

## Meeting of the Council

To be held from 09:30am on Wednesday 31 January 2018  
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/18/01 | <b>09:30</b> |
| <b>2</b> | <b>Apologies for absence</b>               | NMC/18/02 |              |
| <b>3</b> | <b>Declarations of interest</b>            | NMC/18/03 |              |
| <b>4</b> | <b>Minutes of the previous meeting</b>     | NMC/18/04 |              |
|          | Chair                                      |           |              |
| <b>5</b> | <b>Summary of actions</b>                  | NMC/18/05 |              |
|          | Secretary                                  |           |              |
| <b>6</b> | <b>Chief Executive's report</b>            | NMC/18/06 |              |
|          | Chief Executive and Registrar              |           |              |

### Matters for decision

- |          |   |           |       |
|----------|---|-----------|-------|
| <b>7</b> | <b>Education quality assurance: Programme approvals for the 2018–2019 academic year</b>           | NMC/18/07 | 09:40 |
|          | Director of Education, Standards and Policy   |           |       |
| <b>8</b> | <b>NMC response to Government consultation: 'Promoting professionalism, reforming regulation'</b> | NMC/18/08 | 10:00 |
|          | Chief Executive and Registrar   |           |       |
| <b>9</b> | <b>NMC Gender Pay Gap Report 2017</b>   | NMC/18/09 | 10:15 |
|          | Director of People and OD   |           |       |

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|-----------|--|--------------------|
| <b>10</b> | <b>Review of Council allowances 2017</b> | NMC/18/10 10:30    |
|           | Secretary                                |                    |
| <b>11</b> | <b>Review of Chair's allowance 2017</b>  | NMC/18/11          |
|           | Secretary                                |                    |
|           | <b>Coffee</b>                            | <b>10:45–11:00</b> |

### **Matters for discussion**

- |           |   |                 |
|-----------|---|-----------------|
| <b>12</b> | <b>Midwifery update</b>                         | NMC/18/12 11:00 |
|           | Director of Education, Standards and Policy     |                 |
| <b>13</b> | <b>Education – Consultation outcomes update</b> | NMC/18/13 11:15 |
|           | Director of Education, Standards and Policy     |                 |
| <b>14</b> | <b>General Nursing Council Trust Report</b>     | NMC/18/14 11:35 |
|           | Maureen Morgan                                  |                 |

### **Corporate reporting**

- |           |                                    |                 |
|-----------|------------------------------------|-----------------|
| <b>15</b> | <b>Performance and Risk report</b> | NMC/18/15 11:45 |
|           | Director of Resources              |                 |
| <b>16</b> | <b>Financial monitoring report</b> | NMC/18/16 12:15 |
|           | Director of Resources              |                 |

### **Matters for information**

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

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|-----------|--|-----------------|
| <b>17</b> | <b>Chair's action taken since the last meeting</b> | NMC/18/17       |
|           | Chair of the Council                               |                 |
| <b>18</b> | <b>Questions from observers</b>                    | NMC/18/18 12:25 |
|           | Chair of the Council                               | <b>(Oral)</b>   |

### **Lunch (12:30–13:15)**

Meeting of the Council  
Held on 29 November 2017 at 23 Portland Place, London, W1B 1PZ

## Minutes

### Present

#### Members:

Dame Janet Finch	Chair
Sir Hugh Bayley	Member
Maura Devlin	Member
Robert Parry	Member
Marta Phillips	Member
Derek Pretty	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
Matthew McClelland	Director of Fitness to Practise
Geraldine Walters	Director of Education, Standards and Policy
Clare Padley	General Counsel
Sarah Daniels	Director of People and Organisational Development
Alison Neyle	Strategic Adviser
Fionnuala Gill	Secretary to the Council
Pernilla White	Governance and Committee Manager

## Minutes

### **NMC/17/92 Welcome and Chair's opening remarks**

1. The Chair welcomed all attendees to the meeting.
2. The Chair congratulated Robert Parry on his reappointment to serve a further three years as a Council member from May 2018 and on revalidating successfully.
3. The Chair made the following announcements:
  - a) NