrar</b>
<b>By:</b>	<b>29 March 2017</b>
<b>Action:</b>	<b>Provide a standing report to the Council on midwifery</b>
<b>For:</b>	<b>Chief Executive and Registrar</b>
<b>By:</b>	<b>29 March 2017</b>

## **NMC/17/11 Review of Financial Regulations**

- 1. The Director of Resources introduced the draft Financial Regulations. In discussion, the following points were noted:
  - a) The draft Financial Regulations had been thoroughly revised to ensure these were now high level and strategic; operational details had been moved into a new staff operational guide to

Finance.

- b) The Audit Committee had reviewed and endorsed the revised regulations.

2. **Decision: The Council approved the Financial Regulations.**

**NMC/17/12 Professional Standards Authority Annual Performance Review 2015-2016**

1. The Chief Executive and Registrar introduced the report, highlighting the Professional Standards Authority's conclusion that: *"This represents a significant improvement in the NMC's performance against the Standards of Good Regulation by comparison to previous years and reflects considerable, sustained work by the NMC."* She thanked the Council and all staff for their hard work. It would be important to maintain the momentum.
2. In discussion the following points were noted:
  - a) The Executive had developed an action plan covering all the areas the PSA had said needed attention. The action plan would be monitored by the Executive Board with quarterly reports to the Council.
  - b) The actions had been categorised into four themes: quality; policy and guidance; timeliness and customer service. The performance reports of other regulators were also being reviewed to identify any learning.
  - c) In relation to the standard which had not been met - FTP timeliness - there was still some way to go. The proposed plans and commitments for next year aimed to move towards an optimal flow of cases through the Fitness to Practise process.
  - d) The Council would wish to see a more detailed plan setting out how and when these improvements would be achieved, including a trajectory for FTP improvements and any support needed from the Council.
  - e) This was an impressive report and a great achievement: it was important however to remain focused on the areas for further improvement.
  - f) The PSA is currently reviewing the Standards of Good Regulation and had welcomed NMC input to this. The review may lead to a different approach in future, with a wider focus across the range of regulatory activity.

3. In conclusion, the Chair noted that this was a very good place to be and

the Council had confidence that further positive progress would continue to be made.

**Action:** Provide a more detailed report on the plan for improvement with clear trajectories and timescales for outcomes.  
**For:** Director of Registration and Revalidation  
**By:** 24 May 2017

#### **NMC/17/13 Performance and Risk Report**

1. The Council considered a report on performance and risk management across the organisation, since the last Council meeting in November 2016.

#### ***Corporate plan commitments update at Quarter 3***

2. In relation to the 14 remaining commitments in the corporate plan 2016-2017, it was envisaged that 11 should be achieved but three would not be: Commitment 1b (People Strategy); Commitment 10 (Use of intelligence); and Commitment 12 (Communication and collaboration). It was proposed that all three should be priorities for the 2017-2018 corporate plan which the Council would consider in March 2017.
3. In discussion, the following points were made:
  - a) Whilst it was good that 11 commitments would be achieved, it was disappointing that three would not be; this may be due to an overambitious approach. The next corporate plan would need to be very clear about what the Council would wish to see for each of the three commitments. Both the Council and the Executive had shared responsibility for ensuring this was the case.
  - b) In relation to commitment 1b, whilst a People Strategy was not yet in place, some progress had been made for example, reinvigoration of the employee forum and the recent staff survey which had 75 percent of staff responding.

**Action:** Ensure clarity in framing the commitments in the draft Corporate Plan 2017 – 2020  
**For:** Director of Resources  
**By:** 29 March 2017

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

4. In discussion, the points below were noted:

#### ***Registration and revalidation performance, KPIs and dashboard***

- a) Performance across the directorate had been positive since the last report with a green rating against the KPIs and recovery from the underperformance discussed at the last meeting. Significant improvement had been seen in call centre and customer experience performance.
- b) More information had been provided around call abandonment, as requested by the Council, but part of the difficulty was that current systems did not provide sufficient data to understand the picture. One of the aims of the transformation programme would be to tackle this in developing new systems.
- c) More information had also been provided on customer satisfaction. Efforts continued to be made to increase the response rate and 50 percent more feedback was now being received than previously enabling greater analysis. Work was also ongoing jointly with FTP to develop a 'customer effort score'. This was a commonly used industry measure, but not used by other healthcare professional regulators, limiting the scope for benchmarking against them.
- d) The focus on customer experience was welcome, even though there was clearly some way to go. It would be helpful when bringing back future information to include more information on the survey and the questions used.

***Fitness to Practise performance, KPIs and dashboard***

- e) The overall caseload had reduced by about 200 cases. The increase in referrals had been 2 per cent which was lower than anticipated. Caseloads in screening and investigations had reduced due to decisions being made on cases at an earlier stage. As flagged in previous meetings, this had resulted in an increase in cases awaiting adjudication. Increased hearing activity was planned during the final part of the year to meet the original plans. This remained a risk.
- f) The need to schedule more hearing days than originally planned was driving an overspend in the budget of £1.6 million. The FTP budget had originally included £2.8 million embedded efficiency savings. The forecast overspend meant that it was now expected to achieve £1.2 million in efficiency savings.
- g) Performance against the interim order KPI remained strong. The KPI on timeliness indicated that this was below target, however the median case ages at each stage, as shown on the dashboard, should give some assurance that the focus was on older cases.

- h) A report on the impact on the first year of the Employer Link Service should be provided to the Council at an appropriate time.

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

- 5. The Council discussed the summary of corporate risks. Most of the risks had remained static over time. This raised questions about whether this should be a cause for concern and whether any of the risks would ever reduce to a green rating.
- 6. In discussion, the following points were noted:
  - a) Consideration of risk was always challenging for any public body. In addition to this summary report, the Council conducted thorough scrutiny of the more detailed corporate risk register in private session.
  - b) CR29 - Insight and Intelligence. As discussed earlier, there was a need for clarity about Council's expectations in this area; what would reduce the risk to a green rating; and when this would be achieved.
  - c) CR30a – Transformation. The red rating reflected the high level of caution given the size and complexity of the programme, but this would need to be closer to amber before any decision was made to proceed.
  - d) Similarly in relation to CR30b - Impact of transformation on business as usual, assurance would be needed that business as usual could be delivered alongside transformation.
  - e) The Executive was planning a review of risk reporting and would take account of the issues raised and report further to the Council. The risk management policy required the Council's approval before risks which had turned green could be removed from the register.

**Action:** Include information on customer satisfaction survey questions in future reports on customer experience.

**For:** Director of Registration and Revalidation

**By:** 29 March 2017

**Action:** Provide a report on the impact of the first year of the Employer Link Service when appropriate.

**For:** Director of Fitness to practise

**By:** 27 September 2017

**Action:** Report back on the consideration of the issues raised in relation to corporate risks

**For:** Director of Resources

**By:** 29 March 2017

#### **NMC/17/14 Financial monitoring report**

1. The Council considered the report on financial performance to 31 December 2016. In discussion, the following points were noted:
  - a) An overspend against budget was expected at year end, driven primarily by the forecast FTP overspend discussed earlier.
  - b) The forecast overspend in Registration and Revalidation had arisen due to additional staffing requirements for the peak periods for which appropriate provision had not been included in the original budget.
  - c) Increased discipline in forecasting and adhering to budget was expected by the Council. In particular, the Council would be alive to using unfilled vacancies as a way of staying within budget.
  - d) In future, the report should additionally include percentage variances from budget.

**Action:** Include percentage variances from budget in future reports

**For:** Director of Resources

**By:** 29 March 2017

#### **NMC/17/15 Questions from observers**

1. The Chair invited questions from observers.
2. The Director of Midwifery, Royal College of Midwives thanked the Council for listening to the views of midwives and stakeholders. The RCM was pleased with the proposals that had been approved for ensuring the voice of midwives would be heard in future and looked forward to seeing how this worked in practice.

**NMC/17/16 Chair's action taken since the last meeting**

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

The next meeting of the Council will be held on Wednesday 29 March 2017 at 23 Portland Place, London W1B 1PZ.

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

**SIGNATURE:** .....

**DATE:** .....

DRAFT



## Council

### Summary of actions

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

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## Summary of outstanding actions arising from the Council meeting on 25 January 2017

Minute	Action	Action owner	Report back to: Date:	Progress to date
<b>NMC/17/04</b>	<p><b>Nursing associate</b></p> <p>Provide a standing report to the Council including reporting back on issues identified at paragraphs 4 to 6 of the Council minutes.</p>	Director of Education, Standards and Policy	29 March 2017	On the agenda for this meeting and included as a standing item for future agenda planning.
<b>NMC/17/07</b>	<p><b>Apprenticeships</b></p> <p>Provide an update on work being undertaken to understand apprenticeship arrangements in the four countries.</p>	Director of Education, Standards and Policy	29 March 2017	The devolved administrations use apprenticeship frameworks within health and care but not currently in the registered nurse arena. We have participated in two seminars in Wales on workforce developments in general and apprenticeship in particular. We have also reviewed the outputs of the recent Scottish Apprenticeships week. We will continue to ensure we have a level of awareness of apprenticeship policy in order to respond effectively to any apprenticeship developments that affect nursing or midwifery.
<b>NMC/17/07</b>	<p><b>Midwifery</b></p> <p>Provide further information about where triennial signoff on</p>	Director of Education, Standards and Policy	29 March 2017	With the revocation of Midwives Rules and Standards due to occur on 31 March 2017 the role of statutory supervisors of Midwives will cease. Decisions will be

Minute	Action	Action owner	Report back to: Date:	Progress to date
	mentorship by Supervisors of Midwives sits in the future arrangements.			taken locally about those midwives ongoing capability to participate in triennial review from 1 April 2017.
<b>NMC/17/10</b>	<b>Future advice on Midwifery</b>  Take forward the proposals and provide a standing report to the Council on midwifery.	Chief Executive and Registrar	29 March 2017	Scheduled as a standing item for Council meetings from May 2017.  This agenda includes a final report from the Midwifery Committee.
<b>NMC/17/12</b>	<b>Professional Standards Authority Annual Performance Review 2015-2016</b>  Provide a more detailed report on the plan for improvement with clear trajectories and timescales for outcomes.	Director of Registration and Revalidation	24 May 2017	Not yet due.
<b>NMC/17/13</b>	<b>Corporate commitments</b>  Ensure clarity in framing the commitments in the draft Corporate Plan 2017 – 2020.	Director of Resources	29 March 2017	Reflected in corporate commitments in draft corporate plan on the agenda for this meeting.
<b>NMC/17/13</b>	<b>Customer satisfaction</b>  Include information on customer satisfaction survey questions in future reports on customer	Director of Registration and Revalidation	29 March 2017	Questions included in the Directorate Performance and Risk report on the agenda for this meeting.

Minute	Action	Action owner	Report back to: Date:	Progress to date
	experience.			
<b>NMC/17/13</b>	<p><b>Employer link service</b></p> <p>Provide a report on the impact of the first year of the Employer Link Service when appropriate.</p>	Director of Fitness to Practice	27 September 2017	Not yet due.
<b>NMC/17/13</b>	<p><b>Corporate risk summary</b></p> <p>Report back on the consideration of the issues raised in relation to corporate risks.</p>	Director of Resources	29 March 2017	The issues have been considered and updates are provided as part of the Performance and Risk report and the confidential Corporate risk register report. From Q2 2017–2018 onwards, Corporate risk register reports will include improved information about anticipated risk movement and our actions to address this.
<b>NMC/17/14</b>	<p><b>Financial monitoring report</b></p> <p>Include percentage variances from budget in future reports.</p>	Director of Resources	29 March 2017	Reflected in the Financial monitoring report on the agenda for this meeting.

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

Minute	Action	Action owner	Report back to: Date:	Progress to date
<b>NMC/16/92</b>	<b>Corporate KPIs</b>  Consider more stretching KPIs for 2017-2018.	Director of Registration and Revalidation	29 March 2017	A suggestion is with Council to make the international registration target slightly more stretching for 2017-2018. The proposal is to leave other targets the same, given the potential impacts of supporting the transformation programme during 2017-2018.

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

Minute	Action	Action owner	Report back to: Date:	Progress to date
<b>NMC/16/74</b>	<b>Equality and Diversity Annual Report 2015-2016</b>  Provide data for registrants disaggregated by profession.	Director of Education, Standards and Policy	25 January 2017	Future reporting will now include this information.
<b>NMC/16/74</b>	<b>Equality and Diversity Annual Report 2015-2016</b>  Provide a detailed plan setting out the specific actions and	Director of Education, Standards and Policy	25 January 2017	The action plan will be ready for presentation at the July 2017 Council.

<b>Minute</b>	<b>Action</b>	<b>Action owner</b>	<b>Report back to: Date:</b>	<b>Progress to date</b>
	targets to progress the priorities set out in the report (paragraph 37).			

## Council

### Chief Executive's report

**Action:** For information.

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

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

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

**Decision required:** None.

**Annexes:** None.

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

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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.
  - 2 The focus of recent strategic engagement has been primarily around the Council decision in January 2017 to regulate the Nursing Associate role at the invitation of the Secretary of State; the parliamentary stages of the Section 60 order; and our wider education programme.

**Discussion: External developments**

**Section 60 changes - midwifery**

- 3 The Nursing and Midwifery (Amendment) Order 2017 was approved by both Houses of Parliament in February and by the Privy Council on 8 March 2017. The changes to midwifery regulation, including removal of the Midwifery Committee, come into effect at the end of March 2017. An update on the Fitness to Practise changes to the Order is covered in a separate report on the agenda.
- 4 The NMC Chief Executive and Chair attended the final meeting of the NMC's statutory Midwifery Committee on 22 February 2017. The Committee welcomed the update from the transition leads from the four countries on their respective models of non-statutory supervision. The NMC Chair thanked the members of the Committee for their contribution to the NMC's work and oversight of midwifery issues. The Committee's final report is included on this agenda.

**Nursing associate**

- 5 Following the agreement of the Council to be the regulator for Nursing Associates, we have engaged extensively with key stakeholders and there is a separate update on the agenda.
- 6 On 24 February 2017, the Chief Executive attended a pilot site progress workshop. This meeting brought together all 35 test sites, who shared updates on their successes and challenges so far. The Chief Executive also took part in a Q&A session and spoke about our approach to working with the pilot sites over the next two years.
- 7 On 1 March 2017, the Chief Executive met with the Shelford Group of senior nurses in London to discuss the Nursing Associate role and the development of apprenticeship standards.

**Accountability and oversight**

**Health Select Committee session on Brexit**

- 8 On 28 February 2017, the Chief Executive gave evidence to the

Health Select Committee, alongside the Chief Executive of the General Medical Council (GMC), on the impact of Brexit on health and social care. As part of the preparations for the session, the Chief Executive met the Chief Executive of the GMC on 15 and 20 February 2017.

### **Department of Health engagement**

- 9 On 27 January 2017, the NMC Chief Executive and Chair met the Department of Health Permanent Secretary, Chris Wormald, for an introductory meeting. A number of areas were discussed, including the Nursing Associate role and the Professional Standards Authority's (PSA's) recent performance review assessment of the NMC. There have also been a range of meetings and discussions between the Chief Executive and the Department of Health on various topics.
- 10 At the end of February 2017, the Department of Health, with the Council's agreement, announced that the PSA would conduct the Lessons learned review into the handling of Morecambe Bay cases.
- 11 On 9 March 2017, the Chief Executive, accompanied by the Assistant Director for Communications, met Ed Jones, the Health Secretary's special advisor for a discussion about a range of issues.

### **PSA regulatory symposium**

- 12 On 9 February 2017, the NMC's Director of Fitness to Practise and NMC Council member, Anne Wright, attended the PSA symposium, 'Regulating in an age of uncertainty'. The event focussed on current challenges within the NHS and the impact of Brexit on the service in the short and medium term. There were speakers from the PSA, the GMC, the NHS's European office, the Nuffield Trust and the Scottish Government.

### **Stakeholder Engagement and Communication**

- 13 The Chief Executive met the Chief Nursing Officer for England on 11 January and 10 February 2017 as part of their regular series of catch-up meetings.
- 14 The Chief Executive met the Chief Executive of the Royal College of Nursing on 12 January 2017 and the Chief Executive of the Royal College of Midwives on 18 January 2017 and 1 March 2017 for regular catch-up discussions.
- 15 On 30 January 2017, the Chief Executive accompanied by the Director of Education, Standards and Policy and the Assistant Director, Education and Standards met Peter Steer, the Chief Executive of Great Ormond Street Hospital (GOSH). The meeting

had been arranged to discuss the recruitment of overseas-qualified children's nurses at GOSH and the NMC's strategic education work.

- 16 On 30 January 2017, the NMC's Director of Registration and Revalidation hosted an event for London trust senior nurses. The event concluded with a Q&A session involving the Chief Executive.
- 17 On 31 January 2017, the Chief Executive met the four UK Chief Nursing Officers in Dublin as part of the visit to their counterpart from the Republic of Ireland. During her time in Dublin, the Chief Executive met with Mary Griffin, the Chief Executive of An Bord Altranais, the nursing and midwifery board of Ireland to discuss issues of mutual interest, including the impact of Brexit.
- 18 On 14 February 2017, the Chief Executive met the Director of Policy of the King's Fund to discuss the data and intelligence work.
- 19 The Chief Executive met Sharon Blackburn from the National Care Forum on 16 February 2017 to discuss a range of adult social care issues.
- 20 The Chief Executive has undertaken the following speaking engagements:
  - 20.1 the 'Inside Government' event in London where she spoke about 'raising the quality of nursing provision' (23 February 2017).
  - 20.2 the directors of nursing spring meeting in London where she spoke about Nursing Associates (24 February 2017).
- 21 On 27 February 2017, the Chief Executive spoke with Dr Bill Kirkup, a member of the NMC's midwifery panel, on a number of issues, including his reflections of his first attendance at a Midwifery Panel meeting on 2 February 2017 and his recently commenced role as the chair of a review into the Liverpool Community Trust.
- 22 On 2 March 2017, the Chief Executive met Fiona McQueen, the Chief Nursing Officer for Scotland, in Edinburgh to discuss a range of issues. During her time in Edinburgh, the Chief Executive met with the Director of Care of an Erskine nursing home.

### **Education events**

- 23 We held our regular teleconference to update the four Chief Nursing Officers on progress with our education programme on 17 January 2017. The next discussion is scheduled to take place at the end of March 2017.
- 24 The second Education Stakeholder Forum meeting took place on 31 January 2017. Stakeholders were updated on progress in each of

the education work streams over the last quarter and there was discussion about some of our key proposals.

- 25 The Chief Executive chaired the Future Nurse Sponsoring Board on 8 March 2017, where the latest draft of the pre-registration nursing standards was among the issues discussed. Attendees at the meeting included the Chief Nursing Officer for Northern Ireland, and representatives from the Council of Deans, NHS England, NHS Education for Scotland and the Scottish Government. As a follow-up to the meeting, the Chief Executive spoke to the Chief Nursing Officer for Wales on 7 March 2017.
- 26 The NMC's Senior Midwifery Advisor visited the Queen Alexandra Trust in Portsmouth where she shadowed a midwife on a 12-hour shift. This was the first in a series of similar visits that will be undertaken by the Senior Midwifery Advisor around the UK throughout the rest of the year. The Assistant Director (ESP) visited at the same time to deliver a seminar on our education programme.
- 27 We hosted workshops in Edinburgh, Cardiff, Belfast and Sheffield throughout February 2017, with stakeholders from both education and practice sectors. This second round of such workshops focused on the proposed changes to our prescribing standards, the standards for medicines management, and learning and assessment in practice.

## **Collaboration**

- 28 The Chief Executive hosted a meeting about regulatory reform on 18 January 2017. The discussion was attended by the Chief Executives of the GMC, PSA and the General Optical Council (GOC). On 2 February 2017, the Chief Executive met the GOC Chief Executive for a follow-up to the earlier discussion.
- 29 The NMC Chair and Chief Executive met with the GMC Chair and Chief Executive on 26 January 2017 to discuss a range of cross-regulatory issues, including collaboration.

## **Media activity**

- 30 The Chief Executive gave the following media interviews:
  - 30.1 the 'Daily Telegraph' on Brexit and wider EU legislative issues (23 January 2017).
  - 30.2 'Nursing Standard' magazine on revalidation (13 February 2017).
  - 30.3 'NHS Executive' magazine on the regulation of nursing associates (27 February 2017).

30.4 Interview with BBC Radio 5 live on Brexit (13 March 2017).

31 We received significant media interest in the Council's decision to regulate Nursing Associates in January 2017 and the announcement of the 'lessons learned' review.

32 In February 2017, we published our third quarterly revalidation report. Details of the report were covered in the trade press.

33 On 1 February 2017, the Revalidation Quarterly Feedback meeting took place. This brought together stakeholders from across the four countries to discuss the data from the third quarter of revalidation and hear an update from Ipsos MORI on the progress of the evaluation.

34 In March 2017, an article written by the Chief Executive to celebrate the impending first anniversary of the introduction of revalidation was published as part of the supplement on the nursing profession in 'The Guardian'.

35 Ongoing fitness to practise cases relating to maternity failings in Guernsey were covered in regional online press.

**Public protection implications:**

36 No direct public protection implications.

**Resource implications:**

37 No direct resource implications.

**Equality and diversity implications:**

38 No direct equality and diversity implications.

**Stakeholder engagement:**

39 Stakeholder engagement is detailed in the body of this report.

**Risk implications:**

40 No direct risk implications.

**Legal implications:**

41 No direct legal implications.

## Council

### Section 60: FTP consultation outcomes and proposed Rules

<b>Action:</b>	For decision.		
<b>Issue:</b>	Conclusions and proposed way forward following consultation on modernising our Fitness to Practise approach.		
<b>Core regulatory function:</b>	Fitness to Practise.		
<b>Corporate objectives:</b>	Strategic priority 1: effective regulation.		
<b>Decision required:</b>	<p>The Council is invited to review and to agree the conclusions set out in <b>Annexe 1</b> following our Modernising Fitness to Practise consultation (paragraph 12).</p> <p>Subject to having agreed the conclusions in <b>Annexe 1</b>, the Council is invited to review and to agree in principle the proposed changes to the Fitness to Practise Rules 2004, set out in <b>Annexe 2</b> (paragraph 13).</p>		
<b>Annexes:</b>	<p>The following annexes are attached to this paper:</p> <ul style="list-style-type: none"> <li>• Annexe 1: Modernising Fitness to Practise – Draft consultation report. (Not available for open session as this is being published separately)</li> <li>• Annexe 2: Draft legislation changes to the Fitness to Practise Rules 2004.</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: Charlie Stapleton Phone: 020 7681 5580 <a href="mailto:Charles.Stapleton@nmc-uk.org">Charles.Stapleton@nmc-uk.org</a></td> <td>Director: Sarah Page Phone: 020 7681 5864 <a href="mailto:Sarah.Page@nmc-uk.org">Sarah.Page@nmc-uk.org</a></td> </tr> </table>	Author: Charlie Stapleton Phone: 020 7681 5580 <a href="mailto:Charles.Stapleton@nmc-uk.org">Charles.Stapleton@nmc-uk.org</a>	Director: Sarah Page Phone: 020 7681 5864 <a href="mailto:Sarah.Page@nmc-uk.org">Sarah.Page@nmc-uk.org</a>
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- Context:**
- 1 During 2016 the Department of Health consulted<sup>1</sup> on proposals to improve certain approaches within our Fitness to Practise function by providing us with new regulatory powers. The Department of Health published its consultation report on 11 January 2017, concluding that it would implement those proposed powers as consulted upon. From 24 October to 19 December 2016 we ran a public consultation called *Modernising Fitness to Practise*<sup>2</sup>. It set out proposals for how we could use a number of the powers consulted upon by the Department of Health, noting that detailed guidance would follow.
  - 2 Our consultation proposed measures to allow Case Examiners to give advice, issue warnings, and recommend undertakings. It also proposed measures to ensure that these new disposals could be subject to review in certain scenarios, as is the case for other Case Examiner (CE) decisions. And, it proposed a number of transitional arrangements. We received a total of 132 unique responses to our consultation, 91 from individuals and 41 from organisations.

**Discussion and options appraisal:**

**Summary of consultation responses and conclusions**

- 3 Full response analysis and conclusion are set out in **Annexe 1**.
- 4 In response to our consultation we received 132 responses, 91 from individuals and 41 from organisations. Of the individuals who responded, 93% identified themselves as being on our register as nurses or midwives, and 74% as currently practising in the UK. The weight of the responses we received was very firmly supportive of our proposals.
- 5 The majority of supportive comments we received welcomed our proposals and noted that they were a more proportionate approach to protecting the public. Respondents also considered that the proposals would lead to the swifter resolution of less serious cases, allowing serious cases to progress more quickly to full hearings. This should allow a greater focus on more serious cases and a more efficient and targeted use of our resources.
- 6 Respondents noted the proposals would provide nurses and midwives with a greater opportunity to learn and a clearer focus on upholding the standards within the Code, reinforcing professionalism and public confidence. Respondents also welcomed the accountability and transparency of the proposals, and the accompanying safeguards they contained.
- 7 A minority of respondents focused on the absence of a power of

<sup>1</sup> <https://www.gov.uk/government/consultations/changes-to-nursing-and-midwifery-council-governing-legislation>

<sup>2</sup> <https://www.nmc.org.uk/globalassets/sitedocuments/consultations/2016/s60-ftp-consultation-rules-oct2016.pdf>

appeal by the Professional Standards Authority (PSA) for the new proposed disposals; appeal routes for reviews of CE decisions; the proposal to impose warnings instead of them being consensual; and the fairness in publishing regulatory sanctions on our register.

- 8 Our proposals include the scope to monitor compliance with, and for review and variation of, undertakings for less serious cases involving clinical matters which can be effectively managed through agreed actions. A review can be called by any party to the proceedings or another party. This ensures that there are safeguards in place to assess and mitigate against any risk to the public. Current legal powers for the PSA would remain unchanged for the most serious cases in order to provide additional safeguards.
- 9 We believe that the ability for an independent regulator to impose warnings as a regulatory sanction, increases the independence in the oversight of the nursing and midwifery professions. The proposals also include sufficient safeguards to ensure the nurse or midwife is treated fairly. Additionally, the government response to the Law Commission's Report covered the power to issue warnings at the end of an investigation; it did not make any recommendation that warnings should be consensual or that there was a need for a hearing as an appropriate safeguard. Indeed, its view on safeguards on all decisions at the end of an investigation (other than decisions to refer for full hearing) was to make them subject to Registrar review<sup>3</sup>.
- 10 The proposed publication approach of sanctions on our register would be an extension of our current approaches which are in line with Data Protection Act requirements. Publication of restrictions on practice on a public register is also fundamental to how we approach public protection, and an established approach taken by a range of independent regulators to ensure transparency and public protection.
- 11 Having considered the responses to the consultation we are confident in concluding that we should take forward our proposals for implementation as consulted upon. We believe that this would modernise our fitness to practise approach as a more proportionate, targeted and efficient means of delivering public protection.

### **Recommendations**

- 12 **The Council is invited to review and to agree the conclusions set out in Annexe 1 following our Modernising Fitness to Practise consultation.**
- 13 **Subject to having agreed the conclusions in Annexe 1, the Council is invited to review and to agree in principle the**

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<sup>3</sup> Page. 62, paragraph 5.28 - <http://qna.files.parliament.uk/ws-attachments/176610/original/Government's%20response%20to%20Law%20Commission%20report.pdf>

**proposed changes to the Fitness to Practise Rules 2004, set out in Annexe 2.**

14 If Council agrees in principle to make changes to the Rules, we will take the following steps:

14.1 Publish the consultation report and our conclusions.

14.2 Ask Council to formally make the legislative changes to the Fitness to Practise Rules 2004 by correspondence after the Order comes into force on 31 March 2017.

14.3 Execute under seal the changes to the Rules and put them before Privy Council for approval.

14.4 Continue our work with stakeholders to develop appropriate guidance and refine processes.

14.5 Begin operating the proposed changes set out in our consultation.

**Public protection implications:**

15 As set out in our consultation, the proposals will improve public protection by delivering a more proportionate and efficient process and swifter resolutions through the fitness to practise process.

**Resource implications:**

16 We estimate that when fully implemented the changes are expected to deliver savings of approximately £3.8m per year.

**Equality and diversity implications:**

17 We have undertaken an equality analysis, and also invited views on equality impacts during our consultation.

18 Our analysis shows no anticipated adverse effects on the protected characteristics, but a potentially positive effect on the characteristics of gender, pregnancy / maternity, age and race. We will continue to monitor the impacts of our approaches, including through our annual Fitness to Practise and Equality and Diversity reports. The approaches proposed would also represent a proportionate means of achieving a legitimate aim: public protection.

**Stakeholder engagement:**

19 We have undertaken a public consultation exercise and a number of bespoke engagement activities, such as listening events. This has ensured appropriate engagement and feedback from a range of groups and individuals. There has been a good overall level of support for our proposals during our stakeholder engagement activities.

- Risk implications:** 20 Despite the high level of support for the proposals, some stakeholders continue to have concerns about some of the proposals. These are set out in detail along with our conclusions in **Annexe 1**. We will continue to monitor these concerns and maintain engagement prior to, and post, implementation to monitor the situation.
- Legal implications:** 21 The proposals would change our regulatory legislation as set out in **Annexe 2**. We have been working with the Department of Health's legal team to draft them and ensure they are legally sound. The Department's legal team signed off the legal drafting on 16 March 2017.



## THE NURSING AND MIDWIFERY COUNCIL (FITNESS TO PRACTISE) (AMENDMENT) RULES 2017

*[Reproduced from draft schedule to article 3 of the Nursing and Midwifery Order (Legal Assessors) (Amendment) and the Nursing and Midwifery Council (Fitness to Practise) (Amendment) Rules Order of Council 2017]*

The Nursing and Midwifery Council, in exercise of the powers conferred by articles 26(3) and (5B), 26A(1), 26B(2), 26C(1), 32(1) and (2) and 47(2) of the Nursing and Midwifery Order 2001<sup>(a)</sup>, in accordance with article 47(3) of that Order, after consultation with representatives of groups of persons who appear likely to be affected by the proposed rules, makes the following Rules.

### **Citation and commencement**

1. These Rules may be cited as the Nursing and Midwifery Council (Fitness to Practise) (Amendment) Rules 2017 and shall come into force on \*\*\* 2017.

### **Amendments to the Nursing and Midwifery Council (Fitness to Practise) Rules 2004**

2. The Nursing and Midwifery Council (Fitness to Practise) Rules 2004<sup>(b)</sup>, are amended in accordance with rules 3 to 31.

3. In rule 2<sup>(c)</sup> (interpretation)—

- (a) in the definition of “review hearing”, for "Conduct and Competence Committee or the Health" substitute "Fitness to Practise";
- (b) in the definition of “sanction” for "Health or Conduct and Competence" substitute "Fitness to Practise".

4. In rule 2A<sup>(d)</sup> (initial consideration of allegations), for paragraph (2) substitute—

“(2) Where the Registrar considers that an allegation falls within article 22(1)(a) of the Order, the Registrar must refer the allegation—

- (a) to the Case Examiners for consideration under rule 6C; or
- (b) to the Fitness to Practise Committee for consideration in accordance with Part 4.”.

5. In rule 3<sup>(e)</sup> (notice of allegations of fraudulent or incorrect entries in the register), in paragraph (3)—

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- (a) S.I. 2002/253, relevant amendments to which were made by S.I. 2014/3272 and S.I. 2017/321
  - (b) These Rules are scheduled to S.I. 2004/1761
  - (c) Rule 2 was amended by rule 3(1) of the Nursing and Midwifery Council (Fitness to Practise)(Amendment) Rules 2007 which are set out in the Schedule to S.I. 2007/893, by rule 12 of the Nursing and Midwifery Council (Midwifery and Practice Committees) (Constitution) Rules 2008 which are set out in the Schedule to S.I. 2008/3148, by rules 2 and 3 of the Nursing and Midwifery Council (Fitness to Practise) (Amendment) Rules 2011 which are set out in the Schedule to S.I. 2012/17, and by rule 3 of the Nursing and Midwifery Council (Fitness to Practise) (Education, Registration and Registration Appeals) (Amendment) Rules 2014, which are set out in the Schedule to S.I. 2015/52.
  - (d) Rule 2A was inserted by rule 5 of the Nursing and Midwifery Council (Fitness to Practise) (Education, Registration and Registration Appeals) (Amendment) Rules 2014 which are set out in the Schedule to S.I. 2015/52.
  - (e) Rule 3 was amended by rules 2 and 4 of the Nursing and Midwifery Council (Fitness to Practise) (Amendment) Rules 2011 which are set out in the Schedule to S.I. 2012/17 and by rule 6 of the Nursing and Midwifery Council (Fitness to Practise)

- (a) at the end of sub-paragraph (a), insert “and”;
  - (b) omit sub-paragraphs (c) and (d).
- 6. In rule 6A<sup>(a)</sup> (notice of fitness to practise allegations) —**
- (a) in paragraph (1), for “2A(2)” substitute “2A(2)(a)”;
  - (b) in paragraph (2)(b), before “invite the registrant” insert “inform the registrant of the actions the Case Examiners could take under rule 6C and”.
- 7. In rule 6C<sup>(b)</sup> (consideration of fitness to practise allegations by Case Examiners)—**
- (a) in paragraph (1), for “2A(2)” substitute “2A(2)(a)”;
  - (b) for paragraphs (2) and (3), substitute—
    - “(2) Where the Case Examiners agree that there is a case to answer—
      - (a) the Case Examiners must either—
        - (i) refer the case to the Fitness to Practise Committee, or
        - (ii) recommend undertakings to be agreed with the registrant pursuant to rule 6E;
      - (b) the Registrar must notify in writing both the registrant and the person making the allegation (if any) of the Case Examiners’ decision and their reasons for it.
    - (2A) Paragraph (2)(a)(ii) does not apply where the Case Examiners consider that, if the allegation were referred to the Fitness to Practise Committee, there is a realistic prospect of that Committee making an order directing the Registrar to strike the registrant off the register.
    - (2B) Where the Case Examiners agree that there is no case to answer, they may give advice to the registrant or issue the registrant with a warning.
    - (3) Where the Case Examiners agree that there is no case to answer, the Registrar must notify in writing—
      - (a) the person making the allegation (if any) of the Case Examiners’ decision together with their reasons, including whether the registrant has been issued with a warning or given advice;
      - (b) the registrant—
        - (i) of the of the Case Examiners’ decision together with the reasons for it,
        - (ii) of the details of any warning issued or advice given,
        - (iii) of the period during which any warning issued will be published under article 22(9) of the Order,
        - (iv) that the allegation may be taken into account in the consideration of any further allegation about the registrant received by the Council within three years from the date of the Case Examiners’ decision that there is no case to answer.”;
    - (c) in paragraph (5), for “the Investigating” substitute “a Practice”.
- 8. In rule 6D<sup>(c)</sup> (consideration of fitness to practise allegations by the Investigating Committee)—**

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(Education, Registration and Registration Appeals) (Amendment) Rules 2014 which are set out in the Schedule to S.I. 2015/52.

- (a) Rule 6A was inserted by rule 10 of the Nursing and Midwifery Council (Fitness to Practise) (Education, Registration and Registration Appeals) (Amendment) Rules 2014 which are set out in the Schedule to S.I. 2015/52.
- (b) Rule 6C was inserted by rule 10 of the Nursing and Midwifery Council (Fitness to Practise) (Education, Registration and Registration Appeals) (Amendment) Rules 2014 which are set out in the Schedule to S.I. 2015/52.
- (c) Rule 6D was inserted by rule 10 of the Nursing and Midwifery Council (Fitness to Practise) (Education, Registration and Registration Appeals) (Amendment) Rules 2014 which are set out in the Schedule to S.I. 2015/52, and amended by rule 4 of the Nursing and Midwifery Council (Fitness to Practise) (Education, Registration and Registration Appeals) (Amendment No. 2) Rules 2015, which is set out in the Schedule to S.I. 2015/1923.

- (a) in paragraph (1)(c) after “must consider,” insert “in private,”;
- (b) for paragraphs (2) and (3), substitute—
  - “(2) Where the Investigating Committee determines that there is a case to answer—
    - (a) the Investigating Committee must either—
      - (i) refer the allegation to the Fitness to Practise Committee, or
      - (ii) recommend undertakings to be agreed with the registrant pursuant to rule 6E;
    - (b) the Registrar must notify in writing both the registrant and the person making the allegation (if any) of the Investigating Committee’s determination and its reasons for it.
  - (2A) Paragraph (2)(a)(ii) does not apply where the Investigating Committee considers that, if the allegation were referred to the Fitness to Practise Committee, there is a realistic prospect of that Committee making an order directing the Registrar to strike the registrant off the register.
  - (2B) Where the Investigating Committee determines that there is no case to answer, it may give advice to the registrant or issue the registrant with a warning.
  - (3) Where the Investigating Committee determines that there is no case to answer, the Registrar must notify in writing—
    - (a) the registrant and the person making the allegation (if any) of the Investigating Committee’s determination together with its reasons, including whether the registrant has been issued with a warning or given advice;
    - (b) the registrant—
      - (i) of the Investigating Committee’s determination together with the reasons for it,
      - (ii) of the details of any warning issued or advice given,
      - (iii) of the period during which any warning issued will be published under article 22(9) of the Order,
      - (iv) that the allegation may be taken into account in the consideration of any further allegation about the registrant received by the Council within three years from the date of the Case Examiners’ decision that there is no case to answer.”;
- (c) omit paragraph (4).

9. After rule 6D (consideration of fitness to practise allegations by the Investigating Committee), insert—

**“Undertakings**

**6E.**—(1) Where, under rule 6C(2)(a)(ii), the Case Examiners recommend undertakings to be agreed with the registrant, or the Investigating Committee makes such a recommendation under rule 6D(2)(a)(ii), the Registrar must write to the registrant—

- (a) inviting the registrant to confirm in writing, within 28 days of the date of that invitation, or within such further period allowed by the Registrar, that the registrant will comply with the undertakings recommended by the Case Examiners or by the Investigating Committee, as the case may be (referred to in this rule as “the undertakings”);
- (b) informing the registrant of the provisions of paragraph (4) of this rule.

(2) If, in accordance with paragraph (1), the registrant confirms in writing that the registrant will comply with the undertakings—

- (a) the Case Examiners or the Investigating Committee, as the case may be, must cease consideration of the allegation;

- (b) where the allegation has been referred to the Fitness to Practise Committee, the Fitness to Practise Committee must not consider the allegation; and
- (c) any interim order in place under article 31 shall cease to have effect.

(3) Where paragraph (2) applies the Registrar must notify the registrant and the maker of the allegation (if any) in writing that undertakings have been agreed and the date from which the undertakings have effect.

(4) Where the registrant does not confirm in accordance with paragraph (1) that the registrant will comply with the undertakings, the Registrar must—

- (a) refer the allegation to the Fitness to Practise Committee for consideration; and
- (b) notify the registrant and the maker of the allegation (if any) in writing of the referral.

(5) Where the registrant has agreed to comply with the undertakings and it appears to the Registrar that those undertakings should be varied or cease to apply, the Registrar must inform the Case Examiners and the Case Examiners may—

- (a) direct that the undertakings should continue; or
- (b) invite the registrant to comply with the undertakings, varied as the Case Examiners consider appropriate (“the varied undertakings”); or
- (c) direct that the undertakings should no longer apply and that the allegation should not be considered further, and the Registrar must notify the registrant and the person making the allegation (if any) in writing accordingly.

(6) Where the registrant is invited under paragraph (5)(b) to agree to comply with the varied undertakings and the registrant does not so agree in writing within 28 days or such further period as allowed by the Registrar—

- (a) the Registrar may review, under rule 7A, the Case Examiners’ decision under rule 6C(2)(a)(ii) or the Investigating Committee’s decision under rule 6D(2)(a)(ii), as the case may be, to recommend undertakings to be agreed with the registrant; and
- (b) the undertakings shall remain in effect until the conclusion of any review in accordance with rule 7A(7).

(7) Where it appears to the Registrar that the registrant has failed to observe an undertaking or a varied undertaking the Registrar must refer the allegation which resulted in the agreement of undertakings to the Case Examiners, who may—

- (a) revoke the undertakings or varied undertakings and refer the original allegation that resulted in the undertakings being agreed under this Rule to the Fitness to Practise Committee; or
- (b) make a decision under paragraph (5).”.

**10.** In rule 7<sup>(a)</sup> (reconsideration of allegation after a finding of no case to answer) in paragraph (2)(b), for “Conduct and Competence or Health” substitute “Fitness to Practise”.

**11.** In rule 7A<sup>(b)</sup> (review of decisions)—

- (a) for paragraphs (1) and (2), substitute—

“(1) All or part of a decision mentioned in paragraph (1A) may, if reached on or after 9th March 2015, be reviewed by the Registrar under this rule (a “reviewable decision”).

(1A) The following are reviewable decisions for the purpose of paragraph (1)—

- (a) a decision under rule 6C(1) or rule 6D(1)(c) that there is no case to answer (including where the registrant has been issued with a warning or advice);

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(a) Rule 7 was amended by rule 11 of the Nursing and Midwifery Council (Fitness to Practise) (Education, Registration and Registration Appeals) (Amendment) Rules 2014 which are set out in the Schedule to S.I. 2015/52.

(b) Rule 7A was inserted by rule 12 of the Nursing and Midwifery Council (Fitness to Practise) (Education, Registration and Registration Appeals) (Amendment) Rules 2014 which are set out in the Schedule to S.I. 2015/52.

- (b) a decision under rule 6C(2)(a)(ii) or rule 6D(2)(a)(ii) to recommend undertakings to be agreed with the registrant;
  - (c) a decision under rule 6E(5)(c) that undertakings should no longer apply and that the allegation should not be considered further.
- (2) The Registrar may carry out such a review if the Registrar has reason to believe that—
- (a) the reviewable decision may, in whole or in part and for any reason, be materially flawed and the Registrar considers that a review would be in the public interest or necessary to prevent injustice to the registrant; or
  - (b) there is new information which may have led to a decision that is wholly or partly different from the reviewable decision and the Registrar considers that a review would be in the public interest or necessary to prevent injustice to the registrant.”;
- (b) in paragraphs (5), (8) and (10), for “no case to answer”, substitute “reviewable”;
  - (c) in paragraph (6)—
    - (i) for “no case to answer” substitute “reviewable”,
    - (ii) after “public interest” in both places it occurs, insert “or is necessary to prevent injustice to the registrant”;
  - (d) for paragraph (7), substitute—
 

“(7) Those decisions are—

    - (a) where the reviewable decision falls within paragraph (1A)(a)—
      - (i) to refer to the Case Examiners for reconsideration by them under rule 6C, an allegation that a registrant’s fitness to practise is impaired, or
      - (ii) to substitute, for all or part of the reviewable decision, any decision which the Case Examiners or the Investigating Committee could have made under Part 2 of these rules;
    - (b) where the reviewable decision falls under paragraph (1A)(b), to substitute, for all or part of the reviewable decision, any decision which the Case Examiners or the Investigating Committee could have made under Part 2 of these rules; or
    - (c) where the reviewable decision falls under paragraph (1A)(c), to recommend undertakings to be agreed with the registrant (and rule 6E applies in respect of undertakings agreed under this provision as it does to undertakings recommended under rule 6C(2)(a)(ii) or rule 6D(2)(a)(ii)).”.

**12.** In rule 8<sup>(a)</sup> (notice and procedure)—

- (a) in paragraph (2), omit “and (9)”;
- (b) in paragraph (6), before “Committee is satisfied that” insert “Practice”.

**13.** After rule 8 for the heading of Part 4 substitute “Fitness to Practise Committee”.

**14.** In rule 9<sup>(b)</sup> (action upon referral of an allegation)—

- (a) in paragraph (1), for “the Conduct and Competence Committee or to the Health” substitute “Fitness to Practise”;
- (b) in paragraph (2)—
  - (i) for sub-paragraph (b) substitute—

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(a) Rule 8 was amended by rules 2 and 8 of the Nursing and Midwifery Council (Fitness to Practise) (Amendment) Rules 2011 which are set out in the Schedule to S.I. 2012/17, and by rule 13 of the Nursing and Midwifery Council (Fitness to Practise) (Education, Registration and Registration Appeals) (Amendment) Rules 2014, which is set out in the Schedule to S.I. 2015/52.

(b) Rule 9 was amended by rule 9 of the Nursing and Midwifery Council (Fitness to Practise) (Amendment) Rules 2011 which are set in the Schedule to S.I. 2012/17, and by rule 5 of the Nursing and Midwifery Council (Fitness to Practise) (Education, Registration and Registration Appeals) (Amendment No. 2) Rules 2015, which is set out in the Schedule to S.I. 2015/1923.

- “(b) invite the registrant to submit written representations to the Fitness to Practise Committee and inform the registrant that any such representations must be sent to that Committee no later than 28 days after service of the notice;”,
- (ii) in sub-paragraphs (d) and (e) before “Committee” insert “Fitness to Practise”,
- (iii) in sub-paragraph (f) before “Committee’s” insert “Fitness to Practise”;
- (c) in paragraph (3)—
  - (i) at the end of sub-paragraph (a), insert “and”,
  - (ii) omit sub-paragraphs (c) and (d);
- (d) in paragraph (4)—
  - (i) for “Conduct and Competence Committee or the Health” substitute “Fitness to Practise”,
  - (ii) in sub-paragraphs (a) and (c), for “Conduct and Competence”, in each place it occurs, substitute “Fitness to Practise”,
  - (iii) in sub-paragraph (b) for “Health” substitute “Fitness to Practise”;
- (e) in paragraph (4A), for “Conduct and Competence” substitute “Fitness to Practise”;
- (f) in paragraph (5)—
  - (i) for “Conduct and Competence or the Health” substitute “Fitness to Practise”,
  - (ii) in sub-paragraphs (a)(ii) and (iii), before “Committee” insert “Fitness to Practise”.

**15. In rule 10(a) (meetings and hearings)—**

- (a) in paragraphs (1) and (2), for “Conduct and Competence Committee or Health”, substitute “Fitness to Practise”;
- (b) in paragraphs (3) and (4), for “Conduct and Competence Committee or the Health”, substitute “Fitness to Practise”.

**16. In rule 11<sup>(b)</sup> (notice of hearing)—**

- (a) in paragraph (1), for “Conduct and Competence Committee or Health” substitute “Fitness to Practise”;
- (b) in paragraph (3)—
  - (i) in sub-paragraph (b), before “Committee is to consider”, insert “Fitness to Practise”,
  - (ii) in sub-paragraphs (c), (g), (k) and (l), before “Committee” insert “Fitness to Practise”,
  - (iii) in sub-paragraphs (e) and (j) before “Committee’s” insert “Fitness to Practise”,
  - (iv) for paragraph (m), substitute—
    - “(m) where the allegation, previous order or application for restoration to be considered by the Fitness to Practise Committee relates solely to the registrant’s physical or mental health, invite the registrant to inform the Fitness to Practise Committee if the registrant wishes the hearing, or part of the hearing to be conducted in public.”.

**17. In rule 11A<sup>(c)</sup> (notice of meeting), in paragraph (1), for “Conduct and Competence Committee or the Health” substitute “Fitness to Practise”.**

**18. In rule 12 (procedure of the Conduct and Competence Committee and the Health Committee)—**

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- (a) Rule 10 was amended by rules 2 and 10 of the Nursing and Midwifery Council (Fitness to Practise) (Amendment) Rules 2011 which are set out in the Schedule to S.I. 2012/17.
  - (b) Rule 11 was amended by rules 2 and 11 of the Nursing and Midwifery Council (Fitness to Practise) (Amendment) Rules 2011 which are set out in the Schedule to S.I. 2012/17.
  - (c) Rule 11A was inserted by rules 2 and 12 of the Nursing and Midwifery Council (Fitness to Practise) (Amendment) Rules 2011 which are set out in the Schedule to S.I. 2012/17.

- (a) for the heading substitute “Procedure of the Fitness to Practise Committee”;
  - (b) in paragraph (1), for “Conduct and Competence or the Health” substitute “Fitness to Practise”;
  - (c) in paragraph (2), for “Conduct and Competence” substitute “Fitness to Practise”.
- 19.** In rule 13<sup>(a)</sup> (notice of decision)—
- (a) in paragraph (1), for “Conduct and Competence or the Health” substitute “Fitness to Practise”;
  - (b) in paragraph (2)—
    - (i) in sub-paragraph (a), before “Committee” insert “Fitness to Practise”,
    - (ii) in sub-paragraph (b), before “Committee's” insert “Fitness to Practise”.
- 20.** Omit rules 14 (referral of allegation from the Conduct and Competence Committee to the Health Committee) and 15 (referral of allegation from the Health Committee to the Conduct and Competence Committee)<sup>(b)</sup>.
- 21.** In rule 16 (application of Part 5), in sub-paragraph (b), for “Conduct and Competence or the Health” substitute “Fitness to Practise”.
- 22.** In rule 17 (interpretation)—
- (a) at the end of paragraph (a), insert “or”;
  - (b) for paragraphs (b) and (c), substitute—
    - “(b) the Fitness to Practise Committee.”.
- 23.** In rule 18<sup>(c)</sup> (preliminary meetings), in paragraph (5)—
- (a) in sub-paragraph (d), omit “and the case considered by the Health Committee”; and
  - (b) in sub-paragraph (j)(ii), for “Conduct and Competence” substitute “Fitness to Practise”.
- 24.** In rule 19 (public and private hearings) —
- (a) for paragraph (2) substitute—
    - “(2) Subject to paragraph 2A, a hearing before the Fitness to Practise Committee which relates solely to an allegation concerning the registrant's physical or mental health must be conducted in private.”
  - (b) after paragraph (2), insert—
    - “(2A) All or part of the hearing referred to in paragraph (2) may to be held in public where the Fitness to Practise Committee—
      - (a) having given the parties, and any third party from whom the Committee considers it appropriate to hear, an opportunity to make representations, and
      - (b) having obtained the advice of the legal assessor,
 is satisfied that the public interest or the interests of any third party outweigh the need to protect the privacy or confidentiality of the registrant..
- 25.** In rule 23 (vulnerable witnesses), in paragraph (1), for "Conduct and Competence or the Health" substitute "Fitness to Practise".
- 26.** In rule 24<sup>(a)</sup> (order of proceedings at initial hearing), in paragraph (13)—

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(a) Rule 13 was amended by rules 2 and 13 of the Nursing and Midwifery Council (Fitness to Practise) (Amendment) Rules 2011 which are set out in the Schedule to S.I. 2012/17.

(b) Rules 14 and 15 were amended by rules 2 and 13 of the Nursing and Midwifery Council (Fitness to Practise) (Amendment) Rules 2011 which are set out in the Schedule to S.I. 2012/17.

(c) Rule 18 was amended by rule 6 of the Nursing and Midwifery Council (Fitness to Practise) (Education, Registration and Registration Appeals) (Amendment No. 2) Rules 2015, which is set out in the Schedule to S.I. 2015/1923

- (a) in sub-paragraph (d), at the end omit “and”;
- (b) in sub-paragraph (e), for “.” substitute “; and”; and
- (c) after sub-paragraph (e), insert—
  - “(f) if the sanction is an order made under article 29(5)(b) or (c) of the Order, may issue a direction under article 29(8A) of the Order.”.

**27.** In rule 25A<sup>(b)</sup> (investigations prior to a review hearing), in paragraph (4), for "Conduct and Competence" substitute "Fitness to Practise".

**28.** In rule 27 (notes and transcript of proceedings), in paragraph (3), for “any” substitute “either”.

**29.** In rule 28<sup>(c)</sup> (amendment of the charge), for “, the Health Committee or the Conduct and Competence” substitute “or the Fitness to Practise”.

**30.** In rule 29 (joinder), for “Conduct and Competence”, in each place it occurs, substitute “Fitness to Practise”.

**31.** In rule 31 (evidence)—

- (a) in paragraphs (4A), (6), (6A) and (7), for “Conduct and Competence” substitute “Fitness to Practise”;
- (b) in paragraph (5), for “Health” substitute “Fitness to Practise”.

### **Transitional and saving provisions**

**32.** (1) In this rule—

- (a) “the appointed day” means the day on which the Nursing and Midwifery (Amendment) Order 2017 comes into force;
- (b) “the Rules” means the Nursing and Midwifery Council (Fitness to Practise) Rules 2004 as in force immediately prior to the appointed day; and
- (c) “the amended Rules” means the Nursing and Midwifery Council (Fitness to Practise) Rules 2004 as amended by these Rules.

(2) Except where paragraph (3) or (4) applies, where, before the appointed day, an allegation has been received in relation to a registrant, the amended Rules are to apply to consideration of the allegation.

(3) Where, before the appointed day—

- (a) the initial hearing of an allegation has commenced under rule 24 of the Rules; and
- (b) the charge has been read out;

the Rules are to apply for the purposes of that initial hearing.

(4) Where before the appointed day, a decision is referred to court under section 29(4) of the National Health Service Reform and Health Care Professions Act 2002 and after the appointed day, a court remits the case under section 29(8)(d) of that Act, the Rules are to apply to the disposal of the case in accordance with the directions of the court.”.

Given under the official seal of the Nursing and Midwifery Council this \*\*\*th day of \*\*\* 2017.

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- (a) Rule 24 was **amended substituted ?** by rule 3(2) of the Nursing and Midwifery Council (Fitness to Practise)(Amendment) Rules 2007 which are set out in the Schedule to S.I. 2007/893
  - (b) Rule 25A was inserted by rule 7 of the Nursing and Midwifery Council (Fitness to Practise) (Education, Registration and Registration Appeals) (Amendment No. 2) Rules 2015, which are set out in the Schedule to S.I. 2015/1923.
  - (c) Rule 28 was amended by rules 2 and 15 of the Nursing and Midwifery Council (Fitness to Practise) (Amendment) Rules 2011 which are set out in the Schedule to S.I. 2012/17.



*Dame Janet Finch*  
Chair  
*Jackie Smith*  
Chief Executive and Registrar

### **Explanatory Note**

*[Reproduced from draft Explanatory Note the Nursing and Midwifery Order (Legal Assessors) (Amendment) and the Nursing and Midwifery Council (Fitness to Practise) (Amendment) Rules Order of Council 2017]*

*(This Note is not part of the Order)*

This Order *[omitted, relevant only to Legal Assessors Amendment]* approves the Nursing and Midwifery Council (Fitness to Practise) (Amendment) Rules 2017 (“the Rules”) which amend the Nursing and Midwifery Council (Fitness to Practise) Rules 2006 (S.I. 2004/1761) (“the Fitness to Practise Rules”).

*[omitted, relevant only to Legal Assessors Amendment]*

The Schedule to this Order amends the Fitness to Practise Rules. Rules 3, 10, 13, 14(a), (b) and (d) to (f) and 15 to 25 and 27 to 31 of the Rules amend the Fitness to Practise Rules as a consequence of the replacement of the Conduct and Competence Committee and the Health Committee by a Fitness to Practise Committee.

Rule 4 amends rule 2A of the Fitness to Practise Rules to enable the Registrar to refer allegations of impaired fitness to practise directly to the Fitness to Practise Committee, or to Case Examiners for consideration. Rules 6 and 7(a) makes consequential amendments to rules 6A and 6C of the Fitness to Practise Rules.

Rule 5 amends rule 3 of the Fitness to Practise Rules to remove the requirement for the Registrar to notify certain persons of the Registrar’s decision to refer an allegation of fraud or an incorrect entry in the register to the Investigating Committee. Rule 14(c) amends rule 9(3) of the Fitness to Practise Rules to remove the requirement for the Registrar to make such notifications where an allegation is referred to the Fitness to Practise Committee.

Rule 7(b) substitutes paragraphs (2) and (3) of rule 6C of the Fitness to Practise Rules with new paragraphs (2), (2A), (2B) and (3). These amendments provide that where Case Examiners agree there is a case to answer they may either recommend that undertakings should be agreed with the registrant or refer the allegation to the Fitness to Practise Committee. New paragraph (2A) provides for the circumstances in which the Case Examiners must not agree undertakings. New paragraph (2B) enables the Case Examiners to be able to give advice to the registrant or issue the registrant with a warning where they do not consider that there is a case to answer. New paragraphs (2)(b) and (3) clarifies notification requirements. Rule 7(c) amends rule 6C(5) of the Fitness to Practise Rules to enable the Case Examiners to direct the Registrar to refer a case to either the Investigating Committee or the Fitness to Practise Committee to consider making an interim order.

Rule 8 makes similar amendments to rule 6D of the Fitness to Practise Rules in respect of the consideration of fitness to practise allegations by the Investigating Committee.

Rule 9 inserts rule 6E to the Fitness to Practise Rules which specifies the procedure to be followed if the Case Examiners or the Investigating Committee recommend that undertakings should be

agreed with a registrant. It also specifies the process to be followed where it appears to the Registrar that undertakings should be varied or cease to apply. It provides for the consequences of the registrant not agreeing to comply with undertakings or varied undertakings and of the registrant failing to observe and undertaking or a varied undertaking.

Rule 11 substitutes paragraph (1) and (2) of rule 7A of the Fitness to Practise Rules. This enables the Registrar to review a decision by the Case Examiners or the Investigating Committee to recommend undertakings or that undertakings should no longer apply. This is in addition to the current power for the Registrar to review a no case to answer decision. Rule 11 also amends rule 7A to provide that the Registrar can carry out such reviews where the registrar has reason to believe that a decision may be materially flawed or that new information has come to light which might have led to a different decision and that a review is necessary in the public interest or is necessary to prevent injustice to the registrant.. Where the Registrar reviews a decision that undertakings should no longer apply, Rule 11 amends rule 7A to enable the Registrar to recommend undertakings to be agreed with the registrant.

Rule 12(a) amends rule 8 of the Fitness to Practise Rules to correct a cross reference and paragraph (b) of rule 12 clarifies that it is a Practice Committee that is referred to in paragraph (6) of rule 8.

Rule 26 amends rule 24 of the Fitness to Practise Rules to provide that if the Fitness to Practise Committee makes an order under article 29(5)(b) or (c) of the Nursing and Midwifery Order 2001, it may also issue a direction under article 29(8A) of that Order. The effect of this amendment is that where at the time of making an order under article 29(5)(b)(suspension order) or (c) (conditions of practice order), the Fitness to Practise Committee considers that on the expiry of that order it will not be necessary to extend, vary or replace the order with another order under article 29(5), it can direct that a review hearing of the suspension order or conditions of practice order will not be necessary.

Rule 32 of the Rules provides transitional and saving provisions.

## Council

### Nursing associates

**Action:** For decision.

**Issue:** This paper sets out progress on work in preparation for the regulation of nursing associates, following the Council decision in January 2017.

**Core regulatory function:** All.

**Strategic priority:** Strategic priority 1: Effective regulation.

**Decision required:** Council is asked to approve the policy recommendations set out in the Policy Development section of this paper.

**Annexes:** None.

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

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- Context:**
- 1 On 25 January 2017 Council agreed to a request from the Secretary of State that the NMC regulates the new role of Nursing Associate (NA), subject to changes to our legislation.
  - 2 Legislative change typically takes 18 months to two years, and the first NAs will be completing pilot programmes in January 2019. Our aspiration is to be ready to regulate NAs at that point, provided that the changes we require can be agreed and progressed in good time. We have initiated a two year NA programme and this paper provides information about the workstreams of that programme and an update on the work to date.
  - 3 In order to regulate NAs we will need to:
    - 3.1 work with the Department of Health (DH) to shape and consult on changes to our legislation;
    - 3.2 develop and consult on standards of proficiency for entry onto a new part of our register;
    - 3.3 ensure our new education framework supports the quality assurance of NA programmes which meet our requirements;
    - 3.4 review the Code and other practice standards to decide whether they are relevant to, and appropriate for, the regulation of NAs;
    - 3.5 review all of our regulatory processes, including registration (UK, EU, and overseas), revalidation and fitness to practise, and agree and implement any variations on our standard approach required for NAs;
    - 3.6 set and consult on the registration fee for NAs; and
    - 3.7 develop transitional arrangements for cohorts of trainees we will inherit and communicate deftly with students, educators and employers.
  - 4 We will also need to engage a wide range of stakeholders across the UK, to help inform our approach and to provide effective communications about NA regulation.

**Discussion: Update**

- 5 Key decisions about our regulatory approach will be taken by the Council and we are working on a schedule of these across the timeframe of the programme. These will include:
  - 5.1 any significant decisions arising from the proposed legislative change;

- 5.2 endorsement of the outcomes of the review of the Code and standards;
  - 5.3 approval of 'working draft' standards of proficiency (see paragraph 11.6 below);
  - 5.4 approval of the version of the standards of proficiency for statutory consultation, and adoption of the standards post-consultation;
  - 5.5 approval of any significant regulatory policy decisions, with a particular emphasis on anything that is a new or different policy approach; and
  - 5.6 approval of the fee policy and ratification of the fee decision following consultation.
- 6 A small task and finish group led by the Director of Education, Standards and Policy will contribute to the development of the 'working draft' standards of proficiency. Other groups may be convened as required.

#### **Programme update**

- 7 The NA programme has started work and the following key documents have been or are being developed:
- 7.1 programme plan;
  - 7.2 resource plan;
  - 7.3 risk register;
  - 7.4 equality impact assessment; and
  - 7.5 communication and engagement plan.
- 8 The Council is discussing its approach to the scrutiny of key corporate risks in April 2017 and we will share key risks associated with the NA programme in accordance with the outcome of the Council's decisions.

#### **Legislative change**

- 9 We have had a number of meetings with DH and shared with them our initial thinking on how our legislation should be changed to enable us to regulate NAs. We will share more information with the Council as the DH position on our proposals becomes clear and there may at that stage be key policy decisions for the Council to make.
- 10 We are also discussing the timeframe for legislative change. If

possible we would like to complete the Section 60 Order with enough time for us to take steps to use our new powers (to set standards, approve programmes and consult on fees) prior to the first NAs completing programmes in early 2019.

### **Policy development**

- 11 The Council needs to take a number of policy decisions around future regulation of NAs to shape further work. These are that:
  - 11.1 The principle regulatory functions that we undertake in relation to nurses and midwives will also apply to NAs. We will approve and quality assure education programmes, set standards of proficiency and practice standards, maintain a register, require revalidation, and deal with concerns arising from their practice.
  - 11.2 Our strong preference as a UK regulator is for a UK wide approach to the regulation of NAs, respecting the right of each country to decide whether the role is needed in its workforce context.
  - 11.3 We will seek a separate sub-part of the NMC register for NAs. We would not favour NAs being registered on a sub-part of the nursing part of the register.
  - 11.4 The NA sub-part of the register will not be sub-divided by fields, in accordance with the intention that NA is a generic role.
  - 11.5 We will set standards of proficiency for NAs that are aligned with our new nursing standards, in order that nurses and NAs can work effectively together, and NAs with the potential and appetite to progress to graduate nursing can do so.
  - 11.6 We will develop an early working draft of our standards of proficiency so that those who begin NA training before our regulatory standards are in place can work towards readiness to meet our likely expectations. We plan to bring this to the Council in September 2017. We have no powers to confirm statutory standards until our legislation is changed. The standards will be the subject of a formal consultation.
- 12 **Recommendation: The Council is recommended to approve the policy approaches set out in paragraph 11 above.**

### **Communications and engagement**

- 13 This is a complex and sensitive programme that requires a significant emphasis on communications and engagement. We are establishing a core external stakeholder group and our engagement plan addresses meeting the needs of different stakeholder groups

including prospective NAs, nurses, educators, employers, and all parties involved in the pilots.

- 14 We are already attracting queries from parliamentarians, the media, prospective providers, careers advisers and social media commentators. We are working closely with partners and stakeholders to agree key messages and ensure clarity about where the responsibility for different types of query resides. For example, questions about how the NA role differs from that of the assistant practitioner are not for the NMC to answer.
- 15 There is an understandable interest in the detail of our approach. Where it is too early to provide definitive answers we can let stakeholders know what we consider NA regulation will entail and when we hope to be able to involve them in, and tell them about specific aspects of the work.
- 16 We are still waiting to hear whether the legislative change will provide for the regulation of NA in England, or across the UK. Even if the role is regulated in England only, the perspectives of the devolved administrations will still be essential, not least because of movement across the UK labour market and the cross-border healthcare and education providers.
- 17 We will need a specific focus on engagement with students, educators and employers participating in the NA pilots. The Chief Executive and Registrar addressed the first gathering of the 35 pilots in late February 2017, providing assurance that we recognised a duty of care to pilot students, who will need timely information and support to help them meet our requirements for registration.

### **Next steps**

- 18 As requested, the Council will receive regular updates as part of its oversight of the NA programme.

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

- 19 NAs will be delivering frontline care to patients and service users in a range of settings and the Secretary of State has concluded that statutory regulation is needed to protect the public.

#### **Resource implications:**

- 20 A business case has been submitted to DH for a grant in aid to meet the costs of bringing NAs into regulation.

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

- 21 A full equality impact assessment for the NA programme is being developed.

#### **Stakeholder engagement:**

- 22 A communications and engagement plan for the NA programme has been developed and interviews with key stakeholders are underway.

An external stakeholder group will meet from May 2017 and be chaired by the Chief Executive and Registrar.

- Risk implications:** 23 An NA programme risk register is in place. Council is discussing its approach to corporate risk oversight in April 2017 and we will shape our approach to reporting on NA programme risks in response to its decision.
- Legal implications:** 24 Changes to our legislation to regulate NAs are being discussed with DH.

## Council

### Appointment of Assistant Registrar

**Action:** For decision.

**Issue:** Appointment of an Assistant Registrar to act on the Registrar's behalf.

**Core regulatory function:** Fitness to Practise  
Registrations  
Supporting functions

**Strategic priority:** Strategic priority 1: Effective regulation.  
Strategic priority 4: An effective organisation.

**Decision required:** The Council is recommended to appoint the Assistant Registrar named in paragraph three, subject to which she may be authorised by the Registrar, in accordance with the Standing Orders, to act on her behalf in any matter (paragraph 6).

**Annexes:** None.

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

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<b>Context:</b>	1	<p>The appointment of Deputy and Assistant Registrars is governed by Article 4(5) of the Nursing and Midwifery Order 2001, which states:</p> <p><i>If the Council appoints a deputy or assistant Registrar and that deputy or assistant Registrar is authorised by the Registrar to act for him in any matter, any reference in this Order to “the Registrar” shall include a reference to that deputy or assistant Registrar.</i></p>
<b>Discussion and Options Appraisal:</b>	2	The appointment of an Assistant Registrar to provide flexibility for the Registrar to delegate functions and to meet the business need of the NMC is recommended.
	3	Janine Bracken, Senior Lawyer, Fitness to Practise is recommended for appointment as the Assistant Registrar.
	4	It is envisaged that Janine will undertake the following Assistant Registrar functions:
	4.1	Reviewing Case Examiner decisions under Rule 7A; and
	4.2	Making Voluntary Removal decisions.
	5	She will only be authorised by the Registrar to undertake each function once she has completed the appropriate training.
	6	<b>Recommendation: The Council is recommended to appoint the Assistant Registrar named in paragraph three, subject to which she may be authorised by the Registrar, in accordance with the Standing Orders, to act on her behalf in any matter.</b>
<b>Public protection implications:</b>	7	None.
<b>Resource implications:</b>	8	None. The training of the Assistant Registrar will be managed within existing budgets.
<b>Equality and diversity implications:</b>	9	None.
<b>Stakeholder engagement:</b>	10	None.
<b>Risk implications:</b>	11	None.

**Legal  
implications:**

- 12 The appointment accords with the NMC's governing legislation.



## Council

### Review of Council member policies

**Action:** For decision.

**Issue:** This paper seeks approval of the revised Council member Code of Conduct and the following underpinning policies:

- Managing Interests; and
- Gifts and Hospitality.

**Core regulatory function:** Supporting functions.

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

**Decision required:** The Council is asked to agree to adopt the:

- revised Code of Conduct as set out in **Annexe 1** (paragraph 6);
- draft Managing Interests policy for Council members as set out in **Annexe 2** (paragraph 9); and
- draft Gifts and Hospitality policy for Council members as set out in **Annexe 3** (paragraph 10).

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

- Annexe 1: Revised draft Code of Conduct for members of the Council.
- Annexe 2: Draft Managing Interests policy for Council members.
- Annexe 3: Draft Gifts and Hospitality policy for Council members.

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

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**Context:**

- 1 The Council approved the current Code of Conduct for members in January 2014, along with guidance on the register of interests including a section on gifts and hospitality. As a matter of good governance these key policies should be reviewed at least every three years.
- 2 The opportunity has been taken to revisit and refresh the existing policies to make these more accessible and to ensure they reflect best practice, including recommendations made by the Committee on Standards in Public Life in the report *Striking the Balance: Upholding the Seven Principles of Public Life in Regulation*, as well as the policies of other regulators and public bodies.
- 3 Account has also been taken of an internal audit recommendation to replace the Guidance on the Register of Interests with two separate policies, for managing interests and Gifts and Hospitality.
- 4 The revised policies and the Code of Conduct were reviewed by the Remuneration Committee on 14 February 2017 and, subject to comments, endorsed for approval by the Council.

**Discussion:****Revised Code of Conduct**

- 5 The main amendments to the current Code of Conduct, as endorsed by the Remuneration Committee, are highlighted in red at **Annexe 1**. A summary of the amendments are as follows:
  - 5.1 **Introduction:** now refers to the updated wording in the Order in relation to our overarching public protection objective. It also references the policies that underpin the Code.
  - 5.2 **Conduct and Values:** amended to reflect comments arising from Council effectiveness review.
  - 5.3 **Equality and diversity:** the addition of a section about legal obligations and the expectations of members.
  - 5.4 **Gifts and hospitality:** the addition of a paragraph about requirements around gifts and hospitality and the underpinning policy.
  - 5.5 **Confidential and information security:** the addition of a paragraph about the handling and disposing of confidential information.
  - 5.6 **Social media:** the addition of a section about use of social

media and networking sites.

- 5.7 **Continuing eligibility to serve as a Council member:** the addition of a section which clarifies the circumstances which may lead to suspension or removal from office.
  - 5.8 **Breaches of the Code of Conduct:** clarification of behaviours by members which would be deemed a breach of the Code of Conduct.
  - 5.9 **Policy and Procedure for handling breaches of the Code of Conduct or complaints about Council members:** this existing policy and procedure has been added as an annexe to the Code of Conduct.
- 6 **Recommendation: The Council is asked to agree to adopt the revised draft Code of Conduct for Council members as set out in Annexe 1.**

**Draft Managing Interests policy for Council members; and draft Gifts and Hospitality policy for Council members**

- 7 As recommended by the internal audit report on bribery risk assessment, two separate policies, for Managing Interests and Gifts and Hospitality have been developed. The policy on gifts and hospitality now provides more comprehensive guidance.
- 8 The draft policies are attached at **Annexes 2 and 3.**
- 9 **Recommendation: The Council is asked to agree to adopt the draft Managing Interests policy for Council members as set out in Annexe 2.**
- 10 **Recommendation: The Council is asked to agree to adopt the draft Gifts and Hospitality policy for Council members as set out in Annexe 3.**

**Public protection implications:**

- 11 The Council's overarching statutory duty to protect the public is reflected in the Code of Conduct.

**Resource implications:**

- 12 None.

**Equality and diversity implications:**

- 13 None.

<b>Stakeholder engagement:</b>	14	None.
<b>Risk implications:</b>	15	Failure to manage conflict of interests effectively runs the serious risk that the NMC could be perceived to be acting improperly, rendering its actions and decisions vulnerable to legal challenge.
	16	Failure to maintain appropriate standards of conduct may run the risk of the NMC losing the confidence of stakeholders including the public and the professions.
<b>Legal implications:</b>	17	None.
<b>Four Country considerations:</b>	18	None.



**Nursing and Midwifery Council**  
**Code of Conduct for Council members**

<b>Title</b>	Code of Conduct for Council members
<b>Summary</b>	Sets the ethical standards for Council members.
<b>Approval</b>	
<b>Policy Owner</b>	Secretary to the Council
<b>Review date</b>	(to be three years from date of approval)



## Introduction

1. The NMC is the independent regulator for nurses and midwives in England, Wales, Scotland and Northern Ireland, established and governed by the Nursing and Midwifery Order 2001 (as amended) (the Order). The NMC is also a registered charity.
2. The NMC's overarching statutory duty is to protect the public and, as part of that, to promote and maintain:
  - 2.1 the health, safety and wellbeing of the public;
  - 2.2 public confidence in the nursing and midwifery professions; and
  - 2.3 professional standards and conduct for the nursing and midwifery professions.
3. In carrying out your responsibilities as a Council member, you are expected to demonstrate integrity and high ethical standards as set out in this Code of Conduct. You are also expected to comply with the underpinning policies, including:
  - 3.1 the Managing Interests Policy for Council members and Executive members;
  - 3.2 the Council Gifts and Hospitality Policy; and
  - 3.3 the Policy and Procedure for handling breaches of the Code of Conduct or complaints about Council members.

## Principles

4. You should observe the Seven Principles of Public Life (the 'Nolan principles'), in everything you do as a Council member. These are:
  - 4.1 **Selflessness:** Holders of public office should act solely in terms of the public interest.
  - 4.2 **Integrity:** Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.
  - 4.3 **Objectivity:** Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
  - 4.4 **Accountability:** Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

- 4.5 **Openness:** Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
- 4.6 **Honesty:** Holders of public office should be truthful.
- 4.7 **Leadership:** Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

## Conduct and Values

- 5. You should conduct yourself at all times in a way which promotes confidence in the NMC and professional regulation.
- 6. As a Council member you should:
  - 6.1 participate in discussion in an open, non-judgmental, and reasoned way;
  - 6.2 treat others with courtesy and consideration;
  - 6.3 value diversity and inclusion;
  - 6.4 foster trust and demonstrate confidence in colleagues;
  - 6.5 welcome, and provide, constructive challenge;
  - 6.6 listen to, and value, the views of others; and
  - 6.7 address matters succinctly and without undue repetition so that others have sufficient opportunity to contribute.

## Collective and individual responsibilities

- 7. You should ensure you have a clear understanding of the objectives, functions, powers and duties of the NMC as a set out in the Order and associated legislation.
- 8. As a member of a statutory body employing staff, you share corporate responsibility for ensuring that the NMC complies with relevant employment, equality, human rights, health and safety, data protection, and freedom of information legislation.
- 9. You share corporate responsibility for ensuring that the NMC complies with any statutory or administrative requirements governing the use of its funds.

### Role as charity trustees

- 10. As a trustee of the charity, you share responsibility for ensuring that the NMC complies with charity legislation and the requirements of the Charity Commission and the Office of the Scottish Charity Regulator.

11. You should ensure you have a clear understanding of your responsibilities as a trustee of the charity (under the [Charities Act 2011](#)).

### **Delegated authority to the Chief Executive and Registrar**

12. You have a responsibility to:
- 12.1 ensure that you have a clear understanding of the scope of authority delegated to the Chief Executive and Registrar; and
  - 12.2 hold the Chief Executive and Registrar to account for the exercise of delegated authority.

### **Equality and diversity**

13. You will be expected to follow best practice on equality and diversity issues, complying fully with the NMC's responsibilities under anti-discrimination legislation and ensuring the NMC's equality objectives are upheld.
14. You share corporate responsibility for ensuring that the NMC exercises its functions in a way which has due regard to the public sector general equality duty (under the Equality Act 2010). This means having due regard to the need to:
- 14.1 eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act;
  - 14.2 advance equality of opportunity between people who share a protected characteristic and those who do not; and
  - 14.3 foster good relations between people who share a protected characteristic and those who do not.

Note: The protected characteristics are: gender, age, race, disability, religion or belief, sexual orientation, gender reassignment, pregnancy/maternity and marriage/civil-partnership.

### **Conflicts of interest**

15. As a Council member you have a responsibility to:
- 15.1 avoid being influenced by, or place yourself under an obligation, to any individual or organisation which might affect, or be perceived to affect, your ability to act impartially and objectively as a member of the Council;
  - 15.2 declare any professional or personal interests which may conflict with, or be perceived to conflict with, your responsibilities as a member of the Council. This may include registering or declaring the interests of family members or close associates.
  - 15.3 maintain your entry in the Council register of interests;

16. Further guidance for members can be found in the Managing Interests Policy for Council and Executive staff members, or you can ask for advice from the Secretary to the Council.

### **Gifts and Hospitality**

17. You must not accept gifts, hospitality or benefits, offered in relation to NMC business, which could or might appear to influence you or compromise your personal judgement or integrity. Gifts, hospitality or benefits above £20 which are offered as a consequence of NMC business must be formally registered on the NMC's Gifts and Hospitality register. Further guidance for members can be found in the Council Member and Partner Member Gifts and Hospitality policy. If you are unsure you can ask the Secretary to the Council for advice.

### **Decision-making**

18. You have a responsibility to make decisions that:
- 18.1 comply with the NMC's statutory duties and responsibilities;
  - 18.2 secure public benefit and further the NMC's overarching statutory duty to protect, promote and maintain the health, safety and wellbeing of the public;
  - 18.3 promote and maintain public confidence in the professions regulated under the Order;
  - 18.4 promote and maintain proper professional standards and conduct for members of those professions;
  - 18.5 are consistent with the NMC's UK-wide remit;
  - 18.6 take into account the needs and views of interested parties; and
  - 18.7 are not influenced by personal or professional interests.
19. You have a duty to accept collective responsibility for the Council's decisions and to support their communication and implementation.
20. You have a responsibility to be as open as possible with interested parties about the Council's decisions and the work of the NMC, restricting information only when the principles of confidentiality or the law require it.

### **Confidentiality and information security**

21. You have a responsibility not to disclose confidential information obtained in the course of your duty as a member of the Council, unless it is in the public interest to do so, and in the event of any such disclosure must notify the Secretary to the Council.
22. You should ensure that all confidential information, whether in electronic or paper form, is held and disposed of securely. Any loss or accidental disclosure, and the

circumstances leading to the loss or disclosure, must immediately be notified to the Chair or the Secretary to the Council.

### **Media (including social media), public speaking engagements and communications with external organisations**

23. You have a responsibility to distinguish clearly, when speaking or writing in any public forum, between the views of the NMC, your personal views, and the views of any other organisation to which you may be affiliated. Any public engagement or communication with the media on behalf of the NMC must be discussed with the Chief Executive and Registrar in advance. **The same principles for discussing NMC business in public apply on social media.**
24. You should always make sure you use all forms of spoken, written and digital communication (including social media and networking sites) responsibly.
25. If you are unsure whether something you post online could compromise your professionalism, reputation or the reputation of the NMC, you should consider how the information affects your responsibilities as a Council member and how the information may reflect on the NMC. If you are unsure you can ask the Secretary to the Council for advice.

### **Attendance, induction, development and appraisal**

26. You have a responsibility to make yourself available for meetings of the Council and any committees or working groups to which you have been appointed.
27. You have a responsibility to participate in induction, development, and appraisal processes and to commit to your personal development.

### **Continuing eligibility to serve as a Council member**

28. You have a responsibility to ensure that at all times you remain eligible to serve as a Council member under the Order and to be a trustee of the charity under the Charities Act 2011.
29. You should inform the Chair or the Secretary to the Council if at any time you become aware that you may not be eligible to serve as a member of the Council. Failure to do so is a breach of the Code of Conduct.
30. Annex 2 sets out a list of circumstances which may lead to disqualification under both the Nursing and Midwifery Council (Constitution) Order 2008 and the Charities Act 2011.

### **Raising concerns**

31. As a member of the Council you have a responsibility to raise concerns about possible wrongdoing:
  - 31.1 with the Chief Executive and Registrar, if they relate to a member of staff;

31.2 with the Chair of the Council, if they relate to another Council member or the Chief Executive and Registrar;

31.3 with one of the Vice-Chairs, if they relate to the Chair of the Council.

## **Breaches of the Code of Conduct**

32. Any minor breach of the Code will normally be dealt with informally, for example by the Chair of the Council or another Council member drawing the breach to the Council member's attention during a meeting or similar.
33. Where a complaint is received about the conduct of a member, or where there appears to be a deliberate, serious, or continued breach of the Code, the matter will be referred to the Chair of the Council.
34. Failure at any time to disclose information about your personal or professional history or conduct which could cause embarrassment or bring into disrepute the NMC or Privy Council would constitute a serious breach of this Code.
35. The Policy and Procedure for handling breaches of the Code of Conduct or complaints about Council members set out in annexe 1.\*

Approved by the Council on XX XX 2017.

*\*Secretary's note: not changed so not re-included here.*

## Annexe 2

1. This is a summary of the legal provisions in paragraph 6 of the Nursing and Midwifery Council (Constitution) Order 2008 and section 178 of the Charities Act 2011.
2. A member may be suspended or removed from office in the following circumstances:
  - 2.1 Where an action by a member causes embarrassment or disrepute to the NMC;
  - 2.2 Where a member has failed to disclose something about their professional or personal history that may cause embarrassment or disrepute to the NMC;
  - 2.3 Where a registrant member's registration becomes lapsed;
  - 2.4 Where a lay member becomes a person who no longer satisfies the criteria for being a lay member as set out in the Nursing and Midwifery Order 2001;
  - 2.5 Where a registrant member becomes the subject of any investigation or proceedings in connection with an allegation of fraudulent entry to the NMC's register;
  - 2.6 Where any investigation or proceedings in connection with an allegation of fraudulent entry to the NMC's register results in the removal of a registrant member's entry in the NMC's register;
  - 2.7 Where a registrant member becomes subject to any investigation or proceedings concerning their fitness to practise by the NMC;
  - 2.8 Where any investigation or proceedings by the NMC results in a registrant member being removed from the register; suspended from the register, or any sanctions or conditions of practice;
  - 2.9 Where a member becomes subject to any investigation or proceedings relating to a serious offence;
  - 2.10 Conviction of a serious offence in the United Kingdom;
  - 2.11 Removal from the office of trustee for a charity in connection with misconduct or mismanagement in the administration of the charity;
  - 2.12 Removal from office as the chair, member, convenor or director of any public body on the grounds that it was not in the interests of that body that the member should continue to hold office;
  - 2.13 Bankruptcy;

- 2.14 Being subject to an insolvency order;
- 2.15 Any disqualification under company law;
- 2.16 Inclusion in a barred list under legislation pertaining to safeguarding vulnerable groups;
- 2.17 Where a member becomes subject to any investigation or proceedings concerning their fitness to practise by any licensing body;
- 2.18 Where any investigation or proceedings concerning fitness to practise by any licensing body results in a member being removed from a register; suspended from a register, or any sanctions or conditions of practice.

**Nursing and Midwifery Council**  
**Council Members Managing Interests Policy**

<b>Policy title</b>	Managing Interests for Council members
<b>Summary</b>	Provides guidance on managing conflicts of interest for Council members to ensure adherence to high standards of governance.
<b>Approval</b>	
<b>Policy Owner</b>	Secretary to the Council.
<b>Review date</b>	(to be three years from date of approval)



## Managing Interests policy for Council members

### Policy overview

1. Under the Nursing and Midwifery Council Order 2001 (Schedule 1) (the Order), the Council is required to have a system for the declaration and registration of private interests of its members, and publish these interests.
2. Members have a duty to ensure that they are not placed in a position where their personal interests are in conflict with their duty to act in the interests of the NMC.
3. All members must observe the standards of conduct set out in the Code of Conduct for members. The Code states that as a Council member you have a responsibility to:
  - 3.1. avoid being influenced by or placing yourself under an obligation to any individual or organisation which might affect, or be perceived to affect, your ability to act impartially and objectively as a member of the Council;
  - 3.2. declare any professional or personal interests which may conflict with, or be perceived to conflict with, your responsibilities as a member of the Council. This may include registering or declaring the interests of family members or close associates;
  - 3.3. maintain your entry in the Council register of interests.
4. This policy aims to ensure that interests are managed appropriately and Council members can be confident that:
  - 4.1. their actions will not bring the NMC into disrepute;
  - 4.2. they have acted impartially and in accordance with the principles set out in this policy; and
  - 4.3. they have not compromised their responsibility to act in the interests of the NMC and in the public interest.

### Scope

#### Who is covered?

5. This policy applies to Council members.
6. If you require any further advice or guidance about your responsibilities under this policy, you should contact the Secretary to the Council.

#### What is covered?

7. A conflict of interest arises when your NMC responsibilities could be affected by a personal interest, personal association or a personal interest or association of your family or close associates. It becomes significant if the interests may or may appear to influence your judgement, actions or decision-making.

8. Conflicts may be financial as well as non-financial, and may be direct or indirect. So for example, conflicts can arise from an indirect financial interest (for example, payment to a spouse or personal partner) or a non-financial interest (for example, preserving the individual's reputation).
9. Conflicts of loyalty may arise in respect of an organisation of which the individual is a member or with which they have an affiliation, or from personal or professional relationships with others, for example where the role or interest of a family member, friend or acquaintance may influence an individual's judgement or actions, or could be perceived to do so. Depending upon the individual circumstances, these factors can all give rise to potential or actual conflicts of interest.
10. A conflict of interest may also be anticipatory, where the actions of an individual may be perceived to put them or their family or close associates in a more favourable position.

## Guidance on managing interests

11. In considering what might constitute a potential conflict, you should bear in mind the seven principles of public office: selflessness; integrity; objectivity; accountability; openness; honesty; and leadership.<sup>1</sup>
12. In order to ensure sound governance and transparency, the NMC maintains a register of members' interests.

## Registering interests

13. You should declare the following interests on the register:
  - 13.1. **Details of all posts held in the ordinary course of employment.** This includes employment in a consultancy, directorship and / or advisory capacity and unpaid work.
  - 13.2. **Any office held in any health care related organisation in the public, private or third sector.** This includes NHS authorities and trusts, regulatory bodies, professional associations, learned societies, royal colleges and trade unions and charities, trusts and voluntary organisations.
  - 13.3. **Membership of any body whose principal purposes include influencing public opinion or policy.** This includes membership of 'think tank' or lobbying organisations.
  - 13.4. **Majority, controlling or otherwise significant<sup>2</sup> shareholdings, stocks and trusts** known to be held by you or, if you are aware of them, by anyone in your close family<sup>3</sup> in companies whose business activities may give rise to an actual or perceived conflict of interest with the NMC's activities.
  - 13.5. If you have been involved in any such business activities, or are aware of anyone in your close family having been involved in any such business activities, you are required to disclose the relevant person(s), the name of

<sup>1</sup> The Seven Principles see: [Committee on Standards in Public Life](#)

<sup>2</sup> For this purpose, significant shareholding is defined as a shareholding of greater than 20%

<sup>3</sup> Spouses or personal partners, relatives (whether natural, adoptive or via marriage) and dependants of the member or the members' spouse or personal partner should be included.

the organisation or business that they are involved with and a description of the relevant transaction.

- 13.6. **Any business dealing or other financial transactions, including any contract to supply goods or services** to the NMC, or to any person or organisation connected to the activities of the NMC.
- 13.7. **Current, anticipatory or recent association with any NMC Approved Education Institutions.**
- 13.8. **Any close personal ties with the NMC's advisers, executive or prospective advisers.**
- 13.9. **Any other interest which may be relevant and not covered by the above.** This could include any association through close family members or associates which might lead a fair-minded observer, having considered the facts, to conclude that such an interest might influence an individual's judgement in matters relevant to NMC activity.

### **The Register of Interests**

14. The NMC places great importance on a proper balance between transparency and privacy. The register of interests is maintained to ensure high standards of governance rather than to solicit unnecessary details of a member's personal circumstances, and is used to support probity and maintain confidence in the regulatory process.
15. The Secretary to the Council is responsible for maintaining the register of interests for the Council.
16. The NMC is committed to transparency in its decision making. As such, the register of interests is made public on the NMC website and is available for public inspection at each Council meeting, as required by the Order.
17. You have a responsibility to provide relevant information. You are also responsible for providing any amendments to the Secretary to the Council as soon as possible following the change in circumstances. You will be asked to update your entry on a six monthly basis.

### **Declaring interests**

18. Members and all staff present should declare the existence and nature of any personal or material interest that they may have in any business being discussed at a Council meeting (or any meeting of a Committee reporting to Council). The Secretary to Council or the relevant committee should be made aware of the conflict of interests at the earliest time possible. In addition, should a conflict of interest become apparent during the course of the meeting, the member must make the meeting aware of this as soon as the conflict arises.
19. In accordance with Standing Order 5.8.5 of the Council, the Chair will determine whether there is a material conflict of interest and, if so, whether and to what extent (if at all) that person should participate in discussion of the matter. An employee will normally be required to withdraw from a meeting where her or his position is under discussion.

**Personal interests**

20. A member is to be regarded as having a personal interest in any matter if it might influence, or be perceived as influencing, the person concerned in their conduct of NMC business. If the person is in doubt as to whether an interest is sufficiently relevant to be declared, the interest should be declared.
21. Personal interests are declared for inclusion in the register of interests.

**Material interests**

22. A personal interest is a material interest if a member of the public with knowledge of the relevant facts would reasonably regard the interest as sufficiently significant to prejudice the member's judgement of the public interest.
23. In accordance with Standing Order 5.8 of the Council, if a member declares a personal, financial, or other interest in any item of business in the agenda, the Chair will determine where there is a material conflict of interest and, if so, whether and to what extent (if at all) that person should participate in discussion and decision of the matter.
24. If the Chair declares an interest in accordance with Standing Order 5.8.1 of the Council, the remaining members will determine whether there is a material conflict of interest, and, if so, whether and to what extent (if at all) the Chair should participate in discussion and decision of the matter.

**Gifts / hospitality**

25. As provided for under the Code of Conduct for Council members, you must not accept gifts, hospitality or benefits, offered in relation to NMC business, which could or might appear to influence or compromise your judgement or integrity. Further guidance can be found in the Gifts and Hospitality policy. If you are unsure you can ask the Secretary to the Council for advice.

**Non Compliance**

26. Non-compliance with this policy will be dealt with under the Code of Conduct for Council members and under the Disciplinary Policy for all other persons who are required to follow the principles set out in this policy.
27. Advice and guidance on this policy or on the registration or declaration of interests is available from the Secretary of the Council.

## Register of Interests



### DECLARATION

#### Register of Interests

I have read the guidance on the Register of Interests, and I list below organisations of which I am a member, with which I am associated or in which I have a financial interest, where a conflict of interest or the appearance of such a conflict could arise.

Please note that the register of interests will be published on the NMC website.

Organisation	Position

*Please continue this table if necessary*

#### Close family and associates

Please note that this section will **not** be published on the NMC website.

**P.T.O**

I list below the names of my close family<sup>4</sup> and associates and I wish to declare the following business dealings or other financial transactions they have had with the Nursing and Midwifery Council (excluding annual registration fees).

Column A – Please list your close family members – even if there have been no relevant transactions

Column B – please list their relationship with you

Column C – please list any relevant transactions that have taken place

Column A: Name of close family member and/or associate	Column B: Their relationship with you	Column C: Any relevant transactions that have taken place

### Fit and proper person declaration

In addition to the above disclosures, I also confirm, for the purposes of my annual declaration, that I am a fit and proper person to act as a Trustee of the Nursing and Midwifery Council during the year under the Finance Act 2010. In this respect, I confirm that:

- I am not disqualified from acting as a charity trustee (as per paragraphs 5 - 7 of the Nursing and Midwifery Council (Constitution) Order 2008<sup>5</sup>);
- I will at all times seek to ensure the charity's funds, and charity tax reliefs received by this organisation, are used only for charitable purposes.

Name: .....

Signed: .....

Date: .....

<sup>4</sup> Close members of the family of a person are those family members, who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- a) That person's children and spouse or personal partner;
- b) Children of that person's spouse or personal partner; and
- c) Dependents of that person or that person's spouse or personal partner.

<sup>5</sup> <http://www.legislation.gov.uk/ukxi/2008/2553/contents/made>

## Nursing and Midwifery Council

### Council Member Gifts and Hospitality Policy

<b>Policy title</b>	Council Member Gifts and Hospitality Policy
<b>Summary</b>	Provides guidance on gifts and hospitality for Council members to ensure that the NMC adheres to a high standard of governance.
<b>Approval</b>	
<b>Policy Owner</b>	Secretary to the Council.
<b>Review date</b>	(to be three years from date of approval)

## Contents

Policy Overview .....	3
Scope.....	3
Guidance on gifts and hospitality .....	4
Guiding criteria.....	4
Accept with no need to declare .....	6
Accept AND declare .....	6
Decline AND declare .....	6

## Policy Overview

- 1 All Council members must observe the standards of conduct set out in the Code of Conduct for Council members. The Code states that members must not accept gifts, hospitality or benefits, offered in relation to NMC business, which could or might appear to influence or compromise their personal judgement or integrity.
- 2 The purpose of this policy is to provide further guidance and advice on the offer and/or receipt of gifts, hospitality, sponsorship or the provision of gifts, hospitality or sponsorship to others in connection with NMC activities.
- 3 The NMC recognises that it is important to build and maintain effective networks to support our work and to gain a real understanding of the views of stakeholders. This can often give rise to offers of gifts or hospitality.
- 4 Declining gifts and hospitality can sometimes seem discourteous; however this may be necessary to uphold high standards of propriety and guard against any suspicion of perceived or actual conflict of interest or creation of an undue obligation.

## Scope

### Who is covered

- 5 This policy applies to Council members. There are corresponding policies for:
  - 5.1 Fitness to Practise Panel members and legal assessors – approved by the Appointments Board.
  - 5.2 All staff of the NMC, including consultants, contractors and agency staff – approved by the Executive Board.
- 6 If you require further advice or guidance about your responsibilities under this policy, you should contact the Secretary to the Council.

### What is covered

- 7 This policy covers any gift or hospitality offered directly to, or by, an NMC Council member which may be associated with activities in their official capacity.
- 8 It also covers any gift or hospitality offered to, or received by, a close family member, friend or associate (known as a 'related party') which may be perceived by you or others as connected or related to NMC activities.
- 9 There is no exhaustive list of what constitutes a gift or hospitality but broadly:
  - 9.1 **Gift** – Gifts include offers of cash or cash equivalents (for example gift vouchers, discounts, lottery tickets or trade cards) and non-cash gifts, for example pens, diaries, wine and spirits, hampers and electrical goods.

9.2 **Hospitality** – Hospitality includes offers of food, refreshments, transport, accommodation and the use of facilities, equipment, services, holidays or attending events etc.

- 10 If you receive an offer of a gift or hospitality but are unsure of what steps to take, or are unsure how this policy applies, please contact the Secretary to the Council. Examples of situations where this policy applies are attached at annexe 1.

### Guidance on gifts and hospitality

- 11 Gifts and hospitality can be an appropriate part of a working relationship but any acceptance must not improperly influence, or be seen to improperly influence, any decisions or create a feeling of obligation.
- 12 The general principle is that gifts and hospitality must only be accepted in exceptional circumstances which are:
- 12.1 appropriate to the circumstances, for example offered in the course of a normal business meeting, and
  - 12.2 modest and appropriate, for example a token item such as a promotional pen or key-ring, or routine hospitality such as coffee and biscuits, or a light working lunch.
- 13 You should also be aware that under the Bribery Act 2010 it is an offence for anyone in an official capacity to:
- 13.1 Corruptly accept or request any gift or consideration as an inducement or reward for doing, or refraining from doing, anything in that capacity; or
  - 13.2 Receive money, gifts or consideration from a person or organisation holding or seeking to obtain a contract.
  - 13.3 Give or offer a bribe.

### Guiding criteria

- 14 Before accepting or declining an offer of a gift or hospitality you should consider the following:
- 14.1 **Purpose:** accepting a gift or hospitality should be in the interests of the NMC and only in furtherance of NMC objectives.
  - 14.2 **Proportionality:** any gift or hospitality accepted should not be over-frequent or overgenerous. On the same basis, a gift or any hospitality should not seem lavish or disproportionate to the nature of the relationship you have with the provider.
- 15 If the gift or hospitality does not fit with the NMC's interests, or is out of proportion, then it should be declined.
- 16 There are three methods of dealing with an offer of a gift or hospitality.

- 16.1 Accept with no need to declare.
  - 16.2 Accept and declare on the Gifts and hospitality register.
  - 16.3 Decline and declare on the Gifts and hospitality register.
- 17 As a general principle, the maximum amount for a gift that can be accepted is **£20**.
  - 18 If you feel concerned that accepting a gift or hospitality could give rise to the perception of a conflict of interest, it would probably be best to decline.
  - 19 In general, it is not necessary to record hospitality received from other regulators or government departments, devolved administrations or other public bodies.
  - 20 Further guiding criteria on the Gifts and hospitality register can be found below. This is a broad guide only as each case needs to be considered on its merits, bearing in mind the nature of the relationship with the other party and the value of the item.

### Accept with no need to declare

#### Gifts:

- Isolated, trivial and inexpensive items such as:
  - Pocket diary
  - Calendar or other stationery products
  - Key ring

#### Hospitality:

- Catering service refreshments (tea/coffee/light lunch) at meetings

### Accept AND declare on the Gifts and hospitality register

#### Gifts:

- Decorative item (plate /vase)
- Box of chocolates
- Flowers
- Bottles of wine or spirits

#### Hospitality:

- Attendance at modest social function or annual dinner of an organisation, association or body with which the NMC is in regular contact

### Decline AND declare on the Gifts and hospitality register

#### Gifts:

- Gift vouchers (other than through NMC Reward and Recognition schemes)
- Membership / subscription to an organisation such as sports or other clubs
- Tickets to sporting or social / leisure events
- Holidays (UK or abroad) or holiday travel
- Goods or services at trade/discount prices

#### Hospitality:

- Attendance at frequent or extravagant social or sporting functions, (particularly invitations from the same source).

- 21 Questions to consider when deciding on accepting gifts or hospitality should include:
- 21.1 Could my actions be perceived by others as gaining an improper advantage?
  - 21.2 Could I satisfactorily defend my decision to a registrant or a member of the public?
  - 21.3 Could I satisfactorily defend my decision to the Privy Council?
  - 21.4 Will my business relationship be altered by accepting the gift or hospitality?
  - 21.5 Have I been offered hospitality by this person/organisation multiple times, and if so, is that appropriate?
  - 21.6 What is the perceived value of the gift or hospitality being offered?

### **Gifts and hospitality register**

- 22 Members should record instances of gifts or hospitality in line with the guidance above. This includes any instance involving this policy applying to close family members, friends or associates of the member.
- 23 When recording instances of hospitality, members should also record whether they were accompanied by any guests at the expense of the source of the hospitality.
- 24 If you need to make a declaration, please complete the gifts and hospitality declaration form and send it to the Governance team along with any relevant or supporting documentation. The Governance team will then make an entry on the NMC's Gifts and hospitality register.
- 25 If you are uncertain or need further guidance, advice is available from the Secretary to the Council.
- 26 We are committed to openness and transparency and will publish the gifts and hospitality register at least annually on our website.

## Annexe 1: Examples

### **Example one:**

You are attending a stakeholder meeting which is also being attended by an external organisation that produces and sells medical supplies. The external organisation has brought along a number of items which contain their company's details, such as pens, key rings and other stationery items. The company states attendees are free to take the stationery with them when they leave.

### **Result:** ✓

It is acceptable to take small items such as this without needing to declare them on the Gift and hospitality register.

### **Example two:**

An organisation which provides training for nurses and/or midwives invites you to visit their premises. They state they will cover all of your travel expenses.

### **Result:** ✗

This offer should be refused and recorded on the gifts and hospitality register. It may still be possible for you to attend, but your costs would need to be covered under the NMC's travel and expenses policy.

### **Example three:**

A contact at an external consultancy company that has undertaken work for the NMC sends you two tickets to the theatre with a note saying thank you and we look forward to working with you in the future.

### **Result:** ✗

The tickets should be returned to the consultancy company, and noted on the gifts and hospitality register. It is not appropriate to accept tickets of this nature, especially given the company's note about future work, as it indicates a potential future conflict of interest. In this scenario, it is also inappropriate to give the tickets to associates, as the conflict of interest is still created.

### **Example four:**

You attend a meeting with a patient representative group. They send you some flowers or wine to say thank you for your time.

### **Result:** ✓

This gift can be accepted, but should be declared on the register.

## Council

### Review of allowances for non-Council Committee members

**Action:** For decision.

**Issue:** Review of allowances for non-Council Committee members.

**Core regulatory function:** Supporting functions.

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

**Decision required:** The Council is asked to approve an increased daily rate payable to non-Council committee members and others (as set out in paragraph 6) of £286 to take effect from 1 April 2017 (paragraph 7).

**Annexes:** None.

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

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- Context:**
- 1 Under the Nursing and Midwifery Order 2001 the Council must determine the allowances to be paid to Council members and non-Council members of committees.
  - 2 Non-Council committee members are paid a daily attendance rate of £260. This rate has remained unchanged since 2009.
  - 3 Following a review by an independent panel, Council agreed in November 2016 to uprate the 'equivalent' daily rate paid to Council members to bring it into line with the median 'equivalent' daily rate across the healthcare regulators of £368, giving an annual allowance of £13,250. This increase, which constituted a 10 percent increase over 7 years, took effect from 1 April 2016. Prior to this the allowance paid to Council members had remained unchanged since 2009.
- Discussion**
- 4 The Remuneration Committee reviewed the daily rate paid to non-Council members of committees in February 2017.
  - 5 The Remuneration Committee agreed to recommend to the Council that the daily rate payable to non-Council members of committees be increased by 10 percent to £286, in line with the recent increase to the Council member allowance.
  - 6 The revised daily rate would also be applicable to others engaged in activities on behalf of the Council, for example independent members of Selection Panels involved in Council member recruitment.
  - 7 **Recommendation: The Council is asked to approve an increased daily rate payable to non-Council committee members and others as set out in paragraph 6, of £286 to take effect from 1 April 2017.**
- Public protection implications:**
- 8 None.
- Resource implications:**
- 9 Provision for change to members' allowances has been made within the Governance budget.
- Equality and diversity implications:**
- 10 Constraining allowances could impact adversely on capacity to attract people with less sufficient financial resources.
- Stakeholder engagement:**
- 11 None.

- Risk implications:** 12 There is a need to be mindful of affordability and economic climate in relation to any increase to members' allowances and the need for any increase to be justifiable.
- Legal implications:** 13 The Nursing and Midwifery Order 2001 provides for the Council to determine the allowances to be paid to non-Council members of its committees.



## Council

### Midwifery Committee report

**Action:** For information.

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

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

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

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

**Annexes:** The following annexes are attached:

- Annexe 1: Summary of actions arising from Midwifery Committee meetings 2016-2017.

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

Secretary to the Midwifery  
Committee: Jennifer Turner  
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Chair: Dr Anne Wright

- Context:**
- 1 Since the last report to Council, the Midwifery Committee met on 22 February 2017. On 8 March, confirmation was received that the Nursing and Midwifery (Amendment) Order 2017 was made, with the part of the legislation relating to the Committee coming into force on 31 March 2017.
  - 2 The February meeting of the Committee was its last and this will be the last report from the Committee to the Council. For this reason, the Committee has provided an augmented version of its normal report.

### **Proposed midwifery regulation change**

- 3 A major focus for the Committee over the last two years has been to monitor the progress of the midwifery-related elements of the proposed regulation change.
- 4 The Committee sought assurance on behalf of the Council on the full range of risks associated with the regulatory process through to the transition stage, and the management of those risks throughout the year.
- 5 As mentioned in the Committee's last report to Council, the legislative risk was noted as increasing at the two previous meetings, due to a delay in the Department of Health publishing its response to the consultation, and laying the order in Parliament. At the February meeting, the Committee noted that order had subsequently been laid in Parliament and was progressing through the necessary stages. The Committee was therefore satisfied that the legislative risk was reducing.
- 6 Strategic communications was the other high level risk that the Committee was closely monitoring. Until the response to the consultation was published, communications were slowed. The Committee noted that communication had been sent to all midwives to inform them that they did not need to submit an Intention to Practise, and to update them on the progress of the legislative change. Further communication will be sent when the new legislation comes into force.
- 7 The risks associated with the regulatory process were well managed, and the contingencies put in place to reduce the risks were timely and appropriate.
- 8 The Committee is confident that Council's moral responsibility to support the smooth transition of activities during the regulatory change has been fulfilled, and that the NMC is operationally ready to implement the change.

### **New models of supervision in the four countries**

- 9 One significant change brought on by the amended midwifery regulation was the removal of statutory supervision for midwives.
- 10 This has provided a unique opportunity for the four countries to establish new and innovative models of supervision tailored to suit the needs of the respective countries.
- 11 The Committee received presentations from representatives from each of the countries, on their new models of supervision.
- 12 The proposed future of supervision in Scotland will be an employer-led model directed towards midwives in clinical practice, and is a restorative model to support reflective practice. Midwives will attend at least one group session per year with individual follow-up as needed.
- 13 The new Health Board and employer-led model of clinical supervision in Wales will build on the Future Proofing model introduced in 2014, and will maintain a dedicated role of Clinical Supervisor of Midwives, with clear governance structures for responsibility and accountability. There is a requirement for supervisors to spend 20 percent of their time in clinical practice in addition to their continued professional development obligations. The model includes commitment to learning through group supervision.
- 14 In Northern Ireland, the future supervision model will provide for supervisors of midwives in each Trust and in education settings, with a Senior Midwife in Trusts. For the longer term the Chief Nursing Officer (CNO) has announced plans to develop supervisory models for nurses and safeguarding within a tripartite Supervisory Framework.
- 15 In England, the role of Supervisor of Midwives is to be replaced by the Professional Midwifery Advocate (PMA). The PMA will support midwives through the A-EQUIP model, which will be a process of restorative clinical supervision, personal action for quality improvement and preparedness for professional revalidation. The new role and process is to be piloted in 2017. This too will be an employer-led model, with midwives participating in a minimum of one session per year, with employers to decide when additional supervision is required for individuals.
- 16 The Committee noted common themes in the separate models, including approaches based on the model of restorative supervision, an emphasis on quality improvement in reflective clinical practice, group learning, and a clear programme of evaluation. There is pleasing evidence of innovation as well as continuity.
- 17 The Committee is satisfied that the four countries have addressed

the future employer-led models under the leadership of the CNOs.

### **Education strategic programme**

- 18 The Committee continued to receive updates on the education strategic programme. At its February meeting, the Committee noted that pre-work, including evidence gathering, had begun on the midwifery standards. The midwifery strand of the programme will officially begin in April.

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

- 19 Members reviewed the draft Quality Assurance of Education and Local Supervising Authorities Annual Report 2015-2016 out of committee. The report was well received and no substantial issues were raised.
- 20 No quality assurance routine monitoring has been conducted this financial year, which will have an effect on the 2016-2017 annual report. The Council will not have the benefit of the Midwifery Committee's review of next year's report. However, any exceptional monitoring will be reported to Council, by the Education, Standards and Policy team, via the future standing item on midwifery issues.

### **Midwifery Panel**

- 21 The Midwifery Panel was established in November 2015 and has met on seven occasions. Membership of the Panel includes four country representation from the Chief Nursing Officers offices, and representatives from NHS England, the Royal College of Midwives, two Council members, key NMC staff, a midwifery academic, and lay members.
- 22 The Panel provides the NMC with authoritative high-level advice about midwifery and maternity issues, including advice on changes in statutory regulation, and strategic input into policy or regulatory proposals affecting midwifery, or maternity services. It also provides a forum for invited leading midwifery and lay figures to exchange information and intelligence; and for the development of strategic thinking on all aspects of the future approach to midwifery regulation
- 23 At each meeting, the Committee continues to receive an update from the Chief Executive on the activity of the Midwifery Panel.
- 24 The Panel's work over the next period will include monitoring the implementation of the new models of supervision, and overseeing the work on the pre-registration standards for midwifery. The Panel will continue to hear the voice of midwives and access expert advice as needed. Anne Wright and Lorna Tinsley will remain members of

the Panel.

## Summary of Midwifery Committee Actions

- 25 A summary of actions arising from Midwifery Committee meetings during the past year is included at Annexe 1.

## Salient midwifery issues

- 26 The midwifery profession has undergone considerable change in recent years. It is encouraging that emerging ideas and changes are fresh and innovative. This is certainly an exciting time in the maternity field.
- 27 The Council will want to be mindful of the most significant developments and issues on the horizon. These include changes and improvements to maternity services as a result of the recent maternity reviews; the effect of the UK's exit from the EU on staffing and the quality of maternity services; and the effect of the withdrawal of bursaries on midwifery student numbers. Additionally, many changes brought about by the review of pre-registration standards, such as quality assurance of education, are conceptual at the moment and will need close scrutiny and monitoring for effectiveness.
- 28 In this period of evolution and rapid change, benefit might be gained from an increased focus on patient and public views and information gathering. In accordance with the new approach to providing future midwifery advice to the Council, the Committee was pleased to note that more use will be made of listening events, two-way engagement, expert task-focused groups, stakeholder events, and workshops to inform a more effective approach to development of regulatory standards and policy. The Committee is also pleased that future Council agendas will include a standing item on midwifery and maternity issues.
- 29 The Committee expressed confidence in the Council's future approach to receiving midwifery advice and hearing the voice of the midwifery profession.

### Public protection implications:

- 30 No public protection implications.

### Resource implications:

- 31 No resource implications.

### Equality and diversity implications:

- 32 No direct equality and diversity implications.

<b>Stakeholder engagement:</b>	33	None.
<b>Risk implications:</b>	34	None.
<b>Legal implications:</b>	35	None identified.

## Summary of the actions arising from Midwifery Committee meetings 2016-2017

Minute	Action	For	Report back to: Date:	Progress
M16/50	Follow up outstanding responses to the transitional document, incorporate any appropriate changes, and recirculate it as a final version to the country representatives and the Committee.	Assistant Director, Strategy and Insight	End November 2016	Complete. The final transitional document was circulated to the country representatives on 7 November 2016, and to Committee members in February 2017.
M/16/50	Request that the Midwifery Panel discuss service user advocacy at a future meeting.	Chief Executive / Secretary	End November 2016	Complete. An email was sent to the Chief Executive's office and the Secretary of the Midwifery Panel on 4 November 2016 noting the Committee's request for this topic to be discussed at a future Midwifery Panel meeting.
M/16/49	Provide the Committee with a summary of the known responses to the Department of Health consultation on the proposed Section 60 changes.	Secretary	End November 2016	Complete. The responses were sent by email to all members on 9 November 2016.
M/16/23	Update the Committee on progress of work on Annexe V of EU Directive 2005/35/EC.	Assistant Director, Strategy and Insight	26 July 2016	Closed. An update was sought from the Commission. The nursing annexe is now unlikely to be updated before the latter part of 2018. There is no fixed timeframe for revisiting the midwifery annexe.

Minute	Action	For	Report back to: Date:	Progress
M/16/12	Discuss how registered nurses who are undertaking pre-registration midwifery programmes, and therefore whose scope of practice was as a student midwife, would obtain enough practice hours as a registered nurse.	Assistant Director, Education and Standards	27 April 2016	Complete. This issue was discussed by email and a verbal update provided at the April 2016 meeting.
M/16/07	Review the Committee's terms of reference and discuss the functions that would be ceasing after the legislative change took effect	Secretary	27 April 2016	Complete. This item was discussed in a confidential session of the Committee on 27 April 2016.
M/15/53	Arrange a Midwifery Committee Seminar.	Secretary	27 April 2016	Complete. The Committee held a joint seminar with Council on 26 July 2016.
M/15/48	Provide Midwifery Committee with an update on the maternity reviews in England and Scotland.	Assistant Director, Strategy and Insight	27 April 2016	Complete. The Scottish Maternity and Neonatal Review was published in January 2017. The review was chaired by Professor Jane Grant and involved Professor Mary Renfrew, who is now leading our review of the midwifery pre-registration standards. The report can be found at <a href="http://www.gov.scot/Resource/0051/00513175.pdf">www.gov.scot/Resource/0051/00513175.pdf</a>

## Council

### Audit Committee Report

**Action:** For information.

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

**Core regulatory function:** Supporting functions.

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

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

**Annexes:** 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.

Secretary: Fionnuala Gill  
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Chair: Marta Phillips

- Discussion**
- 1 In keeping with good practice, Committee members met with the NMC's External Auditors without the Executive team present. A positive discussion took place.

#### **Internal audit work programme 2016–2017**

- 2 The Committee considered an update on progress on the internal audit work programme 2016–2017 and was pleased to note that all originally programmed audits had been completed. This included an additional review on credit card controls. One requested later in the year, reviewing procurement and ICT contracting, will be provided for the Committee's April 2017 meeting.
- 3 The Committee considered internal audit reports on the following:
  - 3.1 Revalidation processes
  - 3.2 Transformation (Advisory)
  - 3.3 Information Governance
  - 3.4 Budgetary control
  - 3.5 Credit card controls
- 4 The Committee was pleased to note that the reports showed improvements across a number of areas and reflected positive progress by the organisation.
- 5 The Committee asked the Internal Auditors to reflect on aspects of the Advisory Report on Transformation and they agreed to do so.

#### **Draft Internal Audit work programme 2017–2018**

- 6 The Committee approved a draft Internal Audit work programme for 2017–2018, which took into account both organisational priorities and key risk areas. The Committee set clear expectations around planning work on key areas, such as the robustness of processes and controls in relation to the integrity of the register.
- 7 The Committee asked the Executive to consider whether, in the light of organisational growth and the further changes to come, the resource allocated to Internal Audit is sufficient, including whether provision should be made for any contingency.

#### **Internal audit recommendations**

- 8 The Committee considered progress made on clearing internal audit recommendations from previous audits, noting that good progress

had been made since the beginning of the financial year.

### **Annual review of internal audit effectiveness for the year to 31 March 2017**

- 9 The Committee considered the annual review of the effectiveness of the Internal Audit service, reflecting performance in the year to 31 January 2017. Key areas for improvement, both for internal audit and the Executive, had been identified and will be addressed.

### **Risk management and assurance map**

- 10 The Committee received a risk management update and was pleased to note the intention to renew efforts to strengthen risk management and to improve risk reporting.
- 11 The Committee suggested that as part of this work a Risk Appetite statement be developed for consideration by Council, setting out the level of risk it is prepared to tolerate in relation to areas of strategic risk.
- 12 The Committee requested that further work be carried out on the Assurance Map to streamline and simplify the approach. This will be brought back to the Committee's April meeting.

### **Review of accounting policies**

- 13 The Committee reviewed the accounting policies for the financial reporting year 2015–2016 and considered that these remained appropriate for 2016–2017.
- 14 The Committee confirmed that it was content with the proposals to change the capitalisation threshold for 2017–2018 from £1k to £5k.

### **External audit plans for the audit of the accounts for the year ended 31 March 2017**

- 15 The Committee approved the arrangements proposed by the external auditors and the National Audit Office for the external audit and certification of the NMC's annual accounts for the year ending 31 March 2017.

### **Whistleblowing**

- 16 The Committee noted that there had been no whistleblowing issues raised since the Committee's last meeting. A successful training session had been conducted for staff in December 2016. Further training sessions were being organised for April 2017.

### **Anti-fraud, bribery and corruption**

- 17 The Committee welcomed the strengthening of controls in relation to areas of potential misuse, such as credit cards, mobile phones and Oyster cards.
- 18 The Committee asked the Executive to consider the merits of developing a set of organisational statements on NMC values and the expectations of individuals who work at the NMC in terms of ethical standards and integrity.

### **Serious Event and Data Breaches report**

- 19 The Committee received a report on serious events and data breaches during the period 8 September 2016 to 6 January 2017.
- 20 The Committee welcomed the insight provided by the report and was pleased to note the focus on learning and taking that learning back into the organisation.

### **Single tender actions**

- 21 The Committee scrutinised the use of single tender actions authorised since the last meeting.
- 22 The Committee was pleased to note that the National Audit Office had recently used the NMC's single tender action reporting to the Audit Committee as an example of good practice.

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

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

#### **Resource implications:**

- 24 No resource implications arising directly from this report.

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

- 25 No direct equality and diversity implications resulting from this report.

#### **Stakeholder engagement:**

- 26 None.

#### **Risk implications:**

- 27 No risk implications arising directly from this report.

#### **Legal implications:**

- 28 None identified.

## Council

### Performance and risk report

**Action:** For discussion.

**Issue:** Reports on performance and risk management since the January 2017 Council meeting.

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

**Strategic priority:** Strategic priority 1: Effective regulation.  
Strategic priority 2: Use of intelligence.  
Strategic priority 3: Collaboration and communication.  
Strategic priority 4: An effective organisation.

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

- Discuss the performance information for January and February 2017 (paragraph 8).
- Note the corporate risk summary and risk heat map (paragraph 13).

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

- Annexe 1: Performance reports and key performance indicators.
- Annexe 2a: Corporate risk summary.
- Annexe 2b: Risk heat map.

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

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- Context:**
- 1 This report provides an overview of performance and risk management across the organisation, focusing on developments since the last Council meeting in January 2017. Substantial updates on transformation are not provided as these are included within the separate agenda item on transformation.
  - 2 We would continue to welcome Council's views on the format of this report and whether there are any other aspects of performance which it would expect to see and monitor on a regular basis.

**Discussion: Executive summary of performance**

**Directorate performance and KPIs (annexes 1a to 1f)**

- 3 These annexes present key developments since January 2017 together with relevant financial information and relevant KPIs/dashboards. Highlights are provided here, with reference to the corporate key performance indicators (KPIs). Overall, performance has been maintained across the regulatory areas.

**Registration and Revalidation**

- 4 Performance against KPIs has been maintained above targets and we are on track to achieve our year end average targets (having performed strongly throughout the year). Performance in our call centre was strong during January and February 2017. At the previous Council meeting, an overview was provided, articulating steps we were taking to improve and measure the customer experience as requested by the Council. The questions used in our customer satisfaction survey and customer effort survey are included at **annexe 1a**.

**Fitness to Practise**

- 5 As shown in **annexe 1b**, performance against the interim order KPI continues to be above target, at 92%. Performance against the 15 month end-to-end KPI remains at 76%, just under the target, as more older cases are being dealt with by Case Examiners and at the Adjudication stage.
- 6 As requested by the Council at the last meeting, a report with milestones will be provided in May 2017, which will include a forecast trajectory towards achieving our timeliness goals. A report on the first full year of our Employer Link Service operations will be provided in September 2017.
- 7 The Section 60 Order has now been made by the Privy Council and will take effect on 31 March 2017. This will mean some immediate changes in FtP including the power to select the location for hearings and changes to the frequency of Interim Order reviews. We

are closely monitoring and managing the risks associated with our operational readiness and the upcoming transition.

- 8 **Recommendation: The Council is invited to discuss the performance information for January and February 2017.**

### Corporate risk

- 9 A corporate risk summary is attached at **annexe 2a**, listing our corporate risks alongside the current post-mitigation rating for each risk, any risk movement since the last Council meeting and a status update.
- 10 Corporate risks have been recently reviewed. Key points are:
- 10.1 Risk CR25 *Midwifery transition and strategic communication* has reduced from amber (medium) to green (low). The Privy Council approved the Section 60 Order on 8 March 2017 with the legislation to take effect on 31 March 2017, meaning no major revisions are required to our operational and communications plans for the midwifery transition. When the Midwifery Committee met in February 2017 it had considered us ready to implement and communicate the changes, all being well with the legislative timetable. The Council is invited to discuss the rating change and whether the green-rated risk should remain on the corporate risk register for now, to be monitored.
  - 10.2 Risk CR30a *Transformation delivery* has reduced from red (high) to amber (medium) as our plans have taken shape and we have taken significant steps to strengthen our management and delivery capabilities. We have also increased our focus on building a flexible implementation methodology to enable us to make ongoing adjustments to keep the programme on track.
  - 10.3 CR30b, *Maintaining BAU and regulatory change throughout transformation*: the score has reduced from 16 (red) to 12 (amber). Although we are at the early stages of the programme, our recent planning has given us more confidence that we can continue to deliver business as usual should the transformation go ahead.
  - 10.4 Risk CR29 *Intelligence and insight* remains red to reflect the work required to our existing systems and data as well as on developing an approach on strategic data and business intelligence. However, as part of recent transformation planning, we have identified next steps to make progress in this area and are starting to implement these actions. Work with regard to developing our strategic capabilities and an approach will gain momentum in line with our transformation

development and data architecture.

- 11 Recent developments have affected the ratings of risks mentioned above, with those risks along with others on the corporate risk register having remained largely static during the year due to the long term nature of the planned mitigations. We are considering how to present better information on if and when risk movements are expected and our addressing actions. Reflections on the current corporate risks will form part of our annual exercise to 'refresh' the corporate risk register scheduled for Q1 2017–2018.
- 12 A heat map of corporate risks is at **annexe 2b**.
- 13 **Recommendation: The Council is invited to note the corporate risk summary and risk heat map.**

### **Performance and risk reporting**

- 14 As indicated, further improvements in reporting performance and risk are ongoing.

**Public protection implications:**

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

**Resource implications:**

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

**Equality and diversity implications:**

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

**Stakeholder engagement:**

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

**Risk implications:**

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

**Legal implications:**

- 20 None.

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

### **Contents of Annexe 1**

- 1a Registration and Revalidation performance report
- 1b Fitness to Practise performance report
- 1c Fitness to Practise dashboard
- 1d Education, Standards and Policy performance report
- 1e Resources – corporate KPIs
- 1f KPI summary table 2016-2017 year to date



# Registration and Revalidation<sup>117</sup> performance report

## Operational performance summary

Performance against our KPIs continues to grow in all areas throughout the reporting period. Overall, the year to date position remains strong as the directorate consistently met its targets. We are on target to achieve all targets by year end.

### Budget status – 28 February £'000 Figures in ( ) represent an overspend

Budget YTD	Variance YTD £	Variance YTD %	Budget year end	Forecast variance £	Forecast variance %	Narrative
5,562	(76)	(1%)	6,145	(118)	(2%)	Overspend due to unexpected legal costs, and variance against the forecast for peak period staffing. Work continues to reduce the overspend where possible.



# Registration and Revalidation performance report – corporate KPIs

Time period: Dec 2016 – Feb 2017

## KPI 1a - Percentage of UK initial registration applications completed within 10 days

Average for 2016–17	December 2016		January 2017		February 2017		Year to date avg	Year end average target	
	No.	As a %	No.	As a %	No.	As a %			
96.7%	376	95.4%	478	95.6%	943	98.3%	98.2% (Green)	95% within 10 days	Primary target
98.7%	386	98.0%	485	97.0%	954	99.5%	99.2% (Green)	99% within 30 days	Secondary target

### Commentary:

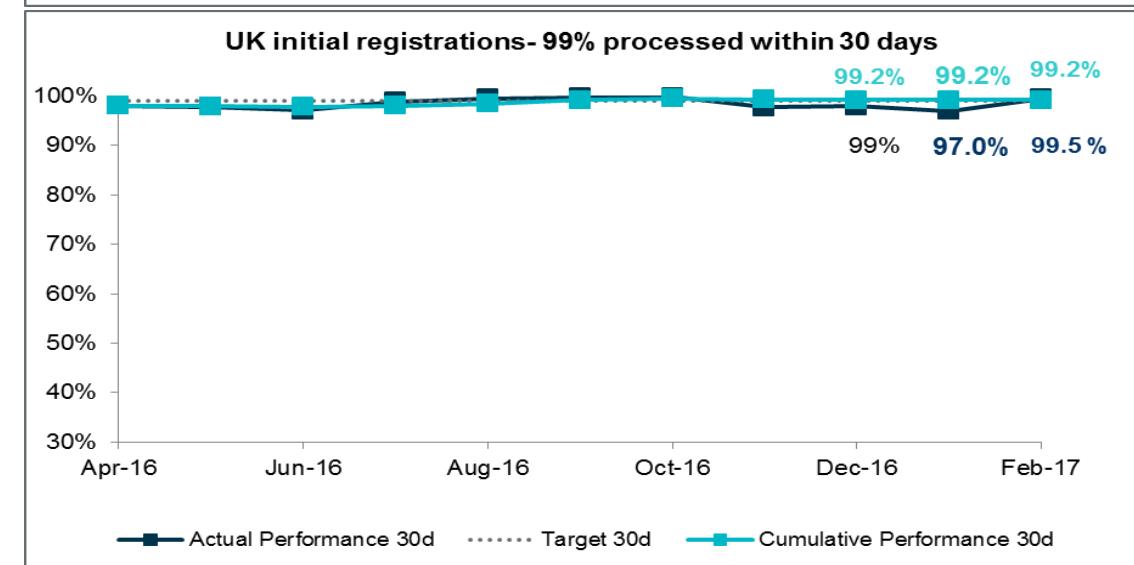
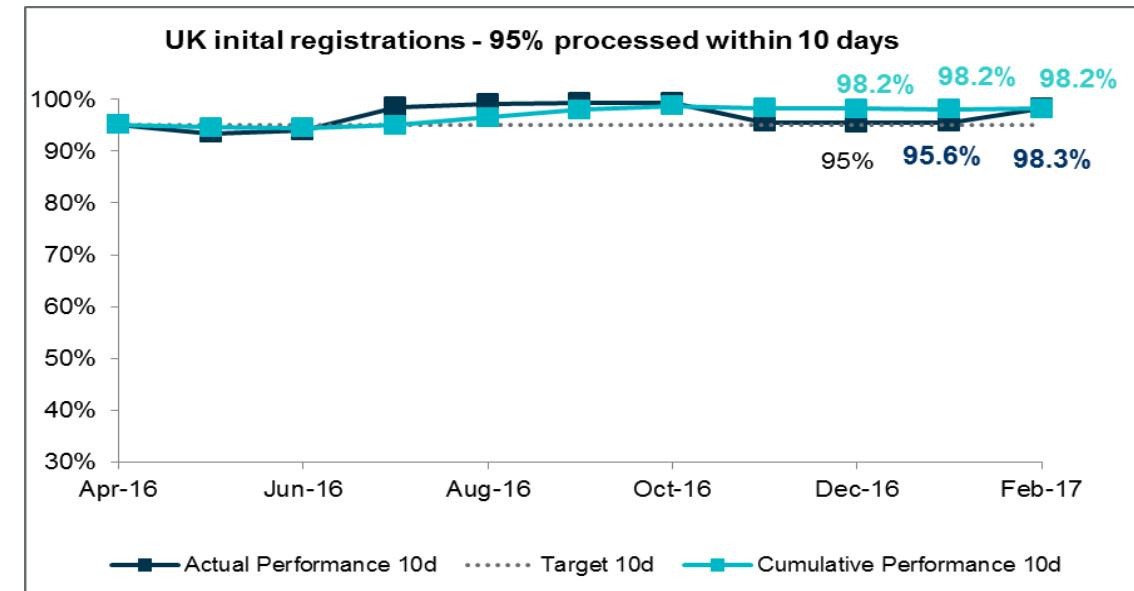
Performance remains high and consistent overall. We remain on target to achieve our KPIs by the end of the year.

### Primary target Red/Amber/Green rating:

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

### Secondary target Red/Amber/Green rating:

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



## KPI 1b - Percentage of EU/overseas registration applications assessed within 68 days

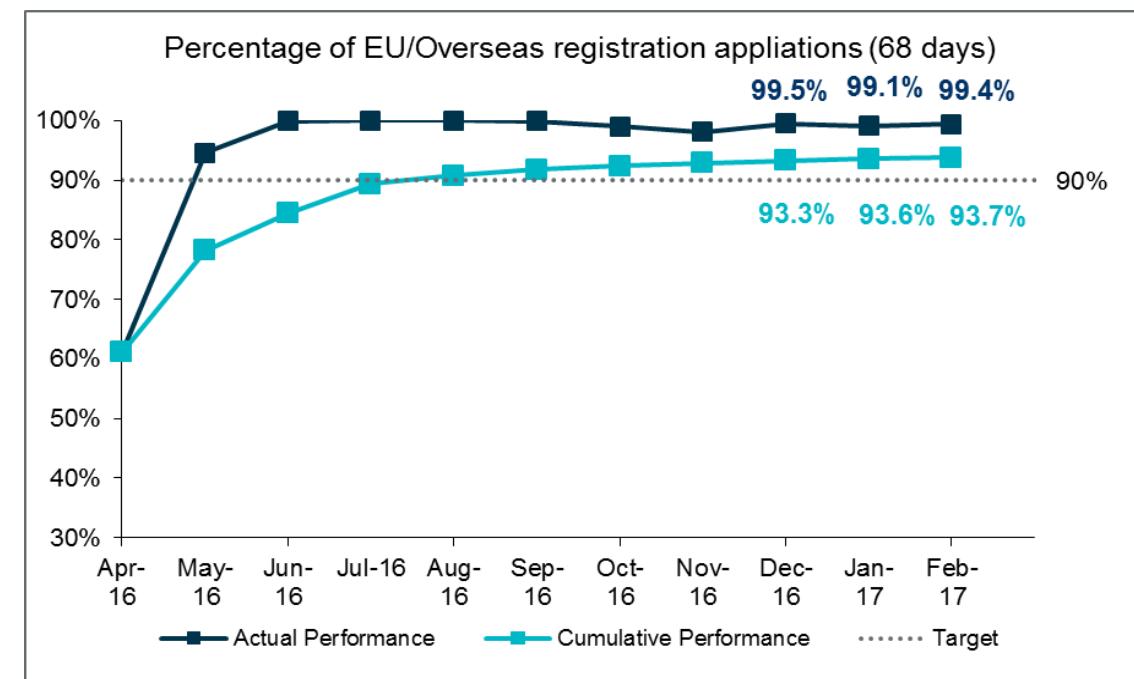
December 2016		January 2017		February 2017		Year to date avg	Year end average target
No.	As a %	No.	As a %	No.	As a %		
1,111	99.5%	783	99.1%	508	99.4%	93.7% (Green)	90%

### Commentary:

Team performance remains high and consistent overall.

### Red/Amber/Green rating:

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





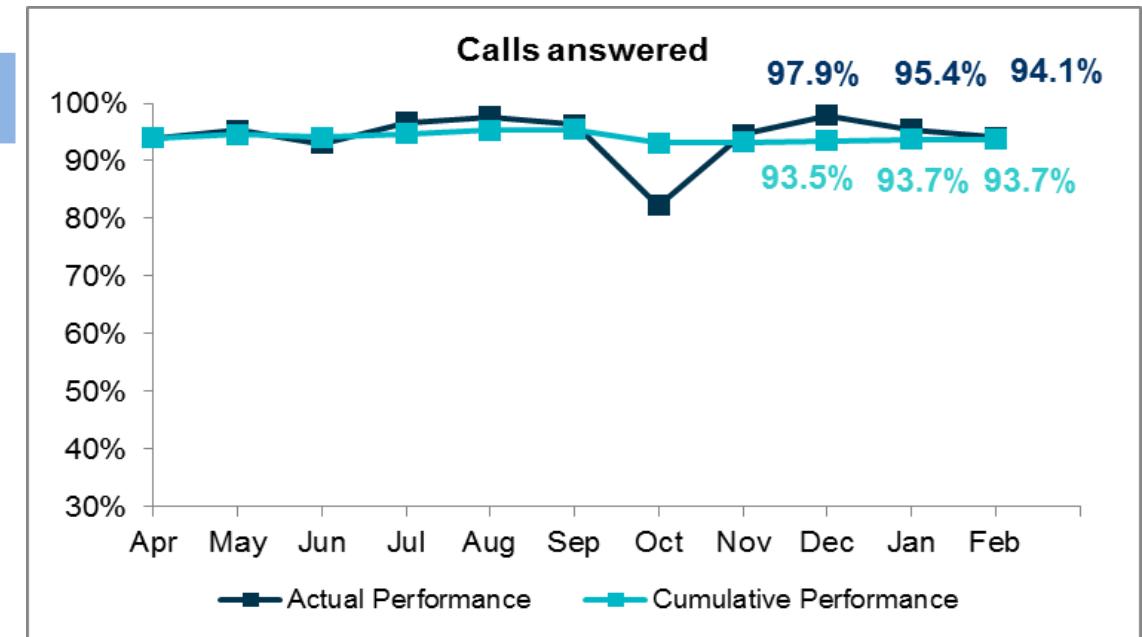
Figures for December 2016 to February 2017 are provided here.

## Percentage of calls answered

Full year 2016–17	December 2016	January 2017	February 2017	Year to date
	97.9%	95.4%	94.1%	
	19,051 / 405 answered/abandoned	25,965 / 1,244 answered/abandoned	24,344 / 1,535 answered/abandoned	93.7%

### Commentary:

We delivered a strong performance during February.



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

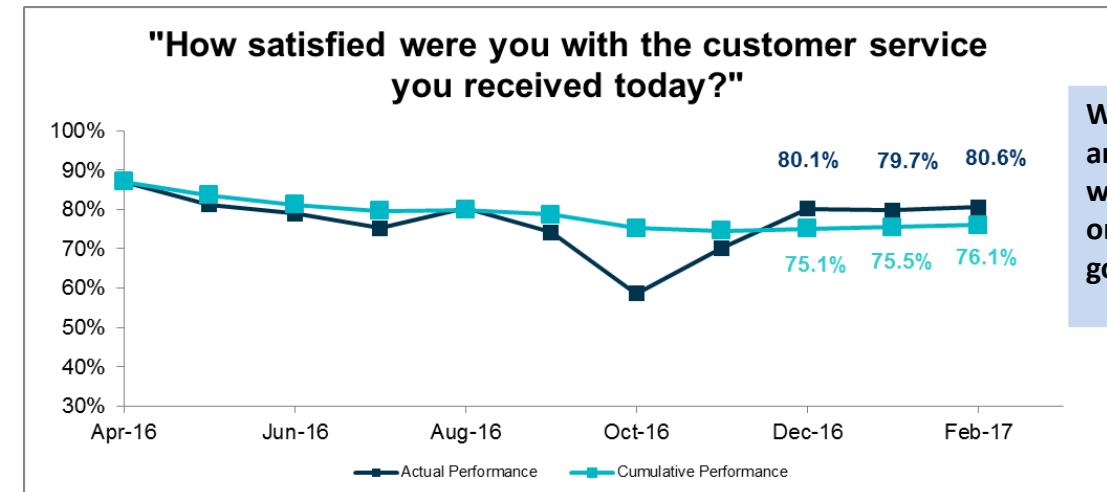
Measure	December 2016	January 2017	February 2017	Year to date
Overall experience	80.1%	79.7%	80.6%	76.1%
Query resolution	78.4%	78%	77.1%	76.9%

### Commentary:

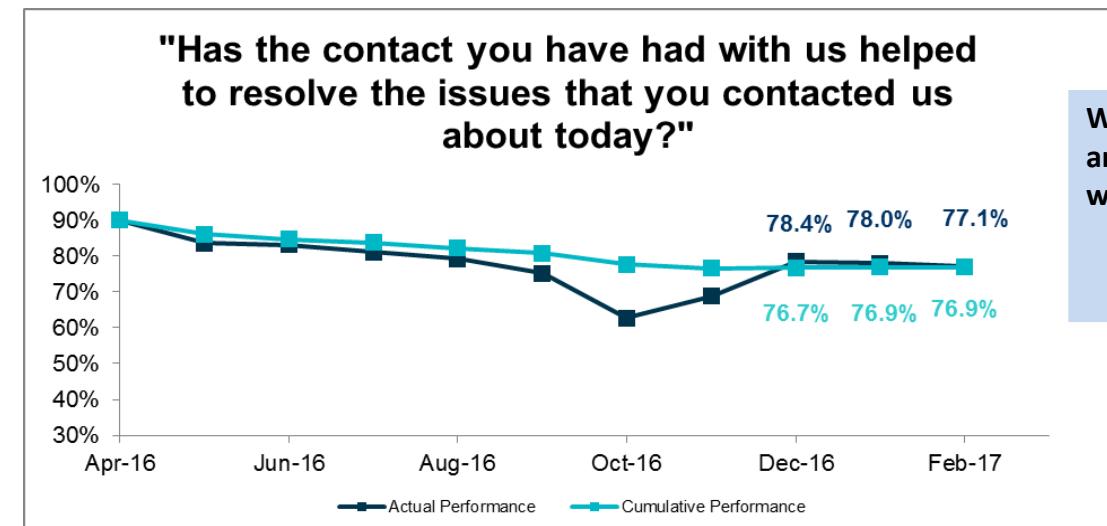
Customer satisfaction levels are broadly consistent with the previous month. Questions from the Customer Experience survey, which helps us monitor this, are:

- “How satisfied were you with the customer service you received today?”
- “Has the contact you have had with us helped to resolve the issues that you contacted us about today?”

At its meeting in January the Council asked to see the Customer Effort Score survey questions. These are shown on the following page.



Where answer was 'good' or 'very good'



Where answer was 'yes'



# 123 Registration and Revalidation performance report

## Customer Effort Score survey questions

- As our surveys are anonymous, please would you confirm whether you are:

### Answer Options

A nurse or midwife regulated by the NMC  
 Applying for registration and trained in the UK  
 Applying for registration and trained in the EU  
 Applying for registration and trained in a non EU country  
 A member of the Public  
 An Employer  
 Other  
 Other (please specify)

*answered question*  
*skipped question*

- How satisfied were you with the customer service you received today?

### Answer Options

Highly Satisfied  
 Satisfied  
 Neither Satisfied or Dissatisfied  
 Dissatisfied  
 Highly Dissatisfied  
 Not Applicable

*answered question*  
*skipped question*

- Please select to which extent you agree or disagree with the following statement: The NMC made it easy for me to manage my issue?

### Answer Options

Strongly Agree  
 Somewhat Agree  
 Neither agree nor disagree  
 Somewhat disagree  
 Disagree  
 Strongly disagree

*answered question*  
*skipped question*

## Customer Effort Score survey questions

- Has the contact you have had with us helped to resolve the issues that you contacted us about today?

### Answer Options

Yes - all issues fully resolved  
 Yes - most issues resolved  
 Not applicable - I did not have any issues to resolve  
 No - I have some issues remaining  
 No - my issues are not resolved at all

*answered question*  
*skipped question*

- Please select to what extent you agree or disagree with the following statements:

Answer Options	Strongly agree	Somewhat agree	Neither agree or disagree	Disagree	Strongly Disagree	Response Count
I can easily locate the information I require on the NMC website						
I find the communications provided by the NMC helpful						
I understand the role of the NMC						
I believe the NMC processing times are suitable						
						<i>answered question</i>
						<i>skipped question</i>

- Is there any additional feedback you would like to share with us?

### Answer Options

Response Count

*answered question*  
*skipped question*



## Operational performance summary

### Progression of cases

We have significantly reduced the overall number and age of cases at the screening and investigation stages by strengthening the screening function, targeted case review work, and prioritisation of the oldest and most serious cases at all stages. With only a few exceptions, the oldest cases are those which have been delayed by third party proceedings and we have plans in place to ensure those are progressed as soon as possible. Over the next 12 months, we will improve timeliness further by focusing on the section 60 changes, early engagement, and enhancing our case management. We will provide a report with milestones to the Council's meeting in May 2017 providing a forecast trajectory towards achieving our timeliness goals.

### Substantive decisions

We are broadly on track to deliver our planned number of substantive decisions this year. The proportion of those delivered by means of alternatives to full hearings has also been in line with the plan.

Digital audio recording has been successfully tested and is now in place at the Stratford hearing centre. The financial benefit has been factored into our forecast.

A successful recruitment round for panel members concluded in February 2017. The first round of appointments were made by Chair's action in February. 2017

### Employer Link Service

The programme of engagement with NHS and private employers is on track for completion by the end of March and an evaluation of the first full year of operation will be completed by July and will be reported to the Council in September. Feedback from employers on the quality of the service has been very positive.

### Section 60

The S60 order has now been made by the Privy Council and will come into effect on 31 March 2017. This will mean some immediate changes in FtP including the power to select the location for hearings and changes to the frequency of Interim Order reviews.

The changes to the FtP Rules, which will give new powers to Case Examiners, come into effect on 31 July 2017. A separate paper is being presented to the Council on the outcomes of the consultation and the making of the Rules.

We continue to monitor the risks associated with operational readiness, policy and managing the transition. We are satisfied that these are being managed appropriately and will report to the Council by exception in the run up to implementation. A benefit realisation plan is being prepared and will form part of ongoing reports post implementation.

Budget status – 28 February		£'000				Figures in ( ) represent an overspend
Budget YTD	Variance YTD	Variance YTD %	Budget year end	Forecast variance	Forecast variance %	Narrative
35,507	(1,757)	(5%)	39,051	(2,262)	(6%)	The overspend is due to a number of factors, including a delay in realising the expected savings from various initiatives related to reducing the costs of hearings and is referenced as part of the financial monitoring report.



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

Average for 2015–16 (March 2016)	December 2016	January 2017	February 2017	Year end average target
89%	92%	92%	92% (Green)	80%

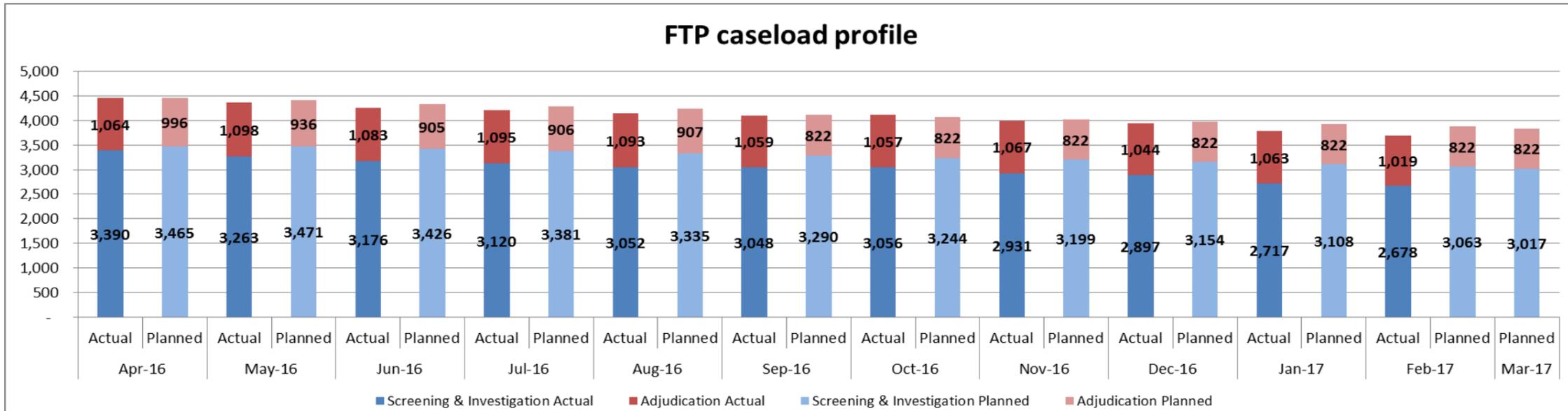
## KPI 3 - Percentage of FtP cases concluded within 15 months of being opened

Average for 2015–16 (March 2016)	December 2016	January 2017	February 2017	Year end average target
78%	76%	76%	76% (Amber)	80%

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

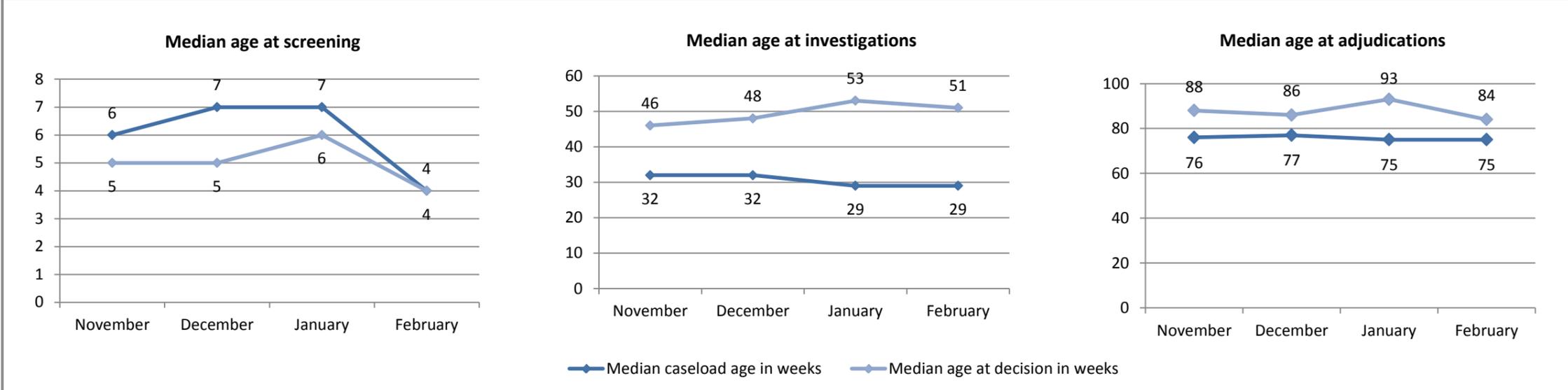


# FtP Performance Dashboard - Year To February 2017 129



**FtP Caseload Profile**

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



**Median age of progressing and remaining caseloads**

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

**Caseload Movement Summary**  
April 2016 - Feb 2017

Opening caseload 4,454

4,947 cases received

5,704 cases closed

Closing caseload 3,697



# Education, Standards and Policy performance report

## Operational performance summary

### Education programme

- Draft proficiency standards have been developed for the future nurse. Additionally a draft education framework has been developed. The draft standards are currently being user tested prior to consultation.
- A second round of UK wide engagement events has successfully concluded and the feedback will inform the development of the draft standards.

### Midwifery change

- On 8 March 2017 the Privy Council approved the Section 60 Order, meaning the legislative change will take effect on 31 March 2017. We had reported on our operational readiness to the final meeting of the Midwifery Committee on 23 February 2017, the changes to our documentation and systems, and the work on fitness to practise case management. The Committee also heard about plans for non-statutory supervision from the four countries of the UK.

Budget status – 28 February						
		£'000	Figures in ( ) represent an overspend			
Budget YTD	Variance YTD £	Variance YTD %	Budget year end	Forecast variance £	Forecast variance %	Narrative
4,352	672	15%	4,697	413	9%	Education Standards and Policy (ESP) is £0.7 million below budget year to date. The majority of the underspend is due to slower than planned recruitment to the education programme from quarters one and two of 2016. We mitigated the risk with carrying the vacancies at the time by bringing in external resource in order to keep on track with the milestones within the programme; therefore this has not impacted negatively on performance or delivery of the programme and we remain on track. There is also an underspend within venue costs associated with the education programme and a current underspend in legal fees. By year end ESP is forecast to be £0.4 million below budget.



All information on this page relates to the organisation and not the directorate.

## KPI 4 – Available Free Reserves

2015–16 year end 31 March 2016	Dec 2016	Jan 2017	Feb 2017	Forecast 31 March 2017	Budget 31 March 2017
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1. Available free reserves using latest actuarial estimate of pension deficit (in line with audited financial statements)

17.9	22.6	22.0	21.5	20.0 (Green)	21.5
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2. Available free reserves using existing cash commitments to address pension deficit

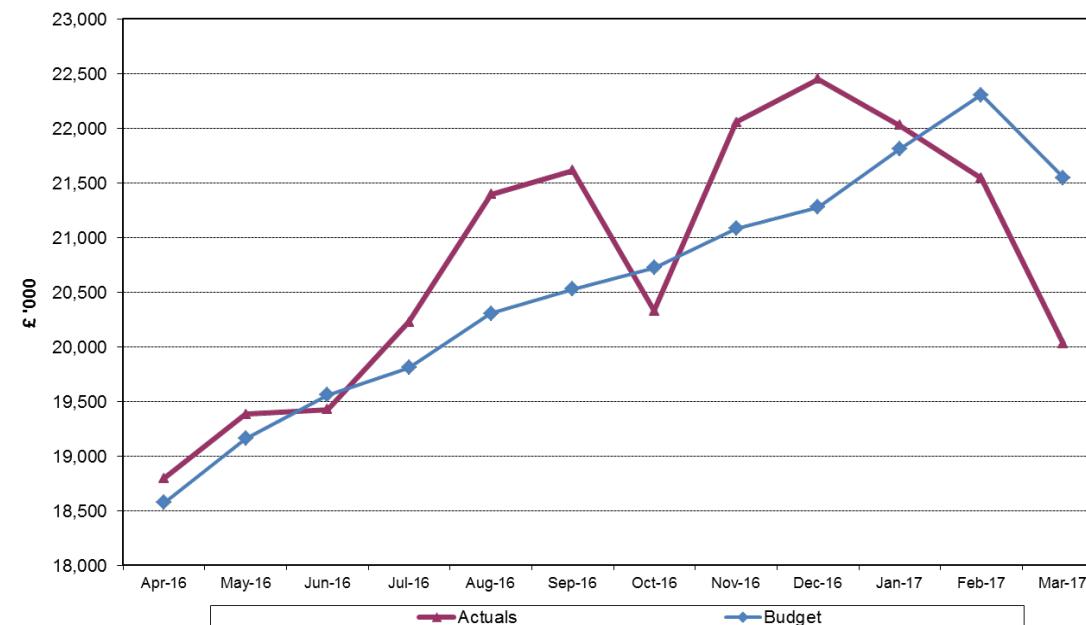
22.7	27.5	26.9	26.4	24.9 (Green)	26.4
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### Commentary:

The level of available free reserves (AFR) is projected to close the year below budget due to spend for the year exceeding budget. AFR continues to remain well within the £10-£25 million range agreed by the Council.

**Red/Amber/Green rating:** Level of free reserves between £10m and £25m.  
**Figures in £ million.**

Available free reserves for 2016-2017(latest actuarial basis)



## KPI 5 – Staff turnover rate

Historic figure (March 2016)	December 2016	January 2017	February 2017
---------------------------------	------------------	-----------------	------------------

23.5%	25.2%	25.0%	24.3%
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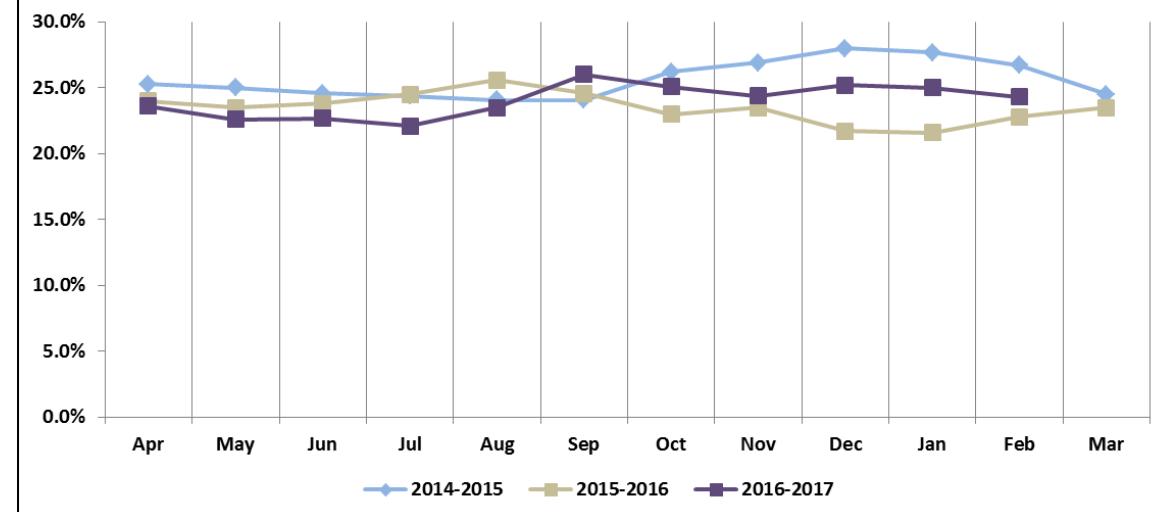
### Commentary:

Staff turnover in February 2017 decreased slightly to 24.3%

There were 11 permanent leavers in February 2017 of which nine were voluntary resignations. Fitness to Practise had six voluntary leavers and Technology and Business Innovation, Registration and Revalidation and OCCE all had one voluntary leaver each. Six of the leavers had service of less than 12 months.

Permanent headcount in February increased by three staff to 651.

Permanent Turnover



**No target has been set for 2016-17.** It would be difficult to set a meaningful target due to unpredictability over the size of the permanent workforce over the year and the uncertainty around the longer term structure and location of NMC functions. Instead, performance is being monitored and includes reference to longer historic trends.



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

This information is provided for reference.

KPI	2015-2016 Mar	2015-2016 Average	2016-2017											Target
			Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	
1a % of UK reg applications completed within <b>10</b> days	98.4%	97.4%	95.1%	93.5%	93.9%	98.5%	99.1%	99.4%	99.3%	95.5%	95.4%	95.6%	98.3%	95%
1a % of UK reg applications completed within <b>30</b> days	99.5%	98.7%	98.0%	97.8%	97.1%	98.9%	99.5%	99.8%	99.8%	97.8%	98.0%	97.0%	99.5%	99%
1b % of EU/OS reg applications assessed within 68 days <sup>^</sup>	63.7%	87.5%	61.2%	94.6%	99.9%	100%	100%	99.9%	99%	98.1%	99.5%	99.1%	99.4%	90%
2 % of interim orders imposed within 28 days of opening the case	89%	89%	89%	90%	90%	91%	91%	91%	92%	92%	92%	92%	92%	80%
3 Proportion of FtP cases concluded within 15 months of being opened	78%	78%	78%	78%	78%	78%	79%	78%	78%	77%	76%	76%	76%	80%
4 Free reserves <sup>^</sup>	£22.7m	£22.7m	£23.7m	£24.4m	£24.5m	£25.4m	£26.6m	£26.9m	£25.6m	£27.6m	£26.1m	£26.9m	£26.4m	£26.4m
5 Staff turnover	23.5%	23.5%	23.6%	22.6%	22.7%	22.1%	23.5%	26.0%	25.1%	24.4%	25.2%	25.0%	24.3%	n/a

<sup>^</sup> calculated using existing cash commitments, to ensure consistency across the whole period.  
 RAG ratings are based on that month's year end forecast vs the March 2017 budget/target.



## Corporate risk summary

Ref	Date of entry	Corporate risks	Risk rating	Movement Since Jan Council	Status <i>Recent developments, planned mitigations</i>
CR26	April 2016	Education – training must provide nurses and midwives with the right skills and competencies to meet the needs of patients and the public now and in the future.	A		<p>This risk will be mitigated by the delivery of our Education Strategic Plan. It is likely to remain amber for some time.</p> <p>The midwifery aspect of this risk is to be addressed in line with the agreed timetable for the development of midwifery standards (agreed by the Council in September 2016).</p>
CR27	April 2016	We may register, or we may have registered, people who do not meet our requirements or standards.	A		<p>The Registration and Revalidation directorate is undertaking a series of reviews to enhance and improve internal processes, to help mitigate this risk. Planned major process and systems changes will significantly reduce the risk. Upon review the risk score has been increased to reflect a more accurate position, but the risk itself is not increasing.</p>
CR28	April 2016	FtP outcomes – we must take appropriate action to protect the public in relation to a nurse or midwife's fitness to practise. We must also engage with stakeholders to improve understanding of our FtP work and prevent misconceptions.	A		<p>There is ongoing engagement and communications to convey key messages to stakeholders about the purpose of our FtP processes. Longer term, the implementation of Section 60 legislative changes will improve our FtP function and reduce this risk.</p>
CR29	April 2016	We must effectively gather and use intelligence, including the insight we have into the external environment, to enable	R		<p>Risk remains red to reflect the considerable work still required to make progress in this area. But as part of our recent transformation planning, we have established the next steps.</p>

Ref	Date of entry	Corporate risks	Risk rating	Movement Since Jan Council	Status Recent developments, planned mitigations
		us to identify and respond to risks and to anticipate, influence and respond appropriately to external changes that impact our regulatory work.			Improvements to our capabilities are planned for this year, as well as work to determine an approach to using strategic data and business intelligence.
CR25	Feb 2016	Midwifery transition and strategic communication - we must engage and communicate effectively with the sector about the changes.	G		Risk has reduced because on 8 March 2017 the Privy Council approved the Section 60 Order in time for the change to take effect as planned on 31 March 2017, meaning no major revisions required to our operational and communications plans. Our communications plans, which were overseen by the Midwifery Committee, have now been or are being implemented in full. When the Midwifery Committee met in February 2017 it considered us ready to implement the changes.
CR30 a	Oct 2016	In undertaking our major multi-year programme of change, we may not be sufficiently responsive, flexible or alert to external impacts and the need to respond accordingly in order to deliver the desired benefits of transformation leading to better regulation.	A		Risk has reduced in light of recent changes we have made to increase our capabilities. Our confidence levels have increased with the strong focus we have on building an inherently flexible implementation methodology.
CR30 b	Oct 2016	The impact of the transformation programme may adversely affect our delivery of business as usual and regulatory change.	A		Risk has reduced because although we are at the early stages of the programme, our recent planning has given us more confidence that we can continue to deliver business as usual should the full programme of transformation go ahead. We

Ref	Date of entry	Corporate risks	Risk rating	Movement Since Jan Council	Status Recent developments, planned mitigations
					have set up mechanisms to enable ongoing proactive prioritisation of our workload during the year.
CR31	April 2016	We may not have the right organisational structure, culture and capabilities in place to deliver the corporate strategy, which includes transformation, core business and regulatory change.	A		The development of a People Strategy is a key mitigation that will address this risk, alongside reviews of roles and skills and training. The People Strategy is to be presented to the Council in July 2017.
CR32	April 2016	We must manage our financial resources in the most efficient and sustainable way and communicate our approach in a transparent and articulate manner.	A		A financial strategy was discussed by Council in July and September 2016 and continues to be developed.
CR23	July 2015	We must ensure we are prepared in the event of actions giving rise to a loss of business continuity.	A		Key planned mitigations for delivery by Q2 are completion of a business continuity policy, framework and further training.

## Key to the risk ratings

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

### Rating definitions

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

### Key to arrows



No movement of risk rating since previous Council meeting.



Risk rating has increased since previous Council meeting.



Risk rating has reduced since previous Council meeting.

## Risk scoring

**1. Rating the likelihood**

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

**2. Rating the impact (consequence)**

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

**3. Scoring likelihood against impact**

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

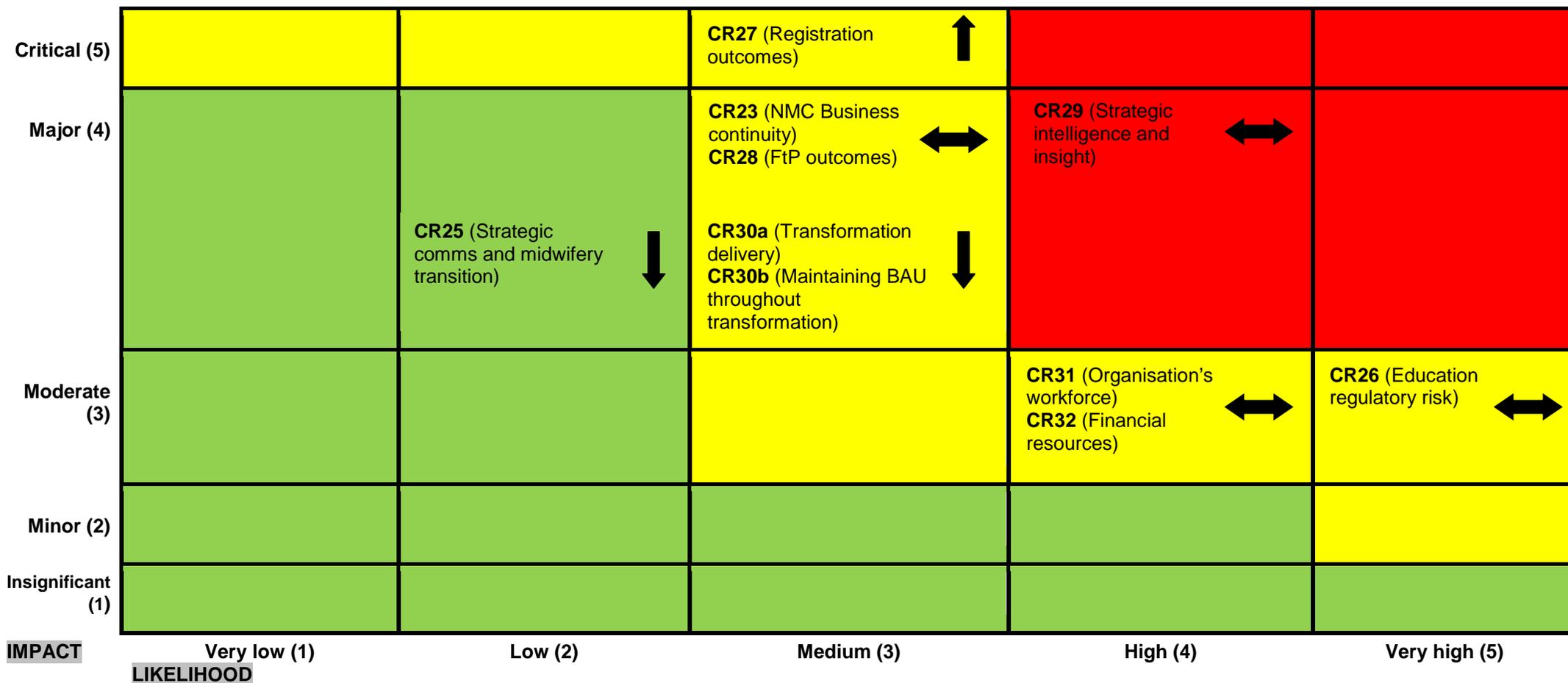
Risk scores: 1-8 Green 9-15\* Amber 16-25 Red

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



### Risk heat map of corporate risks as at 12 January 2017

This map presents changes in post-mitigation scores for corporate risks. We are continuing to review which risks would be useful for the Council to have sight of and should appear on future risk heat maps within corporate reporting. The direction of travel reflects changes since 12 January 2017 (preparation of January 2017 Council papers).



Arrows indicate the direction of travel:

- ↑ Risk score has increased since 12 Jan 2017
- ↓ Risk score has decreased since 12 Jan 2017
- ↔ Risk score has stayed the same since 12 Jan 2017

**Risk references:**  
 CR: Corporate risk



## Council

### Financial monitoring report to 28 February 2017

**Action:** For discussion.

**Issue:** Provides financial performance information for the 11 months to 28 February 2017 and forecasts for the year end.

**Core regulatory function:** Supporting functions.

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

**Decision required:** None.

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

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

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

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

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

**Overall picture**

- 4 Income is higher than projected in the original budget both year to date and year end forecast. Both revenue and capital spend are higher than budget both year to date and year end forecast. As a result we expect to have a net overspend against budget of £1.1m. This is mainly due to higher than budget expenses in Fitness to Practise (FtP), Technology & Business Innovation (TBI) and Corporate. Full details are set out in **annexe 1**.

**Income**

- 5 At £78.4 million year to date, with a forecast of £85.5 million by year end, full-year income is expected to be £0.6 million, or 1%, above that planned in the budget. This is mainly due to higher than expected fee income and undertaking more EU and overseas competency assessments than planned.

**Revenue expenditure**

- 6 Overall revenue spend to date is £0.6 million above budget, and is forecast to be about £1.5 million over budget at the year end. In particular:
  - 6.1 The Office of the Chair and Chief Executive (OCCE) is £0.2 million below budget year to date. This is forecast to be £0.3 million below budget by year end.
  - 6.2 Registration and Revalidation is £0.1 million above budget year to date and is forecast to remain so through to year end due to increased legal costs and unplanned additional staffing requirements to accommodate core activity during peak periods.
  - 6.3 FtP is on course to deliver performance outcomes broadly

in line with forecast which represents a significant increase in the number of case outcomes achieved as compared to last year. This has been combined with achieving a reduction in the average cost per hearing over the past year: from £25,000 in February 2016 to £18,000 in February 2017. FtP spend is currently £1.8 million (5%) adverse to budget with a forecast year end overspend of £2.2 million (6%). There are four main drivers to the overspend:

- 6.3.1 costs per hearing being budgeted at less than the actual run-rate achieved. This was adjusted in the forecast prior to the mid-year point, as reported in previous Financial Monitoring Reports;
  - 6.3.2 an increased number of hearing days in Q3 and Q4 to compensate for a shortfall in the number of hearing outcomes achieved in Q1 and Q2;
  - 6.3.3 a three month delay in the implementation of Digital Audio Recording and therefore the realisation of the budgeted efficiency savings; and
  - 6.3.4 higher than expected travel and accommodation costs. This is in part due to higher than anticipated volumes of claims but may also be associated with the introduction of a new travel provider during the year. We are currently investigating this further.
- 6.4 Education Standards and Policy (ESP) is £0.7 million below budget year to date. The majority of the underspend is due to slower than planned recruitment to the education programme from quarters one and two of 2016. We mitigated the risk with carrying the vacancies at the time by bringing in external resource in order to keep on track with the milestones within the programme; therefore this has not impacted negatively on performance or delivery of the programme and we remain on track. There is also an underspend within venue costs associated with the education programme and a current underspend in legal fees. By year end ESP is forecast to be £0.4 million below budget.
- 6.5 Technology and Business Innovation (TBI) is £0.4 million over budget year to date and is expected to be £0.7 million over budget by year end due to increased activity and unanticipated spend including using more temporary staff resource than planned. In addition TBI capital projects are expected to be over budget by around £0.7 million by year end as more work is completed on core systems than originally planned.

- 6.6 Transformation spend is £0.1 million, or 1%, below budget year to date but is forecast to be in line with budget by year end.
- 6.7 Resources Directorate spend is £1.3 million below budget year to date and is forecast to be £1.6 million below budget by year end due to procuring cheaper temporary accommodation than planned and due to spending significantly less on remedial works on NMC estates than planned. A revised plan for remedial works relating to future years has been accounted for in the 2017–2018 budget.
- 6.8 Corporate spend is £0.6 million above budget year to date and is forecast to be £0.7 million above budget by year end. This reflects higher than budgeted depreciation of NMC software which follows a review of projects completed in 2015–2016 identifying that a higher amount of assets were created and need to be depreciated.

### Capital

- 7 Capital spend is £0.3 million above budget year to date. This is as a result of IT capital projects being delivered ahead of schedule and since a higher proportion of project work year to date has been capital in nature than budgeted.
- 8 By year end it is anticipated that capital spend will be £0.2 million under budget as work on core systems draws to a close. The forecast over spend of £0.7 million on IT capital projects is partially offset by not spending a budgeted capital provision of £0.5 million for works on 23 Portland Place.

### Cash

- 9 Cash is broadly in line with budget. In the period to February 2017, starting in June 2016, 50,300 (7.3%) of registrants had opted to pay by phased payments. The impact on cash flow to date is, therefore limited, however will be continued to be monitored together with the number of registrants opting to pay quarterly.
- 10 Cash holdings of £84 million are detailed in **annexe 2** along with available free reserves that are separately reported as part of KPI4. Cash holdings meet the requirement of the agreed investment strategy that no more than 40% of cash should be held in one institution. Deposit accounts are being set up at two further institutions to enable us to spread the risk better across five, rather than three institutions.

### Efficiencies 2016–2017

- 11 Embedded efficiencies of £4.6 million were built into the 2016–2017 budget. These efficiencies are expected to be partially delivered to the extent we achieve core activity whilst remaining within £4.6 million of the original budget.

### Efficiencies 2017–2018 and later

- 12 The focus of our effort is to develop the NMC’s approach to delivering and demonstrating efficiency in 2017–2018 and beyond. We are now taking a more tailored approach to measuring efficiencies. We will be implementing Directorate Performance Indicators (DPIs) which will provide greater insight into the efficiency of key operations. The DPIs will include a variety of appropriate measures, for example cost per activity.

#### Public protection implications:

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

#### Resource implications:

- 14 The key financial indicators for current and projected levels of resource consumption are discussed in this paper.

#### Equality and diversity implications:

- 15 None.

#### Stakeholder engagement:

- 16 None.

#### Risk implications:

- 17 Risks in relation to forecasting and financial resourcing are set out in directorate and corporate risk registers.

#### Legal implications:

- 18 None.



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

£000

INCOME AND EXPENDITURE (£'000s)	April to February				Full Year			
	2016/2017	Actual	Budget	Variance	% vs budget	Forecast	Budget	Variance
<b>Total Income</b>	<b>78,445</b>	<b>77,858</b>	<b>587</b>	<b>1%</b>	<b>85,500</b>	<b>84,875</b>	<b>625</b>	<b>1%</b>
OCCE	3,320	3,501	180	5%	3,694	3,999	305	8%
Registration & Revalidation	5,638	5,562	(76)	(1%)	6,262	6,145	(118)	(2%)
Fitness to Practise	37,267	35,506	(1,760)	(5%)	41,268	39,051	(2,217)	(6%)
Education Standards & Policy	3,680	4,352	672	15%	4,285	4,697	412	9%
Technology Business Innovation	8,622	8,234	(389)	(5%)	9,744	9,005	(739)	(8%)
Transformation	2,507	2,599	92	4%	2,851	2,849	(2)	(0%)
Resources	9,660	10,932	1,272	12%	10,909	12,464	1,555	12%
Corporate (see note 1)	5,221	4,596	(625)	(14%)	5,729	5,014	(716)	(14%)
<b>Total Expenditure</b>	<b>75,916</b>	<b>75,283</b>	<b>(633)</b>	<b>(1%)</b>	<b>84,741</b>	<b>83,223</b>	<b>(1,518)</b>	<b>(2%)</b>
<b>Income less Expenditure</b>	<b>2,529</b>	<b>2,575</b>	<b>(46)</b>	<b>(2%)</b>	<b>759</b>	<b>1,652</b>	<b>(893)</b>	<b>(54%)</b>
Technology Business Innovation	2,320	1,604	(716)	(45%)	2,425	1,750	(675)	(39%)
Estates	0	458	458	100%	0	500	500	100%
<b>Capital</b>	<b>2,320</b>	<b>2,063</b>	<b>(258)</b>	<b>(12%)</b>	<b>2,425</b>	<b>2,250</b>	<b>(175)</b>	<b>(8%)</b>

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

**Colour Key:**

In line with or below budget

Up to 5% above budget

More than 5% above budget

**Explanatory note** on income less expenditure, including capital, is expected to be £1.1 million higher than budget: From above table "full year variance" column this is £893k + £175k = £1,068k rounded to £1.1 million over spend.



Actual, budget & forecast 2016-2017

BALANCE SHEET INDICATORS		Feb-17				31 March 2017			
		Actual	Budget	Variance	% vs budget	Forecast	Budget	Variance	% vs budget
	<b>Available free reserves</b>								
A	Net assets	55,346	56,311	(964)	(2%)	53,492	55,388	(1,898)	(3%)
B	less: Fixed assets	22,110	22,316	(206)	(1%)	21,857	22,235	(378)	(2%)
C = A - B	Total free reserves before pensions deficit	33,236	33,996	(759)	(2%)	31,635	33,153	(1,518)	(5%)
D	less: Pension deficit (latest actuarial basis)	11,691	11,691	0	0%	11,606	11,606	0	0%
E = C - D	Available free reserves (latest actuarial basis)	21,545	22,305	(759)	(3%)	20,028	21,546	(1,518)	(7%)
F	less: Pension deficit (cash committed basis)	6,827	6,827	0	0%	6,743	6,743	0	0%
G = C - F	Available free reserves (cash committed basis)	26,409	27,168	(759)	(3%)	24,892	26,410	(1,518)	(6%)

Cash summary	Feb 2017
Investments (up to 12 month depositis)	67,782
Current account	16,349
<b>Total cash</b>	<b>84,131</b>

Cash summary	Feb 2017	Lloyds	Barclays	HSBC
Less than 12 month deposits	67,782	33,212	29,570	5,000
<b>Total Investments</b>	<b>67,782</b>	<b>33,212</b>	<b>29,570</b>	<b>5,000</b>
<b>Current Account</b>				
	16,349	0	0	16,348
<b>Total Cash</b>	<b>84,131</b>	<b>33,212</b>	<b>29,570</b>	<b>21,348</b>
% Split		39%	35%	25%

Colour Key:

In line with or below budget
Up to 5% above budget
More than 5% above budget



## Council

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

**Action:** For information.

**Issue:** Reports actions taken by the Chair of the Council since 25 January 2017 under delegated powers in accordance with Standing Orders.

There have been five Chair's actions:

1. Reappointment to the Midwifery Committee.
2. Appointment of panel members to the Conduct and Competence Committee.
3. Reappointment of panel members to the Conduct and Competence Committee and to the Investigation Committee to Council.
4. Removal of three legal assessors from the list of approved legal assessors maintained by the NMC.
5. Confirmation of Council Committee appointments for 2017–2018.

**Core regulatory function:** Supporting functions.

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

**Decision required:** None.

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

- Annexe 1: Chair's action—Reappointment of Pradeep Agrawal, Lay member; and Patricia Gillen, Registrant member (Northern Ireland) as members of the Midwifery Committee from 1 January 2017 until the Midwifery Committee ceases to exist.
- Annexe 2: Chair's action—Appointment of 58 new panel members to the Conduct and Competence Committee for a four year term from 20 February 2017.

- Annexe 3: Chair's action–Reappointment of 37 panel members to the Conduct and Competence Committee and one panel member to the Investigation Committee to Council for a further four year term.
- Annexe 4: Chair's action–Removal of three legal assessors from the list of approved legal assessors maintained by the NMC with immediate effect.
- Annexe 5: Chair's action–Confirmation of Council Committee appointments for 2017–2018.

**Further information:**

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

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### Chair's 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> Secretary to the Council	<b>Date:</b> 7 February 2017
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Under Standing Order 4.2.5, the Chair of Council has the power to appoint the members of the Midwifery Committee.

The following partner members of the Midwifery Committee completed their first terms of office on 31 December 2016 (three years):

- Pradeep Agrawal, Lay member
- Patricia Gillen, Registrant member (Northern Ireland)

The Midwifery Committee last met on 26 October 2016.

The Department of Health has now signalled its intent to move forwards with changes to our legislation, including the removal of the Midwifery Committee. The meeting of the Midwifery Committee scheduled for 22 February 2017 is therefore likely to be the final meeting.

The Chair of the Council is invited to extend the appointment of Pradeep Agrawal and Patricia Gillen as members of the Midwifery Committee from 1 January 2017 until the Midwifery Committee ceases to exist.

Signed Janet Finckh (Chair)

Date 07.02.17.



### 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>  Sarah Page Director of Fitness to Practise	<b>Date:</b>  16 February 2017
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At the Appointments Board meeting on 16 February 2017, the Board considered the outcome of a recent recruitment exercise for panel members to the Conduct and Competence Committee. The Board recommended the appointment of 58 new panel members to Council.

Due to operational requirements we wish to have these individuals appointed prior to the next scheduled meeting of Council in March 2017 so that they can start sitting on the Conduct and Competence Committee as soon as possible.

Full details of the individuals for appointment can be found in the supporting paper at **annexe 1**.

Signed



(Chair)

Date 16 February 2017



## For Chair's Action

### Appointment of new registrant and lay fitness to practise panel members

**Action:** For decision.

**Issue:** Appointment of 58 panel members to the Conduct and Competence Committee.

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

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

**Decision required:** The Chair is recommended to appoint the 58 new panel members to the Conduct and Competence Committee, as set out at Annexe 1.

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

- Annexe 1: List of individuals to be appointed as lay and registrant panel members to the Conduct and Competence Committee.

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

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- Context:**
- 1 A recruitment process started in July 2016 to replace 45 panel members whose second term came to an end in 2016 and a further 128 who come to the end of their second term of appointment in 2017.
  - 2 The recruitment process attracted applications from 881 individuals with 399 undertaking online assessment and 211 being invited to interview.
  - 3 Following completion of the interview process, 115 individuals were considered suitable for appointment and 58 were submitted to the Appointments Board for recommendation to Council for appointment.
  - 4 The appointment of the remaining individuals will be considered by the Appointments Board in May 2017.
- Discussion:**
- 5 The selection process consisted of an online competency based application with 399 individuals being identified as suitable applicants to progress to the next stage of assessment.
  - 6 This number of applicants significantly exceeded the number we were resourced to interview and online aptitude and styles based assessments were used to identify 211 people for interview. Our recruitment partner has confirmed that there was no evidence that this would, or had, disadvantaged any minority groups.
  - 7 The interview process consisted of a scenario based exercise and a series of competency based questions linked to the agreed competency model for panel members. All interview panels comprised of a senior member of NMC staff and a recruitment consultant from Gatenby Sanderson.
  - 8 Training took place for the individuals listed in Annexe 1 during the week commencing 6 February 2017.
  - 9 Based on the selection process which was followed, the NMC can be satisfied that the process has identified individuals who will make a positive contribution to the work of the practice committees.
  - 10 The Appointments Board scrutinised the details of the recruitment strategy and the monitoring data from each stage of the campaign and recommends to Council the appointment of the 58 individuals listed in Annexe 1 to the Conduct and Competence Committee.
  - 11 **Recommendation: The Chair is recommended to appoint the 58 new panel members to the Conduct and Competence Committee, as set out at Annexe 1.**
- Public protection implications:**
- 12 Panel members are required to make decisions at Fitness to Practise events that protect the public.

- Resource implications:** 13 No direct resource implications. Panel member costs are included in existing budgets.
- Equality and diversity implications:** 14 The publicity campaign for this recruitment was inclusive of diversity and targeted underrepresented groups.
- 15 There is no indication that the process resulted in any adverse equality and diversity implications and the individuals selected have been selected on merit.
- 16 Full details of the diversity data will be provided to the Board following completion of training in April 2017 when all those being recommended for appointment have been confirmed.
- Stakeholder engagement:** 17 As part of the tender specifications for the recruitment agency, we were explicit that the publicity campaign was inclusive of diversity.
- Risk implications:** 18 Not having sufficient panel members will negatively impact on our ability to run fitness to practise events.
- Legal implications:** 19 Individuals appointed will be required to sign the NMC's Panel Member Service Agreement.



## **Annexe 1 – List of individuals to be appointed as lay and registrant panel members to the Conduct and Competence Committee**

Following the recommendation from the Appointments Board, the Council is asked to appoint the following panel members for four years.

<b>Identifying number</b>	<b>Name</b>	<b>Lay or Registrant</b>	<b>Practice Committee</b>	<b>Start of term date</b>	<b>End of term date</b>	<b>Length of term</b>
1	Alison Lyon	Lay	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
2	Diana Meikle	Lay	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
3	Anne Brown	Lay	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
4	Anne Phillimore	Lay	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
5	Anthony-John Penhale	Lay	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
6	Catrin Davies	Lay	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
7	Christine Moody	Lay	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
8	David Crompton	Lay	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
9	David Evans	Lay	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years

10	Debbie Hill	Lay	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
11	Deborah Jones	Lay	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
12	Geoffrey Baines	Lay	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
13	Gill Mullen	Lay	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
14	James Hurden	Lay	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
15	John Vellacott	Lay	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
16	Katrina Hepburn	Lay	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
17	Mhairi Murning	Lay	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
18	Nicola Jackson	Lay	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
19	Paul Leighton	Lay	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
20	Peter Swain	Lay	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
21	Rama Krishnan	Lay	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
22	Raymond Marley	Lay	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
23	Rebecca Nowell	Lay	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
24	Richardo Childs	Lay	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
25	Seamus Magee	Lay	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years

26	Sue Heads	Lay	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
27	Anthony Kanutin	Lay	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
28	Anthony Griffin	Lay	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
29	Belinda Poole	Lay	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
30	Chris Thornton	Lay	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
31	Clive Chalk	Lay	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
32	Gregory Hammond	Lay	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
33	Ian Dawes	Lay	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
34	John Hamilton	Lay	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
35	Linda Redford	Lay	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
36	Melissa D'Mello	Lay	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
37	Peter Wrench	Lay	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
38	Richard Goodenough-Bayly	Lay	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
39	Sophie Lomas	Lay	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
40	Susan Ellerby	Lay	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years

41	Susan Thomas	Lay	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
42	Avril Omeara	Lay	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
43	David Boyd	Lay	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
44	Sarah Fleming	Registrant	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
45	Jane Jones	Registrant	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
46	Jade Rankine	Registrant	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
47	Esther Craddock	Registrant	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
48	Carol Porteous	Registrant	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
49	Bernie Nipper	Registrant	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
50	Amy Noakes	Registrant	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
51	Jonathan Coombes	Registrant	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
52	Rachel Jokhi	Registrant	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
53	Mark Welford-Gibson	Registrant	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
54	Kathy Martyn	Registrant	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
55	Claire Rashid	Registrant	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
56	Louise Suzanne Poley	Registrant	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years

57	Laura Wallbank	Registrant	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years
58	Andrew Wimbor	Registrant	Conduct and Competence Committee	20 February 2017	19 February 2021	4 years



### 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>  Sarah Page Director of Fitness to Practise	<b>Date:</b>  16 February 2017
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At the Appointments Board meeting on 16 February 2017, the Board considered the reappointment of 37 panel members to the Conduct and Competence Committee and one panel member to the Investigating Committee. Having considered the performance data presented, the Board recommended the re-appointment of 37 panel members to the Conduct and Competence Committee and one panel member to the Investigating Committee to Council.

Due to operational requirements we wish to have these individuals re-appointed prior to the next scheduled meeting of the Council in March 2017 so that they can continue sitting on practice committee hearings after their first term expires at the end of February 2017.

Full details of the individuals for re-appointment can be found in the supporting paper at **annexe 1**.

Signed

*Jane Finch*

(Chair)

Date 16 February 2017



## For Chair's Action

### Re-appointment of registrant fitness to practise panel members

**Action:** For decision.

**Issue:** Re-appointment of 37 panel members to the Conduct and Competence Committee and one panel member to the Investigating Committee.

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

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

**Decision required:** The Chair is recommended to re-appoint the 38 individuals as set out at Annexe 1.

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

- Annexe 1: List of individuals to be re-appointed as registrant panel members to the Conduct and Competence Committee and Investigating Committee.

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

Author: Paul Johnson  
Phone: 0207 681 5680  
[Paul.Johnson@nmc-uk.org](mailto:Paul.Johnson@nmc-uk.org)

Director: Sarah Page  
Phone: 0207 681 5864  
[Sarah.Page@nmc-uk.org](mailto:Sarah.Page@nmc-uk.org)

- Context:**
- 1 The Nursing and Midwifery Council (Midwifery and Practice Committees) (Constitution) Rules 2008 state that a panel member appointed to a practice committee may be appointed to a further term by Council. No person can serve more than two terms.
  - 2 There are 38 panel members coming to the end of their first term in February 2017 that the NMC wishes to appoint to a second term.
- Discussion:**
- 3 Following review of their performance data, 38 individuals were considered suitable for re-appointment and were submitted to the Appointments Board for recommendation to Council for appointment.
  - 4 The Appointments Board have scrutinised the performance data of 40 panel members and recommends to Council the re-appointment of the 37 panel members listed in Annexe 1 to the Conduct and Competence Committee and one panel member to the Investigating Committee, also listed in Annexe 1.
  - 5 **Recommendation: The Chair is recommended to re-appoint the 38 individuals, as set out at Annexe 1.**
- Public protection implications:**
- 6 Panel members are required to make decisions at Fitness to Practise events that protect the public.
- Resource implications:**
- 7 No direct resource implications. Panel member costs are included in existing budgets.
- Equality and diversity implications:**
- 8 There are no identified equality and diversity implications.
- Stakeholder engagement:**
- 9 The NMC has engaged with each of the 40 panel members advising of the process. Each individual in this group has been provided with a personal activity and engagement report, and the opportunity to comment upon it.
- Risk implications:**
- 10 If we do not re-appoint the panel members as set out in Annexe 1 we will not be able to constitute sufficient panels to manage planned business activity.

**Legal  
implications:**

- 11 No legal implications identified.
- 12 Panel members are not employees and the panel member services agreement in place does not guarantee a second term of appointment.



## **Annexe 1 – List of individuals to be re-appointed as registrant panel members to the Conduct and Competence Committee and Investigating Committee**

Following the recommendation from the Appointments Board, the Council is asked to appoint the following panel members for four years.

<b>Identifying number</b>	<b>Name</b>	<b>Lay or Registrant</b>	<b>Practice Committee</b>	<b>Start of term date</b>	<b>End of term date</b>	<b>Length of term</b>
1	Alice Clarke	Registrant	Investigating Committee	01 March 2017	28 February 2021	4 years
2	Allison Hume	Registrant	Conduct and Competence Committee	01 March 2017	28 February 2021	4 years
3	Amy Lovell	Registrant	Conduct and Competence Committee	01 March 2017	28 February 2021	4 years
4	Andrew Galliford-Yates	Registrant	Conduct and Competence Committee	01 March 2017	28 February 2021	4 years
5	Angela O'Neill	Registrant	Conduct and Competence Committee	01 March 2017	28 February 2021	4 years
6	Anita Underwood	Registrant	Conduct and Competence Committee	01 March 2017	28 February 2021	4 years
7	Anna Guildford	Registrant	Conduct and Competence Committee	01 March 2017	28 February 2021	4 years
8	Caroline Williams	Registrant	Conduct and Competence Committee	01 March 2017	28 February 2021	4 years

9	Catherine Rice	Registrant	Conduct and Competence Committee	01 March 2017	28 February 2021	4 years
10	Christopher Morrow-Frost	Registrant	Conduct and Competence Committee	01 March 2017	28 February 2021	4 years
11	Claire Gill	Registrant	Conduct and Competence Committee	01 March 2017	28 February 2021	4 years
12	David O'Brien	Registrant	Conduct and Competence Committee	01 March 2017	28 February 2021	4 years
13	Deborah Tymms	Registrant	Conduct and Competence Committee	01 March 2017	28 February 2021	4 years
14	Deirdre O'Donnell	Registrant	Conduct and Competence Committee	01 March 2017	28 February 2021	4 years
15	Diane Corderoy	Registrant	Conduct and Competence Committee	01 March 2017	28 February 2021	4 years
16	Elaine Hurry	Registrant	Conduct and Competence Committee	01 March 2017	28 February 2021	4 years
17	Faith Thornhill	Registrant	Conduct and Competence Committee	01 March 2017	28 February 2021	4 years
18	Gillian Frame	Registrant	Conduct and Competence Committee	01 March 2017	28 February 2021	4 years
19	Jane Davis	Registrant	Conduct and Competence Committee	01 March 2017	28 February 2021	4 years
20	Jane Fraser	Registrant	Conduct and Competence Committee	01 March 2017	28 February 2021	4 years
21	Janet Kelly	Registrant	Conduct and Competence Committee	01 March 2017	28 February 2021	4 years
22	Janet Leonard	Registrant	Conduct and Competence Committee	01 March 2017	28 February 2021	4 years
23	Joanne Lay	Registrant	Conduct and Competence Committee	01 March 2017	28 February 2021	4 years

24	Judith Robbins	Registrant	Conduct and Competence Committee	01 March 2017	28 February 2021	4 years
25	Julia Sirett	Registrant	Conduct and Competence Committee	01 March 2017	28 February 2021	4 years
26	Lucie Moore	Registrant	Conduct and Competence Committee	01 March 2017	28 February 2021	4 years
27	Mark Hulme	Registrant	Conduct and Competence Committee	01 March 2017	28 February 2021	4 years
28	Mary Monnington	Registrant	Conduct and Competence Committee	01 March 2017	28 February 2021	4 years
29	Mooi Standing	Registrant	Conduct and Competence Committee	01 March 2017	28 February 2021	4 years
30	Patricia Lynch	Registrant	Conduct and Competence Committee	01 March 2017	28 February 2021	4 years
31	Paul Warburton	Registrant	Conduct and Competence Committee	01 March 2017	28 February 2021	4 years
32	Paul Webb	Registrant	Conduct and Competence Committee	01 March 2017	28 February 2021	4 years
33	Shane Moody	Registrant	Conduct and Competence Committee	01 March 2017	28 February 2021	4 years
34	Susan Foster	Registrant	Conduct and Competence Committee	01 March 2017	28 February 2021	4 years
35	Susan O'Sullivan	Registrant	Conduct and Competence Committee	01 March 2017	28 February 2021	4 years
36	Veronica Offredy	Registrant	Conduct and Competence Committee	01 March 2017	28 February 2021	4 years
37	Alyson Hoyles	Registrant	Conduct and Competence Committee	04 March 2017	03 March 2021	4 years
38	Christine Somerville	Registrant	Conduct and Competence Committee	01 March 2017	28 February 2021	4 years



### 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>  Sarah Page Director of Fitness to Practise	<b>Date:</b>  9 March 2017
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All individuals appointed by the Council as a legal assessor are entered on the list of approved legal assessors maintained by the NMC.

Three legal assessors have recently resigned from the role and must be removed with immediate effect from the approved list to ensure its ongoing accuracy.

The Appointments Board considered this matter at its meeting on 16 February 2017 and has recommended the removal of the three legal assessors to the Council.

The individuals to be removed with immediate effect are:

- Michael Simon
- Michael Hanlon
- Fayyaz Afzal

Signed *Janet Fisher* (Chair)

Date *14.03.17*



## For Chair's Action

### Amendment to the list of approved legal assessors.

<b>Action:</b>	For decision.
<b>Issue:</b>	The removal of three legal assessors from the approved list of legal assessors.
<b>Core regulatory function:</b>	Fitness to Practise.
<b>Strategic priority:</b>	Strategic priority 1: Effective regulation. Strategic priority 2: Use of intelligence.
<b>Decision required:</b>	The Chair is recommended by the Appointments Board to remove the three legal assessors from the approved list of legal assessors, as set out at Annexe 1.

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

- Annexe 1: Changes to legal assessor appointments.

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

Author: Paul Johnson  
Phone: 020 7681 5680  
[Paul.Johnson@nmc-uk.org](mailto:Paul.Johnson@nmc-uk.org)

Director: Sarah Page  
Phone: 020 7681 5864  
[Sarah.Page@nmc-uk.org](mailto:Sarah.Page@nmc-uk.org)

- Context:**
- 1 There is a requirement under article 34 of the Nursing and Midwifery Order 2001 for legal assessors to be appointed by the Council. Article 34(5) states that a legal assessor must have 10 years' experience as a barrister, solicitor or advocate. Legal assessors are currently approved on the basis of their qualification, experience, and suitability in accordance with Article 34(5).
  - 2 All individuals appointed by Council as a legal assessor are entered on the list of approved legal assessors maintained by the NMC.
- Discussion:**
- 3 Since the completion of the legal assessor recruitment in October 2016, three individuals have resigned as legal assessors.
  - 4 Those who have resigned as legal assessors need to be removed from the approved list by the Council to ensure its ongoing accuracy.
  - 5 **The Chair is recommended by the Appointments Board to remove the three legal assessors from the approved list of legal assessors, as set out at Annexe 1.**
- Public protection implications:**
- 6 None identified.
- Resource implications:**
- 7 None identified.
- Equality and diversity implications:**
- 8 There are no identified equality and diversity implications.
- Stakeholder engagement:**
- 9 The NMC has confirmed receipt of the three individual's resignations and confirmed they will be removed.
- Risk implications:**
- 10 None identified. The changes are required for administrative purposes to ensure the NMC's list of approved legal assessors remains correct.
- Legal implications:**
- 11 None identified.



**Annexe 1: Changes to legal assessor appointments.**

#	Full Name	Action Required
1	Michael Simon	Remove from approved list with immediate effect.
2	Michael Hanlon	Remove from approved list with immediate effect.
3	Fayyaz Afzal	Remove from approved list with immediate effect.

### 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 Secretary to the Council	<b>Date:</b>  16 March 2017
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#### **Council Committee membership approval**

The Chair is asked to review and confirm Council Committee appointments for 2017–2018 as proposed in the supporting paper at **annexe 1**.

Signed: *Janet Finch*

(Chair)

Date: *16.03.17.*



## For Chair's Action

### Council Committee membership approval

#### Purpose

- 1 For the Chair to approve/confirm Council Committee membership for 2017–2018.

#### Background

- 2 Under Standing Order 4.3.4, the Chair of the Council has delegated authority to make appointments to Council Committees.
- 3 Appointments to the following Committees need to be reviewed:
  - 3.1 Remuneration Committee: discretionary, established by the Council in accordance with good governance.
  - 3.2 Audit Committee: discretionary, established by the Council in accordance with good governance. Currently, chaired by an independent, non Council member.
  - 3.3 Appointments Board: discretionary, established by the Council to ensure appropriate separation of responsibilities between the Council and the appointments and oversight of Fitness to Practise Committee (panel) members and Legal assessors. For this reason comprised entirely of non Council members.
- 4 A full review of the effectiveness of Council Committees was undertaken in 2015, including remits and memberships. Following this, in November 2015, the Council agreed the following set of principles to inform Council committee appointments:
  - 4.1 Committee appointments should be informed by an agreed skills matrix and aim to optimise individual member skills, experience, interests and expertise.
  - 4.2 Committee members should be appointed for a specified term of office, usually two to three years.
  - 4.3 Committee membership should be reviewed annually and refreshed regularly, whilst also maintaining appropriate continuity and avoiding unnecessary disruption.
  - 4.4 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.
  - 4.5 Committee appointments should seek to balance factors including diversity, registrant and lay members and four country representation, where possible.

- 5 Non Council member appointments to Committees are based on open competitive recruitment with terms of office set at the time of appointment. This annual review therefore focused on Council member Committee appointments.

### **Discussion**

- 6 Following the 2015 review, Council members were appointed to Committees, taking account of the above principles for the period to 31 March 2017. Following resignation of a Council member who was also a member of the Audit Committee, Derek Pretty was appointed to fill the vacant place. Current Council Committee membership is at **annexe 1**.
- 7 The independent non Council Chair of the Audit Committee was appointed in June 2016 for a 12 month term of office.
- 8 Both committees are well balanced in terms of the mix of gender, lay and registrant members. Each committee has representation from more than one country.
- 9 Current appointments were for an initial 14 month term to 31 March 2017. To ensure continuity and avoid unnecessary disruption, it is proposed to continue with current Committee membership. This proposal is consistent with members' current terms of office on the Council. It should be noted that:
  - 9.1 Midwifery Committee: the Committee ceases to exist on 31 March 2017. However, Anne Wright and Lorna Tinsley have agreed to continue to be members of the Midwifery Panel. The Midwifery Panel is not a Council committee.
  - 9.2 Audit Committee: A further review of the position relating to future chairing arrangements will take place in April/May when there is a clearer picture of the current recruitment under way to fill the two Council vacancies.
- 10 The Chair is asked to review and confirm existing appointments for 2017–2018 with the exception of the independent Chair of the Audit Committee (see paragraph 9.2 above). Reappointment letters will be sent to members as appropriate prior to 1 April 2017.

**Fionnuala Gill**  
**Secretary to the Council**

**Annexe 1**

Remuneration Committee (Three Council members)	Term of committee membership
Stephen Thornton (Chair)	1 January 2016 to 31 March 2017
Karen Cox	1 January 2016 to 31 March 2017
Maura Devlin	1 January 2016 to 31 March 2017

Audit Committee (Three Council members, one non Council member)	Term of committee membership
Marta Phillips (Independent Chair)	1 June 2016 to 31 May 2017
Maureen Morgan	1 January 2016 to 31 March 2017
Robert Parry	1 January 2016 to 31 March 2017
Derek Pretty	1 January 2017 to 31 March 2018

For information only

Appointments Board (Five non Council members)	Term of board membership
Belinda Phipps (Chair)	3 August 2015 to 3 August 2018
Mary Dowling	31 January 2015 to 31 January 2018
Bridget Anderson	31 January 2015 to 31 January 2018
Fiona Whiting	3 August 2015 to 3 August 2018
Frederick Psyk	1 September 2016 to 31 August 2019



Item 18  
NMC/17/34  
29 March 2017

## Council

### Transformation Programme

**Action:** For decision

**Issue:** Seeks a decision in principle on the Transformation Outline Business Case

**Core regulatory function:** Supporting functions  
All regulatory functions

**Strategic priority:** Strategic priority 1: Effective regulation  
Strategic priority 2: Use of intelligence  
Strategic priority 3: Collaboration and communication  
Strategic priority 4: An effective organisation.

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

- Decide that, in principle, the Transformation Option outlined in this paper, including some relocation, is the appropriate future for the NMC.
- Agree that an implementation plan should be drawn up on this basis.
- Agree that a full business case based on the implementation plan should be presented to Council in July, as the basis for agreeing and releasing funds.
- Agree that a sum of £2.5m can be spent April-July 2017 to progress the business case, this sum being set against the total expenditure envelope for the first year of the programme.

This item includes the following:

Item 18A: Transformation Business case

Item 18B: Gateway review report executive summary and Management response

**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.

Director: Judith Toland  
Phone: 020 7681 5514  
[Judith.Toland@nmc-uk.org](mailto:Judith.Toland@nmc-uk.org)

<b>Context</b>	1	The Transformation Programme has been in development through 2016-2017. It has now reached the stage where an agreement in principle is required in order to finalise a full business case.
	2	A decision in principle will enable us to go out to market to procure implementation partner(s) to assist in the ICT, business change, organisation change and location delivery. This is essential in enabling the build of a fully costed business case with detailed financials and delivery.
<b>Public protection implications:</b>	3	None.
<b>Resource implications:</b>	4	The budget and financial implications are outlined in this paper.
<b>Equality and diversity implications:</b>	5	Design and delivery of the Transformation Programme is explicitly inclusive of the EDI policy and strategy. Impact assessments will be undertaken as appropriate.
<b>Stakeholder engagement:</b>	6	Communication plans are underway to ensure we have a robust strategy and plan for our internal and external stakeholders.
<b>Risk implications:</b>	7	Key risks around transformation are reflected in the Corporate Risk Register that the Council reviews at every meeting. There is a detailed risk register held at Programme level.
<b>Legal implications:</b>	8	None.

# **COUNCIL**

**29 MARCH 2017**

## **ITEM 18A TRANSFORMATION OUTLINE BUSINESS CASE**



## **Outline Business Case – Transformation Programme**

### **Annexes**

- 1. Future Model of the NMC**
- 2. Financial Analysis**
- 3. Location – Background and Research**
- 4. Rollout Plans**
- 5. Critical Timeline for Council Decisions – 2017**



## Decision required

The Council is asked to:

- Decide that, in principle, the Transformation Option outlined in this paper, including some relocation, is the appropriate future for the NMC
- Agree that an implementation plan should be drawn up on this basis
- Agree that a full business case based on the implementation plan should be presented to Council in July, as the basis for agreeing and releasing funds
- Agree that a sum of £2.5m can be spent April-July 2017 to progress the business case, this sum being set against the total expenditure envelope for the first year of the programme.

## The Case for Change

- 1 Since December 2015, we have been discussing with the Council and developing proposals for transforming the organisation in line with the Strategy the Council agreed in March 2015, to become a dynamic regulator. The Council set the tone for the transformation programme which they described as being 'bold but not foolhardy' and to meet the requirements to deliver value for money, improve processes and efficiency and to have at the forefront of our ambitions the need to strategically collaborate. This outline business case, which meets those requirements, also makes the compelling case for change, which the Council has agreed in various discussions has been met.
- 2 The transformation programme is based on three key principles:
  - 2.1 A fundamental redesign of the way we work;
  - 2.2 New technology through which we can provide a better service to our customers; and,
  - 2.3 Modern fit for purpose buildings which enable us to be flexible, dynamic and allow us to reach out to our customers, partners and users.
- 3 The landscape for regulation and regulators continues to evolve and we have an ambition to transform which aligns with that changing landscape. Key to this is the need to strategically collaborate and in this context this transformation programme will enable us, in the first instance, to explore with the GMC sharing space, sharing hearing rooms and pooling resources such as panel members and legal assessors. It will also enable to us think about ways in which we regulate our professional groups most of whom work together in a multi-professional team environment.

## Future Model of the NMC

- 4 The future model for the organisation, which fundamentally redesigns the way we work, is based on a target operating model attached at Annexe 1.
- 5 The redesign of processes will underpin the requirements for technology and also radically reshape the organisation structure.
- 6 This will not be undertaken in one go. It is critical in a programme of this nature and timescale that we proceed carefully and review in light of significant investment decisions or impact on people. The milestones for review are outlined for 2017-2018 (Annexe 5) and will be further developed on a year on year basis as the programme develops.
- 7 We are developing the overarching framework for the organisation design through a review of our business capability requirements and a subsequent analysis of appropriate structure to deliver against those capabilities.
- 8 We will begin organisation change in 2017-2018 as described in Annexe 4 and build on those initial changes in subsequent phases.

## Impact on People

- 9 A key aim of the Transformation Programme is to attract and retain motivated, highly skilled staff.
- 10 As part of this we are developing our People Strategy which will be presented to Council in July 2017 and providing additional resource through Transformation in change management, learning and development and overall HR/OD.
- 11 The Transformation Programme will provide opportunities for staff to develop new skills and gain considerable experience. We have established a change capability group consisting of HR, OD, Internal Communications and change managers which has built a delivery programme in support of the transformation covering four key strands of work;
  - 11.1 HR Improvement and development – workforce planning and recruitment, fit for purpose policies and procedures and a capability model to support the change activity
  - 11.2 Change Management – change management approach and framework, a change management toolkit, training modules, engagement and communication plans, change network
  - 11.3 Organisation Design and Development - organisation design and learning and development plans
  - 11.4 Culture – living the values, making the NMC a great place to work, internal and external communications

- 12 We have modelled an increase in HR, Organisation Development and Learning and Development resources to support and deliver the people aspects of transformation and plans are well underway to support all staff through change.
- 13 Undertaking a significant programme of change presents challenges and risks and we must ensure we do not destabilise the NMC.
- 14 We must have a focus on engaging and communicating effectively with our people and supporting them effectively through change.

## **Strategic Collaboration**

- 15 Strategic Collaboration is a key driver in our transformation programme. The changing nature of the regulatory landscape presents us with opportunities to develop our ambition to be a dynamic leading regulator and explore collaboration with others.
- 16 The Transformation proposes a reshaping of our capabilities, processes and systems such that we have increased options and capacity for collaboration.
- 17 In the first instance we envisage our focus for collaboration to be in the following areas:-
  - 17.1 Data, insight and intelligence – the creation of a new function and enhanced capability in this area enables us to share insight with other regulators in a more effective and accurate way. The design of new systems also supports this by ensuring we have a clear integrated data architecture that enables effective analysis and reporting in a way which we currently cannot deliver.
  - 17.2 Options for Adjudication and Hearings. We are at an initial stage of exploring the opportunities to work more closely with the GMC in these areas. This could include sharing Hearing rooms, panel members and training.
- 18 As we deliver the programme over the four year time period it is likely that other opportunities will present themselves. Given the nature of the programme and the iterative, phased approach we are taking this means that we can consider integrating those opportunities as appropriate. It is important to note that we are explicitly designing the ICT to be location independent to allow for such flexibility.
- 19 It is important to note as well that the proposed Transformation programme is over a four year period. Once this is delivered the NMC will be in the position with renewed capability to explore further collaboration further into the future.

## **The Options for Transforming the NMC and the Financial Implications**

- 20 We have been developing and exploring with Council a wide range of scenarios for transformation including relocation. We are now proposing an option for the Council to approve that will begin to deliver the ambition of being a dynamic

regulator which enables us to redesign the way we work through improved technology and reach out to our partners and users.

- 21 The other options considered included
- 21.1 All NMC remains in London and transforms
- 21.2 All NMC relocate outside London. (except for small core group of approximately 80-100 remain in London)
- 22 Both these options were analysed for affordability, benefits and impact on reserves. Option 21.1 is affordable but does not produce as high a level of post transformation impact on reserves. Option 21.2 generates higher benefits but is unaffordable as it impacts on reserves such that they fall well below our £10m reserves policy.

**Option – A four year Transformation Programme which delivers a completely transformed NMC with a small base in Manchester.**

- 23 Under this option the proposed Contact Centre and other customer facing functions (e.g. screening/referrals, to be fully determined following detailed design) would be built and developed in the new location. This would amount to approximately 80 posts in the first phase. The remainder of the NMC would stay in London and be located in Portland Place and Stratford. This both maximises our current estate and also enables us to take advantage of a 6 month rent free period on extension of Stratford to 2024.
- 24 The table at Annexe 2 provides detail of this option together with an illustration of potential impact on free reserves. A more detailed financial summary is presented separately.
- 25 The decision about location is based on the case for change and our strategic ambition to collaborate. We know that regulatory reform is an imperative for this Government and we have a duty to regulate in a way which serves the public and our professions. Closer collaboration with the GMC makes sense to the public and the professions and it is likely to drive out efficiencies and better decision-making.
- 26 The question for the Council is whether this can be achieved if we remain in London. Based on the work that has been done by our external supplier and colleagues internally, the locations options which provide for collaboration, availability of workforce and reduced costs are Birmingham and Manchester. Manchester is the preferred option as there are opportunities for shared space and hearing rooms with the GMC. This will need to be confirmed by Council and be seen in the context of managing the overall risks in the programme including to our stability and finances.
- 27 A further driver for location consideration is that our leases on some of our London property expire in 2019 (Annexe 3). Under this option we do not need to acquire new potentially more expensive London property and can reduce our overall requirements through better utilisation of Portland Place, Stratford, development of Contact Centre in Manchester, mobile working and shared space with the GMC.

## Benefits & Savings

- 28 In this option, benefits and savings start to be delivered in 2018-2019 and are driven overall by:
- 28.1 different ways of working including increased automation of administrative tasks requiring fewer people,
  - 28.2 reduced staff costs in new location and
  - 28.3 reduced accommodation costs
- 29 The ongoing operational costs post Transformation are estimated **at £69 million**. This is **£16 million** lower than the pre Transformation baseline.
- 30 The ongoing **annual benefits are at least £16 million** from 2021-2022 onwards (including year on year inflation increase). The benefits are achieved by:-
- 30.1 Lower staff costs achieved by streamlining our processes (including automation) and vastly increasing the ability of our customers to self-serve
  - 30.2 Lower accommodation costs
  - 30.3 Lower IT costs as we procure our technology in a more cost effective way using industry standard rather than bespoke
  - 30.4 Lower external costs such as print, postage and stationery costs as we replace them with technology enabled solutions
- 31 In order to enable the **total £16 million annual benefits** stated above we need to **invest £27 million** in technology, training, process improvement, organisation change, redundancy and accommodation over the four year period as follows:
- 31.1 Technology and new applications build of **£11.2 million** (which includes complete change of our business critical systems (WISER and CMS), Customer Relationship Management System (CRM), ERP - back office systems, website, intranet), full business architecture, process design and redesign, configuration of systems, migration of data, full implementation, dual running and testing of all new systems, resilience for mobile working and upgrade of supporting infrastructure (desktops, telephony etc.)
  - 31.2 Programme delivery costs including external support - **£7.2 million**
  - 31.3 New accommodation costs of **£3.3 million**
  - 31.4 Communications, training, workforce review, organisation change support, ongoing support in specialist areas - **£1.4 million**
  - 31.5 Redundancy provision - **£4m**
- 32 **The above costs are based on analysis of activity required to deliver, costing of consultancy and support, property market reviews, research and prior**

**experience. We have obviously had to make a number of assumptions to build the financial model and assess requirements. Subject to Council decision we will undertake a full procurement exercise and be able to confirm first year costs with confidence.**

33 In the first full year 2017-2018 the £11.2m spend covers:-

- 33.1 **£4.7m on technology** : this will be to secure an implementation partner(s) for the design, planning, integration and full development of the total change and transition from our current platform to our new ICT suite over the full four year period. This includes the foundations for the migration from our current platforms (Wiser and CMS) in readiness for switch over in 2018-2019. This also includes in 2017-2018 the contact centre and implementation of a customer relationship management system (CRM), a new website, upgraded telephony, upgraded electronic record management system and development of data warehouse to support future data migration.
- 33.2 We have not procured this yet but are working on the full specification and will start the full procurement process immediately following Council decision. We have already had initial engagement with the marketplace to explore options and identify potential partners from within the frameworks. This has already further assisted in developing specifications and testing our assumptions. We are following government guidelines and using frameworks to speed up procurement. We are also developing the full Procurement Strategy which will include an assessment of appropriate costing including options for Time and Materials, Fixed Price, capped fixed price, risk and reward and other models. The intent is that we can move into full procurement exercise in April with partner agreed and begin onboarding by the end of May/June, subject to Council approval
- 33.3 **£3.4m on project costs** – this will cover additional resources, predominantly people, in programme management, HR, Organisation Development and communications. We have limited capacity in house in these areas and need to quickly establish and rollout our approach to change management, learning and development, organisation design and development. This element will deliver the initial establishment of the Insight and Intelligence function, horizon scanning and the approach and restructure to deliver resolution management. This provides the foundation for further development in these areas in 2018-2019.
- 33.4 This also includes development of our customer strategy and customer insight work in order to develop a robust model for the contact centre and websites and other digital services.
- 33.5 **£0.5m redundancy costs** - We anticipate we will be announcing the new structure for the Contact Centre in Manchester in August/early September and will be announcing potential redundancies and roles at risk. The job roles will be significantly different from the current capabilities. As part of this we will also have an element of 'dual running' as we establish the new functionality in the Contact Centre through September to March 2018.

Additionally we will be beginning restructuring in other areas, to be determined once we have full agreement on the overall future model.

33.6 **£0.4m recruitment** – We are anticipating recruiting approximately 60-80 staff for the new contact centre in Manchester. We will be offering relocation and opportunities to current staff, however it is likely we will still have significant new recruitment for these roles. As stated above many of the job roles will be significantly different from current capabilities. We anticipate we will outsource this recruitment. This area also covers the onboarding and training elements of the establishment of the contact centre.

33.7 **£1.8m accommodation costs** – this is based on an estimate of the cost of a new lease for a space in Manchester of approximately 8-10,000sq ft and the fit out. This comprises £1.3m covering lease and fit out plus move costs. Additional costs are potential short term requirement for additional accommodation at a cost of £458k to accommodate additional people in 2017-2018.

34 The first year spend will not exceed £11.2m and we are confident we have modelled a prudent assessment based an approach of overstating the costs and understating the benefits.

35 A high level rollout plans for the four year programme 2017 -2021 and a detailed roadmap for 2017-2018 is at Annexe 4.

36 Please note the following additional potential financial benefits have not been fully articulated at this stage but will be kept under review, incorporated and tracked as the programme develops:-

36.1 Delivery of services in collaboration with partners such as the GMC

36.2 Leadership, governance and spans of control

36.3 Potential outsourcing of non-core business e.g. business support services

**37 In conclusion the current view of the Target Operation Model indicates net financial benefits of £66 million (£49 million NPV) over the nine years to 2025-2026 and the £23 million investment and the associated £4m redundancy costs will be paid back by 2021-2022 (i.e. within 5 years).**

38 In summary the Benefits, Savings and Costs are as follows:

**Costs, Benefits & Payback (9 year view)**

		Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 9
<b>Option 1</b>	<b>Total</b>	<b>17/18</b>	<b>18/19</b>	<b>19/20</b>	<b>20/21</b>	<b>21/22</b>	<b>22/23</b>
Transformation	80	(0.6)	(0.3)	2.6	7.6	14.2	57.0
Transformation ~ Accommodation	7	(0.1)	(0.3)	0.0	1.3	1.3	5.2
Move ~ Staff Costs	6		0.7	0.7	0.7	0.7	2.8
<b>Total Benefits</b>	<b>93</b>	<b>(0.7)</b>	<b>0.1</b>	<b>3.3</b>	<b>9.6</b>	<b>16.2</b>	<b>65.0</b>
<b>Total Costs</b>	<b>(27)</b>	<b>(11.2)</b>	<b>(9.0)</b>	<b>(6.9)</b>	<b>(0.1)</b>		
<b>Net (Costs) / Benefits</b>	<b>66</b>	<b>(11.8)</b>	<b>(8.9)</b>	<b>(3.6)</b>	<b>9.5</b>	<b>16.2</b>	<b>65.0</b>

*Payback occurs in year 5 at the point where benefits equal total costs*

**Release of Funding April – July 2017**

- 39 In order to ensure we are able to deliver to the timelines in this outline business case we must continue with the work already begun in:
- 39.1 Business architecture including further capture of Information System, data requirements and applications in readiness for onboarding of implementation partner(s)
  - 39.2 Process redesign to feed into the above
  - 39.3 Testing of as-is vs to-be design on ICT requirements
  - 39.4 Customer strategy and customer journeys
  - 39.5 HR/OD and change management
  - 39.6 Organisation design
  - 39.7 Establishment of insight and intelligence, horizon scanning and resolution management workstream to begin the preparation for moving to new ways of working, process design and data/information and collaboration requirements
  - 39.8 Managing the procurement exercises to ensure we get the appropriate quality, fit for purpose and cultural fit of suppliers
  - 39.9 Design and governance of the programme overall
- 40 It is essential this work continues as we have been gathering momentum over the last few months and are launching a range of activities which are critical to ensuring success. If there is any slow down in any of these elements of business change the programme delivery will be impacted.
- 41 It is important to note that many of these elements are not about delivering technology but are about business and people change.
- 42 In order to fully finalise the costs for 2017-2018 for a full business case and to continue the development according to our timelines, once we have Council decision in March 2017, we will need approval of funding of £2.5m from the first

year estimate of £11.2m to enable us to deliver the following (please note not all contractors or consultancy support currently in place – subject to Council decision)  
This is part of the £3.4m project costs identified above in paragraph 33.

Required Deliverable	Resources – internal, contractors, consultancy
<p><b>Transformation Programme Management</b> – the Programme Management &amp; Programme Management office leading and driving this phase will continue to focus on programme design, planning and internal recruitment of requisite resources needed for next phase of Transformation. This also includes a critical element of identifying all key interdependencies with other strategic Programmes, namely ‘Nursing Associates’, ‘Future Nurse’ and ‘General Data Protection Regulation’; where there is a likelihood that the Transformation Programme will become a ‘delivery vehicle’ to these other programme for: new processes, systems and information security.</p> <p><b>Implementation Partner Selection</b> – execution of the procurement process for the selection of the primary partners; this includes the main systems implementation, digital agency and property specialists. There are critical decision points here which do not align to our standard Council meetings. At the very least we will need a decision on approval of contract for the implementation partner.</p> <p><b>Resolution Management</b> – the set up of the Resolution Management Project whose remit it is to design and drive the end-to-end resolution accountabilities through core processes throughout the organisation.</p> <p><b>Horizon Scanning, Insight &amp; Intelligence</b> – shaping &amp; set-up of Horizon Scanning and Insight and Intelligence Projects.</p> <p><b>Final Business Case</b> – produce a full Business Case. This will include full costings received through the procurement process of implementation, property and recruitment partners and suppliers. Together with a more detailed plan for 2017-2018 and benefits approach.</p>	<p><b>9 contractors providing procurement, programme management, financial modelling, final business case development</b></p> <p><b>External consultancy support for programme management, business workshops and alignment work across the full change landscape</b></p>

<b>Required Deliverable</b>	<b>Resources – internal, contractors, consultancy</b>
<b>Overarching Strategic Organisation Design</b> – the strategic proposed end-state organisation structure for Directorates, departments, functions and capabilities to underpin the new Target Operating Model.	<b>1 internal</b>
<b>Enterprise Architecture</b> – further develop the Business, Systems, data and infrastructure architecture to enable the implementation partner mobilise quickly through into the ‘Detailed Design Phase’ of the Transformation Programme.	<b>1 internal</b> <b>External Consultancy support</b>
<b>Contact Centre &amp; Digital Development</b> – development of Contact Centre ‘to-be’ model with customer journeys, personas and digital roadmap . Delivery of Customer Insight workshops across various customer segments including public, registrants and applicants and education providers.	<b>3 internal</b> <b>3 contractors</b> <b>External consultancy support – CRM design, customer insight work, customer journey development</b>
<b>Change Management, Communications &amp; HR</b> – detailed planning and impact of change analysis and resource planning across key impact areas.	<b>2 internal</b> <b>3 contractors</b> <b>External consultancy support for change management, L&amp;D and OD</b>

43 The cost required to continue the development of a fully costed business case and initial foundation work to begin delivery on the programme is approximately £2.5m to July 2017. The £2.5m covers the costs of the following people and consultancy contracts:

- 43.1 Programme management, including overall design and procurement exercises – 5 contractors
- 43.2 Customer Contact workstream development – 5 internal resources and 7 contractors working on technical build and analysis
- 43.3 Overall Programme development including change management, financial modelling, organisation design, communications,

- 44 Given the timescale we need to move rapidly in undertaking the Procurement exercise for the implementation partner. We will be finalising the detailed technical Request for Proposal (RFP) immediately we have Council agreement in principle. Considerable work has been undertaken on this to ensure we can move quickly. This will include our specifications and detail for work. This procurement exercise is scheduled to complete end of May.
- 45 We will then need Council approval to confirm the award of contract to enable on boarding and deployment of the partner by mid June latest.
- 46 In addition we will be undertaking procurement exercises on property consultant and building work and a recruitment partner for Manchester. All this needs to be started in May to ensure we have suppliers and resources lined up to deliver against the roadmap.
- 47 The £2.5m approval does not include the contract cost of the implementation partner or other suppliers as above. This will come from the remaining £8.7m giving a total of £11.2m spend in 2017-2018.
- 48 Council agreement in principle must also give us the ability to continue with foundation activity over and above the procurement exercises as outlined above, or we will not be able to meet the timescales for delivery.

## **Critical Decision Points for Council 2017-2018**

- 49 There are critical points in the programme for 2017-2018 between now and September whereby Council will have the opportunity to consider development. These critical points are shown at Annexe 5 and are based on
  - 49.1 **March** - An initial agreement in principle to proceed and authorise a release of £2.5m to cover ongoing detailed development of the programme, initiation of procurement exercises for implementation partner, property consultants, HR recruitment, initiation of management development, learning and development and other resources. Fundamental to successful delivery of the transformation programme is streamlined decision making. This must be in place by the beginning of April.
  - 49.2 **End May** - Procurement and contract for implementation partner(s) which will provide more robust costing of the overall programme and feed into the full business case. The Implementation partner will need to be onboard by mid-June latest given our timescales and it is critical we have a mechanism for approval outside standard Council timetable. We will ensure we have suitable break clauses in any early contracting we undertake subject to Council decision on the full business case in July 2017.
  - 49.3 **July** – full business case with detailed spend for 2017-2018. Agreement for the remaining maximum spend of £8.7m for 2017-2018 (total maximum £11.2m in year) and agreement in principle for the full programme costs
  - 49.4 **July** - Agreement of accommodation in new location and lease agreed in principle

49.5 **August** - Design of the Contact Centre and announcement of new roles in the Contact Centre, organisation changes and consultation with those staff at risk of redundancy.

49.6 **September** - Procurement and contract for fit out of new location

50 Given the timeline for the programme overall it is important to note that we will need to have an agile approach for Council sign off over and above the standard Council calendar. Delays in decisions at these critical points will severely impact the programme.

51 It is important to note at this point however that benefits start to be delivered in 2018-2019 and stopping the programme at this point will stop benefits realisation.

## Gateway Process

52 Given the iterative nature of the programme we have also built in a 'Gateway Review' process to provide assurances to Council on key investment decisions and major changes as we move along the timeline which is based on a 'light touch' OGC (Office of Government Commerce) approach.

53 Further Gateway reviews will be undertaken at critical decision points.

## Delivery of the Programme

54 A high level rollout plan to deliver the future model for the NMC is shown in Annexe 4 with particular emphasis on the delivery for 2017-2018 and phasing thereafter.

55 It is anticipated that full implementation of the end state, transformed NMC will take four years to allow for careful phasing and sequencing as we move along the overall roadmap. These phases will overlap to ensure full preparation, learning and further development to facilitate swift delivery and implementation. As a reminder the overall outline phases are:-

55.1 **Phase 0 (2016-2017): Preparation, Initiation and Establishment** - establishing the scope and scale, the future model design, the financial model, development, planning and improvements in supporting functions (i.e. finance, HR, IT) to ensure we are ready to progress to implementation. Initial delivery plan and phasing design

55.2 **Phase 1 (Jan 2017 – March 2018):** – Initial phase of the Contact Centre development and implementation in new location, new applications and systems, developing the underpinning data and analytics capability and capacity, organisation change and development of horizon scanning and insight and intelligence capability

55.3 **Phase 2 (Jan 2018 – March 2019): full establishment and mobilisation of new ICT systems and other functions**, development of new systems and processes (including moving off current technology platforms), completion of location move. Continuing organisation restructuring to deliver

enhanced capability in data analytics, horizon scanning, changing the supporting business functions and systems (HR, Finance, IT)

- 55.4 **Phase 3 (Jan 2019 – Dec 2020): focus on embedding/optimising changes**, continued organisation change, evaluating changes, further iteration and continued process optimisation
- 55.5 **Phase 4 (Jan 2021 – Dec 2021):** final and full delivery of target operating model and transformed NMC. All new technology platforms, organisation design and delivery fully operational and delivering ongoing benefits
- 55.6 **Further Phases Post March 2020.** The Transformation Programme design explicitly allows for a discussion in 2020, if not before, to consider if there are further phases that would build on the delivery. This could include further changes in the regulatory landscape, increased opportunities for collaboration, digital and other technology solutions.
- 56 As previously emphasised it is not possible, at this stage in the development of a programme of this scope and scale, to say exactly what will be happening through each of the four years. The programme will need to be delivered with flexibility and agility in response to both internal and external pressures. The important element here is to maintain strategic intent and a ruthless focus on delivering the benefits.
- 57 The timescale is tight however this reflects the need to drive the benefits and ensure the programme is affordable.
- 58 In practice what this means is that we will need robust programme management and oversight with Council provided with opportunities to review, revise and consider the next steps.
- 59 We will provide a detailed first year costings, programme plan and milestones for Council at critical decision points as below.
- 60 This will mean that Council will need to consider how we develop more agile governance around these time critical decisions.

## **Value for Money - The Economic and Commercial Case**

- 61 The Transformation Programme is designed to ensure we deliver value for money both in the short and long term. It is intended to ensure we are financially sustainable and able to resource our obligations including any pension deficit.
- 62 Successful delivery of the Programme will provide a surplus year on year which can then provide Council with options for the future. These options can include keeping the registration fee at current level long term, additional services for registrants and capability to develop further collaboration with others.
- 63 An element of delivering value for money is also ensuring we get best value for money from our procurement and are able to secure appropriate suppliers and partners. We are developing a clear procurement strategy focussed on effective

supplier management and the development of a robust understanding of whole life costs in our technology and other procurement.

- 64 We currently have a wide range of suppliers, systems and applications providing our ICT landscape. More effective supplier and sourcing management through clearly stated deliverables, cost management and contractual safeguards will lead to value-for-money procurement and system delivery.
- 65 The intent is to move to more 'industry standard' systems and applications rather than bespoke in house build. This approach supports the financial, commercial and economic case and also further reinforces achievability in line with the roll out.

## Risks & Assurance

- 66 In any such wide ranging programme of change there are considerable risks.
- 67 We have considerable volume of change over and above the Transformation programme and in addition to managing Business as Usual. The other major changes include development of Nursing Associates, implementation of s60, the Education Programme and GDPR (General Data Protection Regulation).
- 68 We also operate in an environment subject to change. Regulatory reform is on the horizon, which together with Brexit implications present considerable challenges.
- 69 The main risks are identified below together with mitigations already underway:

Risk	Mitigations
<b>Challenge of maintaining Business As Usual (BAU)</b>	
Maintaining BAU as the 'day job' while also getting the thinking and planning time for a major fundamental rethink on how we do things;	Robust analysis of corporate plan with focus on essentials Implementation of robust portfolio management on other change programmes Mapping change dependencies and impact across the whole landscape of change and ensuring close management oversight
<b>Scope and scale of programme and capacity/capability of the NMC to deliver</b>	
Owing to the fragility of many of our current processes and systems we are stretched in current delivery. This will be exacerbated by the scope and scale of wholesale transformation. We also know we have gaps in our current capabilities at many levels.	During 2017-2018 foundation work has developed more resilience in our systems and resources to manage ongoing work We have also reinforced our HR/OD teams to provide additional support to managers

Risk	Mitigations
<b>Impact of any changes resulting from review of location</b>	
Potential accommodation and location moves will place considerable strain on the NMC in addition to a major transformation. There will obviously need to be a clear migration plan and importantly how we will mitigate the major impact on people.	Subject to Council decision, the preferred option is not as disruptive as a total move. The scale, scope and impact of relocation is significantly reduced. We will recruit an experienced project resource to manage the migration plan
<b>Pace of change and Impact on People</b>	
We are proposing a major change in the way we work. This will impact on everyone in the NMC and we must ensure that we have invested sufficiently in HR, Learning and Development and Organisation Development to support and enable the change.	We have significantly invested in HR/OD and change management. We have established a Change Capability Group which has begun the roll out of a comprehensive programme of support and development for managers and staff.
<b>Communications</b>	
Communications and engagement is key in any change programme. This covers both internal and external communications. We must invest time and money in constant communication and engagement to provide our people with the information required to make choices, contribute and feel valued.	We have an initial communications strategy and plan which is being further developed. This is also part of the change capability group described above.
<b>IT implementation and dual running</b>	
We are advocating wholesale change of our critical IT systems – not be underestimated. We will need to factor in dual running and contingency to ensure we can deliver BAU while designing and implementing change. We need to ensure that the ICT investments we are planning are of an appropriate quality and scale to meet our best assessment of the future needs of the NMC.	We have estimated a prudent figure for this element of the programme. Our ICT Strategy addresses the issues identified and adopts best practice for the future including a move to ‘industry standard’ applications and cloud/digital approach

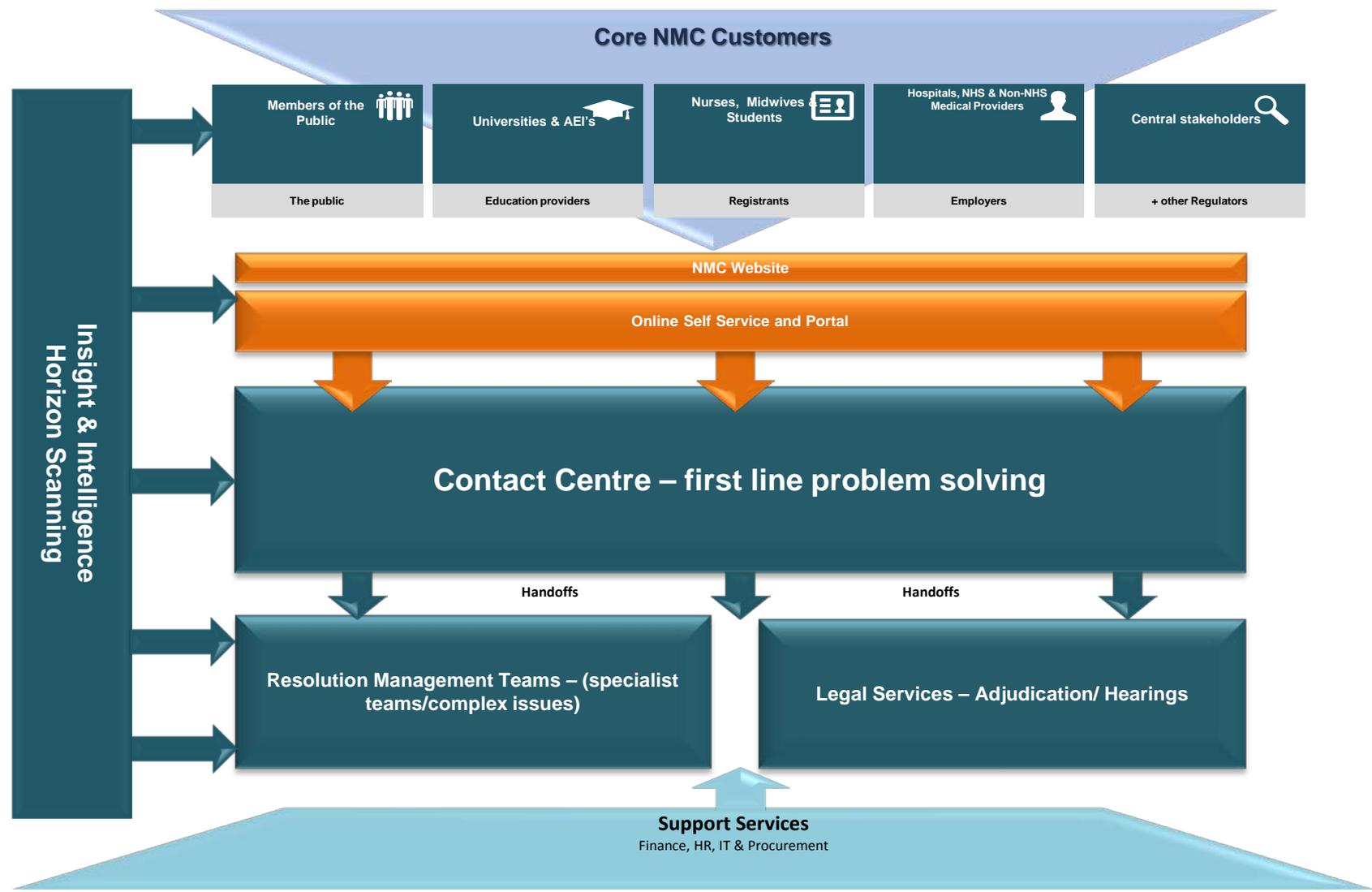
Risk	Mitigations
<b>Impact of external changes</b>	
There are likely to be considerable external pressures during the period of the transformation programme such as the full impact of Brexit, regulatory change and others. We will need to maintain a flexible approach to the overall programme to ensure we can effectively respond to these external changes as required.	The gateway process allows for Council to review progress of Transformation in the light of any significant such changes.
<b>Delivering the estimated financial and non-financial benefits of a long-term programme</b>	
We are modelling significant benefits from a long term programme. Experience of other programmes of this nature demonstrates there is a significant risk of savings being less in reality, project creep.	We must maintain a ruthless focus on delivering benefits and savings. Each Director will be accountable for delivering the benefits and savings in their area.

- 70 As part of the overall governance of the Transformation Programme we have a summary risk register which is also part of the Corporate risk register and a more detailed programme level register.
- 71 It is critical we maintain a focus on managing risks and ensuring the mitigation is clear and managed.
- 72 The above outlined risks have been summarised in the Corporate Risk register as follows:
- 72.1 Risk CR30a *Transformation delivery* has reduced from red (high) to amber (medium) as our plans have taken shape and we have taken significant steps to strengthen our management and delivery capabilities. We have also increased our focus on building a flexible implementation methodology, which would enable us to make ongoing adjustments to keep the programme on track, and on how the benefits from the programme will be driven out.
- 72.2 CR30b, *Maintaining BAU and regulatory change throughout transformation*: the score has reduced from 16 (red) to 12 (amber). Although we are at the early stages of the programme, our recent planning has given us more confidence that we can continue to deliver business as usual should the full programme of transformation go ahead.

## Conclusion

- 73 The transformation programme is an ambitious programme of change and the risks of this are clear and well recognised. We believe however, that we have a clear case for change and a clear methodology and approach for change and managing a long term programme.
- 74 The Council is asked to approve, in principle, the 4 year plan to transform the NMC based on this outline business case.
- 75 The authorisation of an initial release of funding of £2.5m is required to enable the production of a full business case including detailed spend for the first year 2017-2018, to be brought back to the Council in July 2017 and ongoing foundation development in readiness for full deployment. (This will include the procurement and costing for an implementation partner and detail on the four year programme and first year roll out. This spend will also include the continuation of the foundation development including HR, L&D, OD, initial prototyping of new processes e.g. resolution management, insight and intelligence.)

# Future Model of the NMC





# The NMC in four years time

- Collaborative and outward facing regulator
- Improved evidence based policy, education and standards development
- Digital and web enabled customer self service for majority of 'simple' transactions
- First line resolution for complex queries
- Single point accountability for cases - minimum handovers along the customer journey
- Dynamic and flexible team based culture rather than silos
- Skilled, flexible, adaptable staff, with the resources to enable excellent delivery of our remit
- Integrated business processes supported by single ICT platform – works anywhere, anytime, scalable, flexible, mobile
- Single view of the truth driving analysis, intelligence and insight
- Value for money!



# Financial Analysis



# Transformation ~ Option 1 ~ Costs, Benefits & Investment payback

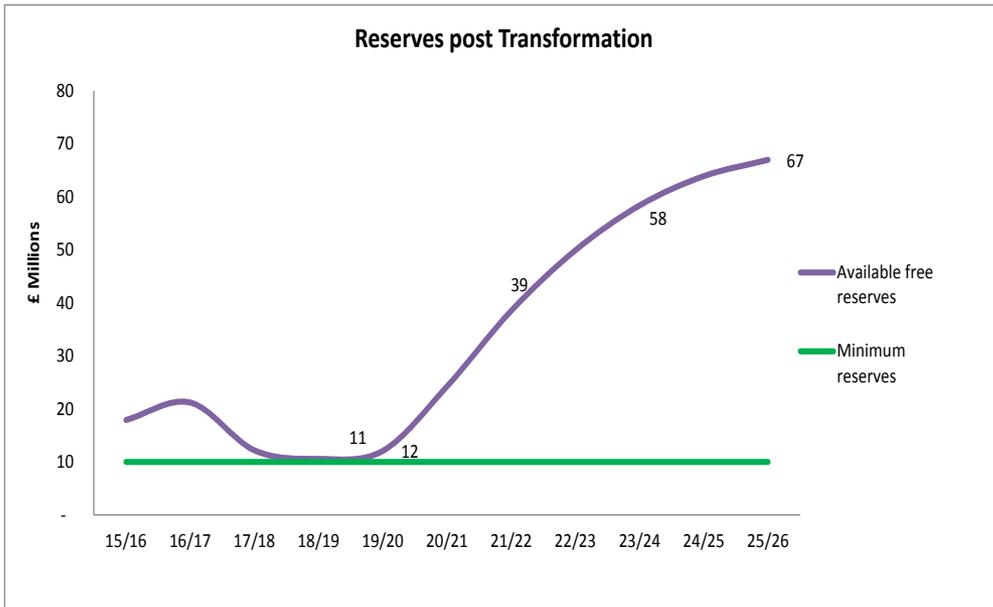
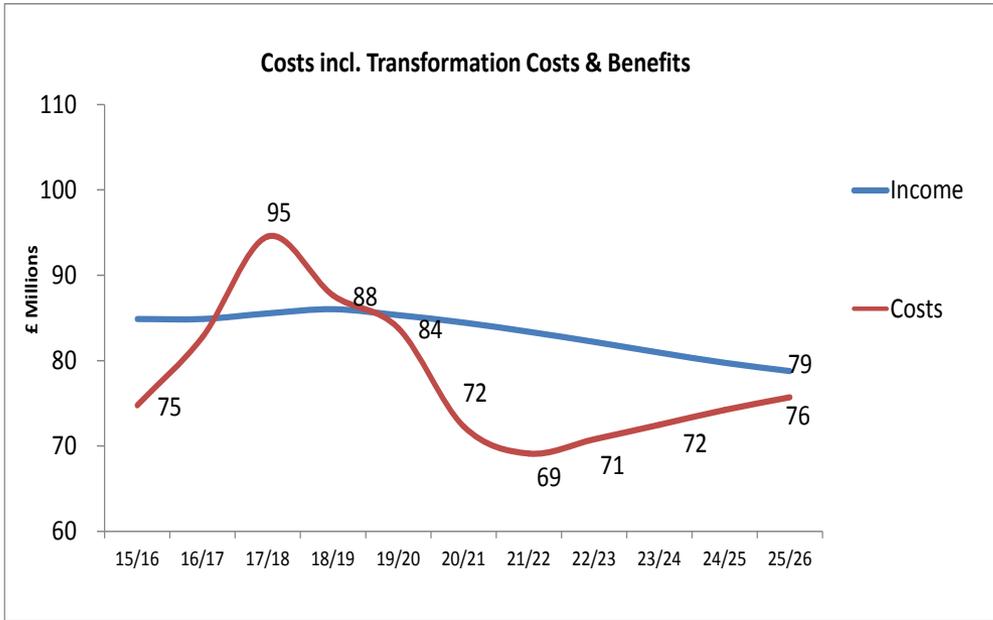
Transformation £m (9 yr view)		Option 1: London base, Contact Centre outside London, 2SP until 2024									
		Total	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26
			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
<b>Project Costs:-</b>											
<b>Implementation</b>											
Technology	11.2	4.7	3.7	2.7	0.1						
Project	7.2	3.4	1.9	1.9							
<b>People</b>											
Redundancy	4.0	0.5	2.5	1.0							
Recruitment (incl. re new skills & capability etc)	1.1	0.4	0.4	0.3							
Staff Costs (work shadowing, travel & accommodation)	0.3	0.3									
<b>Accommodation</b>											
Fit out replacement hearing rooms	1.0			1.0							
Contact Centre & Temporary Accommodation	2.3	1.8	0.5								
<b>Project Costs</b>		<b>27</b>	<b>11.2</b>	<b>9.0</b>	<b>6.9</b>	<b>0.1</b>					
<b>Ongoing Operating Costs :-</b>											
<b>Post Transformation</b>		<b>673</b>	<b>83</b>	<b>79</b>	<b>77</b>	<b>72</b>	<b>69</b>	<b>71</b>	<b>72</b>	<b>74</b>	<b>76</b>
<i>Income</i>			86	86	85	84	83	82	81	80	79
<b>Baseline Operating Costs:-</b>											
<b>Pre Transformation</b>		<b>766</b>	<b>83</b>	<b>79</b>	<b>80</b>	<b>82</b>	<b>85</b>	<b>87</b>	<b>89</b>	<b>91</b>	<b>92</b>
<b>Benefits (Baseline Costs less Ongoing Costs)</b>		<b>93</b>	<b>(0.7)</b>	<b>0.1</b>	<b>3.3</b>	<b>9.6</b>	<b>16.2</b>	<b>16.2</b>	<b>16.2</b>	<b>16.3</b>	<b>16.3</b>
<b>Payback (years) (Payback of £27m Project Costs above)</b>			<b>5</b>								
<b>Net Benefits (Benefits less Project Costs i.e Reserves Impact)</b>		<b>66</b>	<b>(11.9)</b>	<b>(8.9)</b>	<b>(3.6)</b>	<b>9.5</b>	<b>16.2</b>	<b>16.2</b>	<b>16.2</b>	<b>16.3</b>	<b>16.3</b>
<b>Net Benefits Net Present Value (NPV)</b>		<b>49</b>									

Note 1:- The above £m are expressed in cash terms (i.e. adjusted for depreciation where relevant)

- The above table shows that we need to fund £27m net costs (17/18 £11m, 18/19 £9m, 19/20 £7m) until we start to see net benefits from 2020/21 onwards. Note £2.8m feasibility costs were incurred in 16/17.
- Payback in year 5 assumes that year 1 is 2017/18.
- NPV assumes a 3.5% discount rate



# Transformation ~ Option 1 ~ AFR



The graphs show the following:-

- **Transformation Costs & Benefits** from 2017/18 to 2021/22
- Transformation impact of lower accommodation footprint as **leases end** at 61A (Sept 19) & OKS (Dec 19) and are not replaced.
- **Section 60** benefits are planned at £3.6m from 2018/19 onwards.
- **Portland Place refurbishment** estimate £23.6m across the years 22/23 and 23/24 not included at this stage.

Taking the above into account the red line shows **costs** (cash spend) increasing in line with inflation (2%) and the blue line shows **income** declining in line with projected registrant volumes.

When we reach **2027/28** costs (cash spend) exceeds income and continues along this trend.

The above has the impact of decreasing Available Free Reserves (AFR) from **2027/28** (£67m) until it reaches minimum levels in **2034/35** (current min levels are range **£10m to £25m**)



## Location – Background and Research

### Background

1. All of our accommodation in England is based in London. We currently occupy a total of approximately 86,100ft<sup>2</sup> (including Edinburgh) of which approximately 77,250ft<sup>2</sup> is in London. It has been agreed following previous Council meetings, see below, that consideration should be given to alternative locations.
2. Three out of four of the NMC's buildings in London have a lease end or a lease break coming to fruition in 2019: lease end for 61 Aldwych is September 2019; lease end for One Kemble Street is December 2019; lease break for 2 Stratford Place is July 2019 (lease end July 2024). See table 1: NMC Estate. There is therefore an opportunity for the NMC to make a strategic and operational decision as to its future accommodation requirements to support the organisation of the future.
3. The location and accommodation decision is integrated with the Transformation programme. The outcome of the Transformation programme in line with the Target Operating Model (TOM) will have a direct impact on the NMC's future property 'footprint' and requirement.
4. Deloitte was asked to undertake an exercise in July 2016 which provided informed evidence based property advice across a number of locations, including indicative costs, as well as qualitative measures and factors.
5. This exercise updated the previous Baseline Accommodation Review that was produced by Carter Jones in September 2015 and aligned with the Target Operating Model.
6. The main options for potential future location are Birmingham, Manchester and London. The locations were chosen not only for geographical spread, but also with regards qualitative measures and other factors such as: available workforce, salary and collaboration.
7. Additional location searches of the prime alternative locations of Birmingham, Manchester and London were also undertaken in December 2016 and February 2017 to review the respective markets and provide more up to date information with regards to availability and costs.
8. A location analysis was carried out to review the availability of potential buildings within the areas of Birmingham, Manchester and London. Both Birmingham and Manchester had a good supply of available buildings.

### London

9. It is recognised that the NMC will need a presence in London given the nature of our regulatory role and the requirement to work closely with DH and others.

## 23 Portland Place

10. With 23 Portland Place being on a long leasehold for another 915+ years (999 year lease) the payment of a peppercorn rent, the future of the building is integral to a review of accommodation options.
11. An initial review of the lease at 23 Portland Place indicates a restriction to the use of the building as a single dwelling house or use by the NMC. High level initial talks with the Landlord - the Howard de Walden Estate, have indicated that any change to this restriction to allow for letting or sub-letting would be restricted to 3<sup>rd</sup> party broad medical or regulatory use and subject to local planning laws.
12. The main plant and mechanical & electrical infrastructure is reaching the end of its lifecycle and will need to be replaced within the next five years.
13. The estimated costs, which includes temporary staff accommodation, while the full refurbishment works are taking place, are £17.3m-£23.6m.
14. A decision on 23 Portland Place must be considered however this can be done at the end of the four year programme in the light of the location of the Contact Centre and other opportunities for collaboration.

**Table 1: NMC Estate**

Building	Desk no's	Lease end	Lease break/Comment
<b><u>London</u></b>			
23 Portland Place	336	11 October 2933	999 year lease
One Kemble Street	248	21 December 2019	Landlord redevelopment
61 Aldwych	22	10 September 2019	
2 Stratford	54	21 July 2024	21 July 2019
17 Hanover Sq	57	20 April 2017	Serviced office accomm
<b><u>Rest of UK</u></b>			
Clarendon Hse, Edin	36	24 April 2021	Ground & 1 <sup>st</sup> floors
Temple Court, Cardiff	No perm staff	31 October 2019	Serviced office accomm
Forsyth Hse, Belfast	No perm staff	31 July 2017	Serviced office accomm

# Transformation provisional roll-out plan



**Customer Success**

**New contact handling capabilities:**

- New contact centre live
- Digital front end/self service
- Screening in contact centre

Stabilisation

**New issue/case mgt capabilities:**

- Resolution Management
- Hearings/adjudications
- Case examiners and investigations

Stabilisation

**Nursing Associates**

System & Processes

N.A.

**New registration capabilities/Technology Change:**

- UK registrations
- Overseas and EU registrations
- QA, risk and continuous improvement

Stabilisation

**Horizon Scanning, Insight & Intelligence**

Employer link services enhanced/transformed

Insight & intelligence Phase 1

Insights and intelligence Phase 2

Insights and intelligence Phase 3

Insights and intelligence Phase 4

Horizon Scanning/Policy/research Phase 1

Horizon Scanning/Policy Phase 2

**Education Standards Development**

**Resources**

5. HR Enhanced Capabilities Phase 1

Transformed HR

Transformed Finance

Stabilisation

Transformed TBI

Stabilisation



# Roll Out Plan Year 1 – April 2017 to March 2018

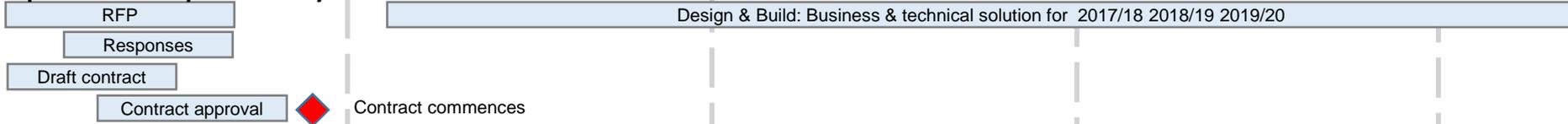
23

2017

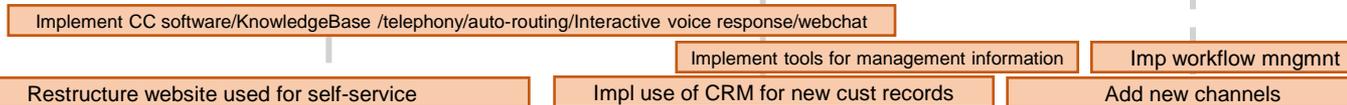
2018

April May June July Aug Sep Oct Nov Dec Jan Feb Mar April

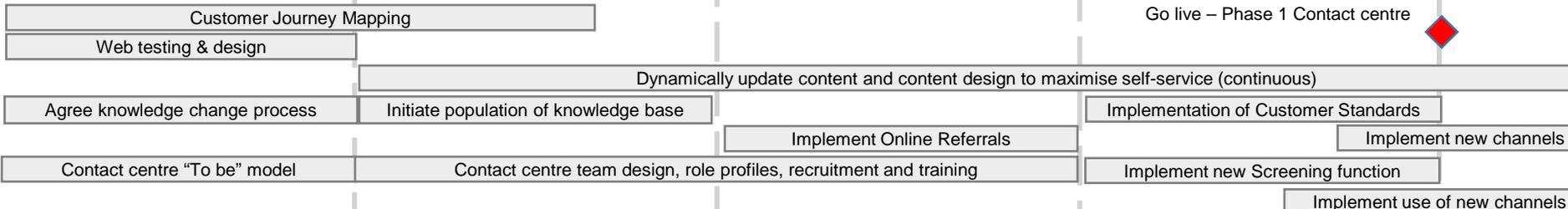
## Implementation partner & System Build



## Customer success technology



## Customer Success



## Enterprise architecture



## Change management & HR OD



## Resolution management (part 1)



## Horizon scanning (part 1)



## Insight & intelligence (part 1)





203  
Critical Timeline for Council Decisions - 2017



Council Decision – in principle

Procurement exercises begin for implementation partners, property consultants, Recruitment consultants  
Consultation underway for key HR policies

Council sign off contracts  
- Implementation Partner(s)  
- Selection of building

Full Business Case  
Organisation Design roll out begins  
Council approval & Lease for new building in new location (subject to March decision)  
Building Contractor procurement underway

Announcement of Contact Centre Design and roles

Contact Centre Recruitment  
- Management July onwards  
- staff September onwards



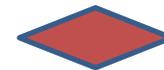
Key Decision Point



Key Decision Point



Key Decision Point



Key Decision Point



**Final go/no go**



# **COUNCIL**

**29 MARCH 2017**

## **ITEM 18B GATEWAY REVIEW REPORT ON THE TRANSFORMATION PROGRAMME: EXECUTIVE SUMMARY (CIPFA)**

**AND**

**MANAGEMENT RESPONSE**



# Nursing & Midwifery Council

## Transformation Programme

### Gateway Review Executive Summary

March 2017

Page1



**EXECUTIVE SUMMARY**

Our assessment of the delivery confidence based on the business case being an 'outline business case' and not a 'full business case' is set out below.

<p><b>DELIVERY CONFIDENCE ASSESSMENT</b></p>	
<p><b>Successful delivery appears feasible but significant issues already exist requiring management attention. These appear resolvable at this stage and, if addressed promptly, should not present a cost/schedule overrun.</b></p>	
<p><b>Criteria Description</b></p>	
	<p>Successful delivery of the project/programme to time, cost and quality appears highly likely and there are no major outstanding issues that at this stage appear to threaten delivery.</p>
	<p>Successful delivery appears probable. However, constant attention will be needed to ensure risks do not materialise into major issues threatening delivery.</p>
	<p>Successful delivery appears feasible but significant issues already exist requiring management attention. These appear resolvable at this stage and, if addressed promptly, should not present a cost/schedule overrun.</p>
	<p>Successful delivery of the programme is in doubt with major risks or issues apparent in a number of key areas. Urgent action is needed to ensure these are addressed, and establish whether resolution is feasible.</p>
	<p>Successful delivery of the project/programme appears to be unachievable. There are major issues which, at this stage, do not appear to be manageable or resolvable. The programme/project may need rebase lining and/or overall viability re-assessed. <i>Note: a red light does not mean that the programme must stop. It indicates that further work is needed before progressing the phase.</i></p>



The Review Team makes the following recommendations which are prioritized using the definitions below.

Ref. no.	Recommendation	Critical/ Essential/ Recommended
1	The Council should focus, in March, on setting out their required outcomes for a transformed organization at the end of a 4 year planning horizon to include a shared view of what the transformation will provide for customers and the consequent effect on the front and back office. That clarity to frame the requirements for the investments planned for Year 1 and the benefits in Years 2, 3 and 4. To underpin that, the Council should approve some further detailed enabling work focused on delivering a Final Business Case.	<b>Critical</b>
2	The Final Business Case should be taken to July Council and should detail all the anticipated costs and benefits of delivering the desired transformation over the 4 year planning horizon. In so doing to request commitment to the Year 1 investments.	<b>Critical</b>
3	The intentions for procurement of an Implementation Partner (or Partners) need to be clearly articulated and agreed in the shortest time possible.	<b>Critical</b>
4	The Council to target a decision by September on what date they would wish the Contact Centre to open and what its size and function will be.	<b>Critical</b>
5	Executive decision making and ownership of the anticipated benefits of the programme should be 'mainstreamed'.	<b>Essential</b>
6	The executive should review, as part of the development of the Final Business Case, its capacity to manage several contractors over the Year 1 programme.	<b>Essential</b>
7	The Council should consider, in March, either a Sub Committee structure or a Steering committee be created that has the ability to commit the Council within certain agreed financial budgets.	<b>Recommended</b>
8	The Final Business Case needs to detail and signpost the timing and content of key decision points.	<b>Recommended</b>



9	Risks need to be reviewed and mitigation planned alongside the timescales of implementation of the programme.	<b>Recommended</b>
10	Developing a programme where there are gateway reviews at all key decision points is sensible.	<b>Recommended</b>
<p><b>Critical (Do Now)</b> – To increase the likelihood of a successful outcome it is of the greatest importance that the programme/project should take action immediately</p> <p><b>Essential (Do By)</b> – To increase the likelihood of a successful outcome the programme/ project should take action in the near future.</p> <p><b>Recommended</b> – The programme/project should benefit from the uptake of this recommendation.</p>		



## Council

### Transformation Outline Business Case

#### Management Response to the Gateway Review Report

Recommendation	Response
<p><b>1. The Council should focus, in March, on setting out their required outcomes for a transformed organization at the end of a 4 year planning horizon to include a shared view of what the transformation will provide for customers and the consequent effect on the front and back office. That clarity to frame the requirements for the investments planned for Year 1 and the benefits in Years 2, 3 and 4. To underpin that, the Council should approve some further detailed enabling work focused on delivering a Final Business Case.</b></p>	<p>Agreed. This will be invaluable in framing the final business case and clarity on the vision and outcomes.</p> <p>The presentation at Council will address the vision of the transformed organisation and enable further clarity on deliverables.</p>
<p><b>2. The Final Business Case should be taken to July Council and should detail all the anticipated costs and benefits of delivering the desired transformation over the 4 year planning horizon. In so doing to request commitment to the Year 1 investments.</b></p>	<p>Agreed. Detailed final business case will be coming to July Council once procurement completed and spend and delivery more firmly defined. This is dependent upon being able to rapidly move to procurement following council agreement in principle in March, authorising spend and firm up costs with potential suppliers.</p> <p>The final business case will detail the programme roll out and year 1 deliverables.</p>
<p><b>3. The intentions for procurement of an Implementation Partner (or Partners) need to be clearly</b></p>	<p>Agreed. Work is well underway to finalise RFP's for implementation partner(s). Market engagement has already started and draft T&amp;C and contract development in delivery. The requirements are</p>

<p><b>articulated and agreed in the shortest time possible.</b></p>	<p>likely to be met by a main partner but also some other third parties. This landscape is under development with identification of likely 'packages'. A full procurement strategy for the four year period of Transformation is also in development.</p> <p>A challenge of attempting to specify detailed costs has always been that until we had approval of transformation from Council we would not be able to go out to procure and hence have had to make informed estimates. This applies to ICT, property, HR/OD/L&amp;D. It is strictly against government and public sector procurement to go out to tender unless there has been clear agreement and authorisation at suitable governance level i.e. Council.</p>
<p><b>4. The Council to target a decision by September on what date they would wish the Contact Centre to open and what its size and function will be.</b></p>	<p>Agreed. Work underway and as part of July paper. Detail of what can be delivered in year 1 is dependent upon implementation partner(s) and confirmation of ICT, customer and communications, HR/OD delivery which is dependent on the decision at Council in March 2017.</p>
<p><b>5. Executive decision making and ownership of the anticipated benefits of the programme should be 'mainstreamed'.</b></p>	<p>Agreed. Once Council decision has been taken we will be working with the Executive Team to fully agree and determine timings and impact for their areas and accountabilities. Initial discussions have already taken place and Directors will be embedded in the governance of the programme (for example Emma Broadbent as lead on customer success delivery and benefits). As many of the savings derive from staff reductions this cannot be finalised until we have agreement on HR policies and support for managers to embed the organisation changes.</p>
<p><b>6. The executive should review, as part of the development of the Final Business Case, its capacity to manage several contractors over the Year 1 programme.</b></p>	<p>Agree. Need to onboard suppliers in timely fashion and review on ongoing basis particularly taking into account the wider change landscape. Additional resources are planned to support overall programme development including procurement strategy and supplier management</p>
<p><b>7. The Council should consider, in March, either a Sub Committee structure or a Steering committee be</b></p>	<p>To be discussed and determined at March Council with a need for rapid establishment of mechanism in early April to enable decisions.</p>

<p><b>created that has the ability to commit the Council within certain agreed financial budgets.</b></p>	
<p><b>8. The Final Business Case needs to detail and signpost the timing and content of key decision points.</b></p>	<p>Agreed. Considerable work is underway to advance the design of the first year and confirm delivery. With the procurement of partners this will confirm spend.</p> <p>A challenge of attempting to specify costs is that until we had approval of transformation from Council we would not be able to go out to procure and hence have had to make informed estimates. This will be considerably firmed up in the first few months of 2017/18 and in line with the critical decision points in the business case paper.</p>
<p><b>9. Risks need to be reviewed and mitigation planned alongside the timescales of implementation of the programme.</b></p>	<p>Agreed. Work is already underway to further develop the overall approach to risk and the suggestion of the 'flightpath reductions in risk' will be incorporated.</p>
<p><b>10. Developing a programme where there are gateway reviews at all key decision points is sensible.</b></p>	<p>Agreed. This has always been a part of the programme. Critical points have been identified for the first year. Subsequent years will be confirmed as the programme develops.</p>



## Council

### Corporate plan 2017–2018 and corporate key performance indicators

**Action:** For decision.

**Issue:** This paper seeks the Council's approval for the corporate plan and corporate key performance indicators (KPIs) for 2017–2018.

**Core regulatory function:** All.

**Strategic priority:** Strategic priority 1: Effective regulation.  
Strategic priority 2: Use of intelligence.  
Strategic priority 3: Collaboration and communication.  
Strategic priority 4: An effective organisation.

**Decision required:** Subject to any amendments, the Council is recommended to:

- Approve the corporate plan for 2017–2018 (paragraph 10).
- Approve the corporate KPIs and targets for 2017–2018 (paragraph 17).

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

- Annexe 1: Draft corporate plan 2017–2018.
- Annexe 2: Proposed corporate KPIs for 2017–2018.

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

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

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

- Context:**
- 1 This report sets out our commitments for 2017–2018. The proposed budget sets out the allocation of financial resource to achieve these commitments.
  - 2 As a charity, the NMC is required to demonstrate that its aims are for the public benefit in accordance with the Charities Act 2011. In their capacity as trustees of the charity, Council members are required to ensure that they consider public benefit in reaching decisions. In considering the draft corporate plan, the Council will wish to be satisfied that this will deliver public benefit.
  - 3 The corporate plan commitments, together with a set of corporate key performance indicators (KPIs) and targets, are the basis on which the Council monitors performance and hold the Executive to account.

**Discussion: Corporate plan 2017–2018**

- 4 Our *Strategy 2015–2020: Dynamic Regulation for a changing world* sets out four strategic priorities for us to focus on over five years, in order to deliver more efficient and effective patient and public protection. A one-year corporate plan is produced annually to drive the direction of our work and ensure we make progress towards achieving the strategy.
- 5 The draft corporate plan 2017–2018 at **annexe 1** sets out our proposed priorities and delivery commitments for 2017–2018, the third year of the strategy. It is underpinned by directorate business plans for 2017–2020 and programme plans, which hold the detail to enable us to report on progress during the year.
- 6 In addition to our strategy, the current external landscape has also provided the context for developing this plan, indicating a need for us to be sufficiently responsive to potential challenges across the regulatory, health and care landscapes now and in the future.

**Corporate plan delivery commitments**

- 7 We have set specific delivery commitments for 2017–2018 around our four major change programmes: education; implementing fitness to practise changes; transformation; and regulating Nursing Associates.
- 8 We are also committing to maintaining strong performance in our core regulatory areas of registrations and fitness to practise, whilst we undertake these significant programmes.
- 9 In addition to specific delivery commitments for the five areas identified above, we will continue to focus on three other vital areas

which feature in all aspects of our work.

- 9.1 Midwifery regulation: continuing to engage on and monitor the transition of supervision and, as part of the changes, taking forward our commitment to ensuring that the Council as a whole takes responsibility for midwifery regulation and that matters affecting midwifery and maternity services are mainstreamed within NMC business.
  - 9.2 Data, information and intelligence: improving our ability to understand and use the data and information we gather and hold, to provide insight and intelligence as part of becoming a dynamic regulator.
  - 9.3 Patient and public perspectives: improving our understanding of the views of the patients and public we exist to protect, to inform and strengthen our work.
- 10 **Recommendation: The Council is recommended to approve the corporate plan for 2017–2018 (annexe 1).**
- 11 Once approved, the corporate plan will be published and disseminated to stakeholders.

### **Proposed corporate KPIs for reporting in 2017–2018**

- 12 During 2016–2017, the Council monitored performance against five high level key performance indicators (KPIs). These have been reviewed as part of our annual business planning process.
- 13 We propose to continue reporting against the same Registration and fitness to practise corporate KPIs from 2016–2017. Available free reserves and staff turnover we propose to no longer report as KPIs.
- 13.1 Instead, available free reserves will be reported to each Council meeting.
  - 13.2 Whilst we are taking a proactive approach to tackling the issues causing staff turnover, we recognise that in a time of potential transformation and location moves, turnover may increase. Staff turnover will still be reported at each Council meeting for monitoring purposes.
- 14 **Annexe 2** sets out the definition, rationale and target for each proposed KPI.
- 15 We have reviewed the registrations and FtP targets, taking into account current performance but also the anticipated challenge of maintaining performance in our core business whilst we undertake our major change programmes. As a result, we suggest the targets remain the same except for one. A slightly more challenging target is suggested for assessing EU and Overseas registration applications

within 60 days (current target 68 days). The change reflects our continuing improvement in this area.

16 The Council will receive supplementary information to the KPIs during the year, which will provide more insight into our performance in fitness to practise; registrations; revalidation; on customer experience; and staff engagement.

17 **Recommendation: The Council is recommended to approve the corporate KPIs and targets for 2017–2018 (annexe 2).**

**Public protection implications:**

18 Public protection is the driver for the commitments proposed in the corporate plan 2017–2018. The budget seeks to provide the resources to ensure that the NMC is able to deliver efficient and effective regulation, thereby protecting the public.

**Resource implications:**

19 The budget 2017–2018 sets out the resource implications of delivering the proposed corporate plan.

**Equality and diversity implications:**

20 Under the Equality Act 2010, we have a requirement to analyse the effect of our policies and practices and how they further the equality aims. The equality and diversity implications of each commitment contained in the corporate plan will be considered.

**Stakeholder engagement:**

21 We will publish and disseminate the agreed corporate plan to stakeholders.

**Risk implications:**

22 Risk implications have been considered as part of the planning process. We are reviewing our corporate risk register, to ensure it aligns with the corporate strategy and new corporate plan.

**Legal implications:**

23 None.

[FRONT COVER]

## **Draft Corporate plan 2017–2018**

## Introduction

We are the independent regulator for nurses and midwives in England, Wales, Scotland and Northern Ireland. Our purpose is to protect the public through efficient and effective regulation.

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

## Our role

Our regulatory responsibilities are to:

- Maintain a register of all nurses and midwives who meet the requirements for registration in the UK.
- Set standards for education, training, conduct and performance so that nurses and midwives are able to deliver high-quality healthcare consistently throughout their careers.
- Take action to deal with individuals whose integrity or ability to provide safe care is questioned, so that the public can have confidence in the quality and standards of care provided by nurses and midwives.

## Our Strategy

Our *Strategy 2015–2020: Dynamic regulation for a changing world* challenges us to ensure that our approach to regulation is innovative, forward-looking and able to adapt to changes in healthcare and the demands on nurses and midwives. It sets out four strategic priorities to deliver our overarching purpose to protect the public:

- Strategic priority 1: Effective regulation
- Strategic priority 2: Use of intelligence
- Strategic priority 3: Collaboration and communication
- Strategic priority 4: An effective organisation

## Overview

This is the third year of our five year strategy. Our plan for 2017-2018 builds on what we have already achieved and takes forward work already begun in the past two years.

It sets out our corporate priorities and commitments to make further progress towards our ambition to be an intelligent, dynamic, leading regulator, delivering best value for money for registrants' fees.

## Our achievements so far

Over the past two years, we have made major strides in strengthening the way we regulate, including:

- Our **new Code** of professional standards of practice and behaviour for nurses and midwives, which is the cornerstone of good nursing and midwifery care.
- Implementation of **revalidation**, which has been welcomed positively by the professions and is already proving a major success.
- Initiating our **education strategy**: a four year programme to make sure our education standards equip the nurses and midwives of the future.
- Expansion of **NMC online**, enabling nurses and midwives to interact with us more easily and pay the annual fee in instalments.
- Improved fitness to practise processes by introducing **case examiners** to decide if cases should be closed after investigation or proceed to adjudication.
- A new **Employer Link Service** to help employers refer the right cases to us.
- Securing legislative changes to strengthen **midwifery regulation** and fulfilling our moral commitment to support transition to new non regulatory clinical supervision arrangements across the four countries.

Alongside this, we have continued to improve performance of our core regulatory functions and moved towards financial stability, whilst holding the fees paid by nurses and midwives at the same rates as in 2015.

We were pleased that the Professional Standards Authority recognised these and other significant achievements, resulting in our best ever performance review report, making us one of the best performing regulators.

## Strategic Context

Our corporate plan also needs to be informed by the ongoing rapid changes in both the health landscape and wider society in which we operate.

## Regulating for four countries

As a four country regulator, we are acutely aware that we must always be alive to the increasingly different approaches and developments in health and care policy and how it is delivered in England, Wales, Scotland and Northern Ireland. Our strong relationships with all the administrations are key to this but we will continue to strengthen our knowledge and understanding of the differing frameworks in place and how these interact with regulation.

## A new profession

A significant development with long term future implications for our work is the introduction of a new addition to the nursing family - nursing associates. Following the Government's decision that public protection requires regulation, we agreed to the Government's request to be the regulator for nursing associates. This expansion of our role represents a significant new responsibility and demonstrates confidence in us and our work. We will work with the nursing profession, stakeholders and partners to be ready to begin registering the first new nursing associates in early 2019.

## The wider picture

Other recent or potential developments which may impact on our work next year include:

- The ongoing **economic and performance pressures** on health and social care; changes in the need for care; and how and where care is delivered which affect us all.
- The potential implications of **Brexit**. Along with other regulators we have sought to reassure EEA qualified workers there will be no immediate change to how we approach applications for registration and no impact on those already working here. As developments unfold we will continue to pay close attention to the impact on the nursing and midwifery workforce and our work.
- Significant changes in the **higher education sector** which have implications for our approach to specifying and assuring the quality of education provision for nurses, midwives and, as we begin this work, nursing associates. Allied to this, Government initiatives to introduce **apprenticeships** will have implications for nursing and midwifery qualifying routes, as for other professions.
- **Possible regulatory reform**: we, together with other regulators, have long pressed for modernisation of our archaic legislation. We look forward to contributing to the Government's proposed forthcoming consultation and continuing to help shape and influence the future of regulation. At the same time, we will continue to take forward our work with other regulators to look at innovations in how we can work collaboratively without legislative change.
- **Strategic collaboration**: exploring the scope to share activities and functions with other regulators where it makes sense to do so and can offer enhanced public protection.

## Our priorities and commitments for 2017-2018

All of the above will inform our work both next year and into the future. Our specific delivery commitments for 2017-2018 focus on taking forward four major programmes of work already begun or underway, whilst continuing to deliver our core regulatory functions. These are:

- Education - beginning to deliver the first outcomes of our strategy and beginning work on other elements.
- Nursing Associates: developing the regulatory framework, processes and systems to be ready to begin registering the first new Nursing Associates in early 2019
- Fitness to practise: Maximising the benefits of further legislative changes to further modernise our approach focused on early engagement, reaching the outcomes that best protect the public at the earliest opportunity.
- Transformation: **(subject to Council's decisions)** implementing the first phase of our major organisational transformation programme.
- Core regulatory functions: continuing to maintain our current strong performance.

In addition, to our specific delivery commitments, we will continue to maintain a strong focus on the following in all aspects of our work:

- Midwifery regulation, supported by the Midwifery Panel, including monitoring transition of supervision, whilst taking forward our commitment to ensuring that the Council as a whole takes responsibility for midwifery regulation and that matters affecting midwifery and maternity services are mainstreamed within NMC business.
- Data, information and intelligence: Seeking to improve our ability to understand and use the data and information we collect and hold, to provide insight and intelligence as part of becoming a dynamic regulator. This includes designing this into our transformation programme where appropriate.
- Patient and public perspectives: improving our understanding of the views and prevailing attitudes of the patients and public we exist to protect to inform and strengthen our work, including through consultation with patients and the public at key stages in development of our processes policies, and standards.

## Our delivery commitments 2017-2018

### Strategic priority 1: Effective regulation

#### Education

**By 31 March 2018, we will have:**

- Nursing: published new competency based pre-registration education standards ready for early adoption from September 2018 and full roll-out by September 2019, taking into account the views and feedback from public, patients and all our stakeholders
- Midwifery: prepared draft new competency based pre-registration standards ready for us to begin testing with midwifery professionals, educators, patients, public and other stakeholders.
- Nursing and midwifery education programmes: published a new education framework setting out the requirements for institutions seeking to deliver approved programmes, taking into account the views and feedback from public, patients, the profession and stakeholders
- Nursing and midwifery education quality assurance: continue developing our approach to quality assurance of education.
- Nursing and midwifery post-registration standards: reviewed prescribing, medicines management, and return to practice standards, taking account of views from public, patients and stakeholders, and revised these, if appropriate.

#### Nursing Associates

**By 31 March 2018, we will have:**

- Developed and consulted on both standards of proficiency and standards for education for Nursing Associates. In doing so, we will consult with and listen to the views of patients, the public and our stakeholders.

#### Fitness to practise

**By 31 March 2018, we will have:**

- Implemented legislative changes having consulted and listened to the views of patients, the public, and our stakeholders to address fitness to practise concerns proportionately and quickly. Case examiners will begin to use new powers to give advice, issue warnings and agree undertakings in cases, as appropriate.

#### Maintaining core regulatory performance

**Throughout 2017-2018, we will:**

- Maintain strong performance against our key targets for Registration and Fitness to Practise.



- Continue to report on our customer service performance and improvements introduced as a result of customer feedback.

## ***Subject to Council decisions on 29 March 2017***

### **Strategic priorities 2, 3 and 4: Collaboration and communication; Use of Intelligence; an effective organisation**

#### **Transformation**

Our Transformation programme is key to operating more effectively and efficiently in how we deliver our core regulatory functions and improve both customer service and value for money in the future. It is a four year programme which will involve development of our people, our location, our technology and modernisation of our services.

New systems and services utilising advances in technology are an essential first step: a new contact centre will be at the forefront of our investment in 2017-2018. This will bring our services in line with best practice, providing improved access and choice for all who interact with us or need our services. Designing in quality, achieving a better customer experience and delivering best value for money for nurses and midwives' fees are key objectives for this initial phase of investment.

A phased approach to delivery of the transformation programme is proposed to ensure safe transition to new ways of working.

#### **People**

Investment in our people and capabilities is key to our success. Our People Strategy will set out our approach to how we attract, recruit, retain, develop, engage, motivate, recognise and reward our people. It will articulate our commitment to the development of our workforce, making the NMC a place where people want to work with us to achieve our aims. We will embed equality, diversity and inclusion in everything we do, so that people can see that their contributions are valued and recognised.

#### **Transformation** By [date TBC], we will have:

- delivered the first phase of the contact centre, including procuring appropriate accommodation.
- delivered the first phase of a new customer relationship management system and associated new technology.
- implemented the first elements of the People Strategy, including improved HR and OD capacity and delivery to support staff and managers through the first phase of transformation.

**Proposed corporate key performance indicators for 2017–2018**

	<b>Proposed KPI</b>	<b>Proposed target</b>	<b>Definition of KPI</b>	<b>Changes from current year?</b>	<b>Rationale</b>
1	<b>Percentage of UK initial registration applications completed within 10 days</b>	95% across the year	Time elapsed between receipt of a complete new UK registration application by the NMC and when the applicant joins the register or is notified of refusal.	No change.  Average actual for 2016-17*: 98.2%	Measures NMC assessment and processing time for UK initial registration applications. In terms of volumes and consequent regulatory risk this is the largest area of our registration work and it therefore remains pertinent to measure and report on this area as an indicator of performance. This KPI remains the same as in 2016–17 because, whilst we continue to make improvements in the processing of these applications, it takes account of the anticipated impact of transformation, which is expected to draw on around 20% to 30% of resources across the directorate over the next 12 to 15 months.
2	<b>Percentage of UK initial registration applications completed within 30 days</b>	99% across the year	As above.	No change.  Average actual for 2016-17*: 99.2%	As above.
3	<b>Percentage of EU/Overseas registration applications assessed within 60 days</b>	90% across the year	Time elapsed between receipt of a complete international (EU and non-EU) application and when an assessment decision is issued on that application.	More challenging target of 60 days (68 days for current year).  Average actual for 2016-17*: 93.7%	Our operational performance in this area has been mostly positive throughout 2016–2017. The proposed target reflects our continuing improvement in this area, but also takes account of the impact of transformation on the directorate, which is expected to draw on around 20% to 30% of resources across the directorate over the next 12 to 15 months.
4	<b>Percentage of interim orders (IOs) imposed within 28 days of opening the case</b>	80% across the year	The cumulative number of IOs imposed over a rolling 12 month period. The start point is the day that a case is logged on the case management system and the end point is the day that an interim order is imposed.	No change.  Actual*: 92%	Measures how quickly we protect the public in the most serious cases by applying restrictions to a nurse or midwife's practice. We are proposing to maintain the target at 80% for the following reasons: <ul style="list-style-type: none"> <li>We are continuing to pursue early engagement with registrants to ensure that we have all necessary information before deciding whether to apply for an IO. This helps to ensure that decisions are based on the best available information and that we only apply for an IO in cases where we are convinced that it will contribute to public protection or the</li> </ul>

\*Actuals as at February 2017

	Proposed KPI	Proposed target	Definition of KPI	Changes from current year?	Rationale
					<p>wider public interest.</p> <ul style="list-style-type: none"> <li>The median time taken to impose an IO is usually around 28 days which indicates there is little tolerance in the process.</li> </ul>
5	<b>Percentage of FtP cases concluded within 15 months of being opened</b>	80% across the year	The cumulative percentage of cases which have been closed at all stages of the FtP process within 15 months of the case being logged, measured over a 12 month period.	No change. Actual*: 76%	Measures timeliness of case progression and decision making. Our aim is to gain maximum benefit from section 60 enabled changes and build on the progress we have made in clearing older cases from the early stages so that we consistently make Case Examiner decisions within nine months of referral. A steady reduction in the median age of cases progressing to adjudication should follow and, given the six month adjudication timeframe, we expect to consistently meet the proposed target of 80% by March 2018.

## Council

### Draft Budget 2017–2020

**Action:** For decision.

**Issue:** Seeks the Council's approval for the detailed budget for 2017–2018 and high-level budget outline for 2018-2020. The budget provides the resources to enable us to deliver the proposed Corporate Plan for 2017- 2018.

**Core regulatory function:** Supporting functions.

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

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

- Agree that the annual registration and retention fee should remain at the current level of £120 (paragraph 11).
- Agree that Available Free Reserves (AFR) should remain within the range of £10 million to £25 million (paragraphs 12 to 15);
- Approve the business as usual, projects and capital budget for 2017-2018 as set out in this paper (paragraphs 18 to 26 and Tables 1 and 3);
- Approve the pay increase envelope of £0.8 million for 2017–2018 (paragraphs 20.8 and 20.9); and
- Note the provision included in the proposed budget for 2017-2018 for the Transformation, to be subject to separate Council approval. The final content of the budget will reflect any separate decisions made by the Council on the proposed transformation programme.

**Annexes:** None.

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

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- Context:**
- 1 A budget with a three-year time-horizon is presented to the Council each year for approval. Over the past four years the NMC has moved from a position of financial insecurity to one of greater stability. This progress is continuing and is borne out in the current three-year budget.
  - 2 The proposed budget provides the resources to deliver the commitments set out in the draft corporate plan 2017–2018. In particular, separate provision is identified in the budget to support the delivery of key corporate plan commitments on Education, implementation of Fitness to Practise changes and our People Strategy.
  - 3 The draft budget identifies separate provision for the proposed transformation programme (as distinct from “business as usual” and other programmes), recognising that this will be subject to separate consideration and decision by the Council.
- Discussion:**
- 4 The proposed high level budget including inflation is set out at **Table 1**. (Note the out-turn forecast for 2016-2017 reflects the position when the budget was prepared rather than the latest position set out in the financial monitoring report to February).

**Table 1**

<b>Budget Summary</b>				
£'m	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
	<u>Forecast</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
<b>Total Income</b>	<b>85.5</b>	<b>86.0</b>	<b>85.3</b>	<b>84.5</b>
Directorates - BAU	74.1	74.1	70.9	72.3
Corporate, Depreciation & Other - BAU	5.7	7.3	6.9	5.7
Projects	2.0	4.3	2.9	2.9
<b>Total Expenditure</b>	<b>81.9</b>	<b>85.7</b>	<b>80.7</b>	<b>80.9</b>
Capital Spend	2.4	0.3	0.0	0.0
<b>Income less Revenue &amp; Capital Expenditure</b>	<b>1.2</b>	<b>0.0</b>	<b>4.7</b>	<b>3.5</b>
Transformation Costs	2.9	11.2	9.0	6.9
Transformation Benefits	0.0	0.7	(0.1)	(3.3)
<b>Surplus/(Deficit) after Transformation</b>	<b>(1.7)</b>	<b>(11.9)</b>	<b>(4.2)</b>	<b>(0.0)</b>
Impact to AFR	2.1	(8.6)	(1.6)	1.4
<b>AFR</b>	<b>21.6</b>	<b>13.0</b>	<b>11.4</b>	<b>12.8</b>

- 5 Excluding transformation, the proposed budget seeks to break even in 2017–2018, with surplus budgets in 2018–2020. This reflects the expected benefits from implementation of fitness to practise (Section 60) changes, a key commitment within the proposed Corporate Plan 2017–2018.
- 6 Transformation costs and benefits set out in **Table 1** reflect the option 1 Transformation and location scenario. If an alternative

option is approved this may carry a different financial profile.

- 7 No provision has been made within the budget for costs of introducing regulation of Nursing Associates (NA), reflecting the expectation that these costs will be recovered from the Department of Health.

### Annual review of fees

- 8 The Council is committed to undertaking an annual review of fee levels. The current annual registration fee of £120 has been in place since February 2015.
- 9 **Table 2** below indicates the anticipated income trend across the budget period.

Income (£'m)	2016/17	2017/18	2018/19	2019/20
	Forecast	Budget	Budget	Budget
Standard Registration Fees	83.4	83.5	83.0	82.1
Additional EU Fee Income	1.0	0.8	0.6	0.6
Additional O/seas Fee Income	0.6	0.7	0.8	0.8
CBT rebate	0.0	0.2	0.2	0.2
OSCE rebate	0.0	0.7	0.7	0.7
Bank Interest on Deposits	0.6	0.1	0.1	0.1
<b>Total Income</b>	<b>85.5</b>	<b>86.0</b>	<b>85.3</b>	<b>84.5</b>

- 10 Income is primarily registration fees, assumed broadly flat (to be cautious, a slight decline in later years) on current fee levels across the budget period. A small secondary income stream is delivered through rebates from test providers for tests taken and paid for by overseas applicants. An additional small income stream is from interest earned by the cash reserves held in deposit accounts.
- 11 As the primary source of income, fees must be set at an appropriate level to ensure that we have the resources to deliver our statutory duty to protect the public. On this basis, it is recommended that registration fees remain at 2016-2017 levels 2017-2018. For budget planning purposes, it is assumed that fees will remain at this level throughout remaining period of the budget to 2020.

### Available Free Reserves

- 12 The Council has a risk based reserves policy. This provides for the reserves range to be based on an annual assessment of the financial impact of the risks facing the NMC, plus provision to meet the pension deficit for the Defined Benefit (DB) scheme.
- 13 The risk profile of our business as usual remains broadly the same

as in March 2016. The proposed corporate plan commitments to deliver a number of major programmes, including Transformation, arguably suggest an increase in financial risk due to the size and scope of change. However, it is considered that this can be adequately mitigated by ensuring visibility, scrutiny and control of the programmes, rather than by increasing the minimum level of available free reserves.

- 14 On this basis it is recommended that the Council agree that the risk based reserves level remain within the previously agreed range of £10 million to £25 million calculated on the 'cash committed' basis.
- 15 The proposed budget provides for reserves to be maintained above the minimum level of £10 million in each of the three years, reaching a low of £11.4 million in 2018–2019 then increasing thereafter, as detailed in Table 1. The proposed Transformation programme, subject to approval, would represent a net consumption of cash reserves across the budget period.

### **Cash Flow**

- 16 So far the take-up of payment of the fee by instalments has been lower than expected: as at March 2017, 50,300 (or 7.3%) of registrants have opted to pay this way. The overall profile of income is likely to change should more registrants take advantage of this option.
- 17 Income receipts are anticipated to form a more steady flow through the year, although still with smaller income spikes in September and February. Despite this change in income profile, it is not anticipated that cash flows will require any significant alterations to cash management strategy over the budget period. We are, nevertheless, adopting an approach with cash deposits that makes them more readily available across every month of the year.

### **Expenditure**

- 18 The proposed budget breakdown by Directorate is at **Table 3**, with current year forecast as a comparator.
- 19 Expenditure is budgeted in two categories: Business as Usual (BAU), and Projects and investments (Non-BAU). Capital spend is budgeted below the line, as is proposed spend on Transformation.

**Table 3**

<b>Budget Summary</b>				
<b>£'m</b>	<b>2016/17 Forecast</b>	<b>2017/18 Budget</b>	<b>2018/19 Budget</b>	<b>2019/20 Budget</b>
<b>Total Income</b>	<b>85.5</b>	<b>86.0</b>	<b>85.3</b>	<b>84.5</b>
<i>Directorates - BAU</i>				
Registration & Revalidation	6.3	6.6	6.8	6.9
FTP	41.3	41.0	37.0	37.8
ESP	4.3	3.8	3.8	3.9
TBI	7.7	7.2	7.3	7.5
Resources	10.9	12.3	12.6	12.9
OCCE	3.7	3.3	3.3	3.4
Depreciation	3.8	3.3	2.6	1.4
Corporate	0.2	2.3	2.5	2.5
PSA Fee	1.7	1.8	1.8	1.8
<i>Projects</i>				
Section 60 (FTP)	0.0	0.8	0.0	0.0
Education Programme (ESP)	0.0	2.0	2.1	2.1
Register Enhancements (R&R)	0.0	0.6	0.0	0.0
ICT Projects (TBI)	2.0	0.3	0.3	0.3
People Strategy (Resources)	0.0	0.5	0.5	0.5
<b>Total Expenditure</b>	<b>81.9</b>	<b>85.7</b>	<b>80.7</b>	<b>80.9</b>
<b>Income less Revenue Expenditure</b>	<b>3.6</b>	<b>0.3</b>	<b>4.7</b>	<b>3.5</b>
ICT Capital Projects	2.4	0.3	0.0	0.0
Estates Capital Spend	0.0	0.0	0.0	0.0
<b>Income less Revenue &amp; Capital Expenditure</b>	<b>1.2</b>	<b>0.0</b>	<b>4.7</b>	<b>3.5</b>
Transformation Costs	2.9	11.2	9.0	6.9
Transformation Benefits	0.0	0.7	(0.1)	(3.3)
<b>Surplus/(Deficit) after Transformation</b>	<b>(1.7)</b>	<b>(11.9)</b>	<b>(4.2)</b>	<b>(0.0)</b>
Impact to AFR	2.1	(8.6)	(1.6)	1.4
<b>AFR</b>	<b>21.6</b>	<b>13.0</b>	<b>11.4</b>	<b>12.8</b>

**Core Business / Business as Usual (BAU)**

20 Business as usual covers the core functions of the business. Key points to note are:

20.1 Registration & Revalidation sees a small cost increase across the three year period predominantly to reflect the increased demand for staff to support the additional OSCE sites, and the adaptation and aptitude programmes. This cost increase has an income offset from increases in overseas assessment income, reflected in **Table 2**.

20.2 Fitness to Practise budget is predicated on delivering a volume of activity which will enable us to continue to reduce our overall caseload and improve timeliness in line with our objective, in each case, to reach the outcome which best protects the public at the earliest opportunity. We have made prudent assumptions about the benefits accruing from Section 60 changes during the year and the full effect

of these is expected to be realised from 2018 onwards.

- 20.3 Education Standards and Policy BAU costs in the current year include elements of the Education Programme, with the remainder picked up within Technology and Business Innovation (TBI). From 2017 onwards, the Education Programme is recognised separately under 'Major Projects and Programmes', and includes those Programme costs formerly in TBI as well as all Programme costs formerly paid by the Directorate.
- 20.4 Inflation has been applied at a constant 2% across the budget period for non-pay costs which is slightly below the Bank of England's 2.4% projection<sup>1</sup>.
- 20.5 Corporate expenditure relates to budget that cannot currently be attributed to Directorates, but there is a high likelihood that the cost will be incurred in the period. This is broken down in **Table 4** with explanations below.

**Table 4**

<b>Corporate Expenditure</b>			
<b>£'m</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
<i>Committed Expenditure:</i>			
Apprenticeships levy	0.1	0.1	0.1
Defined Contribution Pension	0.2	0.5	0.5
<i>Anticipated Expenditure:</i>			
Pay envelope	0.8	0.8	0.8
Defined Benefit Pension	0.6	0.6	0.6
Resilience Contingency	0.5	0.5	0.5
<b>Total</b>	<b>2.3</b>	<b>2.5</b>	<b>2.5</b>

- 20.6 The Apprenticeship Levy, due to begin in 2017, is set at 0.5% of the total pay bill for the organisation, totaling £0.1 million per annum across the budget period. This is a committed expenditure.
- 20.7 Defined Contribution (DC) Pension Contribution rates paid by the NMC increase by 1% of salary in both the 2017–2018 period and 2018–2019 period. This is a committed expenditure.
- 20.8 Provision of £0.8 million is included to cover the pay increase in 2017–2018 and its impact on later years. This is the same in cash terms as in 2015–2016. In 2017–2018, this is included as Corporate item, possible pay awards for 2018–2020 are currently budgeted as inflationary increases within the Directorate budgets for planning purposes.

<sup>1</sup> Bank of England Inflation Report February 2017 Table 5G CPI measure Q4 2019. Projection for Q4 2017 is 2.7% and for Q4 2018 is 2.6%

- 20.9 This will be used to make a 2% pay award for all staff with an additional uplift for staff in the two lowest pay grades. This leaves a small pot (£70,000) for hard-to-recruit posts. This seeks to balance attracting and retaining staff in a competitive labour market; maintaining the approach adopted in previous years of moving less well paid staff towards the 2013 median for their posts; maintaining affordability and public sector and wider economy pay trends. One change is that all employees at the end of March will receive the award consistent with the aim to move all employees towards the 2013 median.
- 20.10 In anticipation of the triennial review of the DB pension scheme, additional £0.6 million per annum has been included to cover increased future employer contributions. When this is finalised, this element of the budget will be transferred into Directorate budgets where the costs will be incurred. Based on available information this provision should be sufficient to address any likely increased rate of contribution that may be needed. It should be further noted that an increase in deficit liability would also drive an adverse impact to AFR of an equivalent amount.
- 20.11 A modest contingency of £0.5 million per annum is included in the budget to meet any unanticipated expenditure or unexpected additional demands.
- 20.12 PSA Fees are based on the 2017–2018 fee set by Privy Council. The fee is assumed to hold flat at the 2017–2018 level through the remaining two years to 2020 as Section 60 changes tail off the number of future referrals to the PSA, offsetting inflationary impacts.

### **Major projects and Programmes**

- 21 Three corporate plan commitments: Education; FTP implementation of section 60; and the People Strategy will be delivered as major programmes with separate provision identified for this. Major programme/projects are also subject to business case approval and follow the proscribed governance process.
- 22 Revenue projects flow directly through the Income and Expenditure statement in the year the expense is incurred. Capital projects are held as balance sheet assets and are depreciated through the Income and Expenditure account over the period of useful life.
- 23 In summary, the major projects and programmes are:
- 23.1 FtP Section 60 costs are anticipated to primarily accrue in the current year, with significant spill-over into 2017–2018

and delivery across Q1 and Q2 of that year. Due to the pipeline of cases being managed under existing rules, however, the anticipated cost savings materialise in FtP from 2018–2019 onwards.

- 23.2 The Education Programme will deliver key change and progress in education standards and rules over the three year period, that would otherwise take over a decade to deliver with the current BAU resource profile.
  - 23.3 Registration and Revalidation register enhancements work will be informed by the ongoing review of the Registration and Revalidation processes. Further automation of functionality will lead to greater efficiency and effectiveness of our EU and overseas processes.
  - 23.4 People Strategy is designed to up-skill the Human Resources team and deliver an HR solution that is fit for the additional challenges that the forthcoming period of change will bring.
  - 23.5 Other IT Projects represents a small amount of must-do systems developments and urgent updates across the period. The majority of project spend is anticipated to be focused on the three areas outlined above and as such all non-critical change will be de-prioritised.
- 24 In addition, potential Transformation costs are budgeted outside of the main business as usual budget:
- 24.1 The Transformation Programme forms the majority of proposed project spend across the period and is subject to separate Council approval.
  - 24.2 Transformation cost and efficiency benefits are currently budgeted at the Corporate level, however, as more detail around Transformation delivery emerges, these savings will need to be applied across the Directorates in line with their expected benefit profile to be delivered by the Transformation programme. This may also change the overall shape of the spend and benefits profiles across the three year period.
- 25 Capital spend is minimal across the budget period, as the majority of non-BAU spend will be focused into the Transformation programme, which will be treated as a revenue project.
- 26 Depreciation is reducing across the budget period, as existing assets mature and fewer new assets are purchased. Under Transformation, the assumption is that IT will be procured as a service, rather than as physical or software assets as in the past.

### **Efficiencies**

- 27 Efficiencies in 2017 and onwards will be measured via a set of performance indicators, unique to each Directorate, called Directorate Performance Indicators (DPIs).
- 28 Each DPI is chosen as a metric that can be tracked on an ongoing basis, and the performance trends of the indicator will represent the relative efficiency performance of the Directorate in question.
- 29 It is anticipated that DPIs will develop and become more sophisticated over time as we grow to understand their use and identify ways to enhance the metrics to deliver greater insight.
- 30 DPIs will be reported selectively to illustrate performance and efficiency commentary by Directorates. DPIs will not replace KPIs which will continue to be reported to the Council on a regular basis.
- 31 Office of the Chair and Chief Executive (OCCE) will not use DPI measures, due to their relatively low materiality within the budget, the disparate nature of the component parts of the Directorate and the fact that their performance measures are generally more qualitative in nature.

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

- 32 None.

#### **Resource implications:**

- 33 This paper sets out the anticipated use of resources over the period 2017–2020. All Directorates have been fully consulted in the process of defining these requirements.

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

- 34 None.

#### **Stakeholder engagement:**

- 35 None.

#### **Risk implications:**

- 36 Ongoing tracking of performance against budget and swift remedial action when performance deviates significantly from budget mitigates the risk of actual spend being significantly different from budgeted spend.

#### **Legal implications:**

- 37 None.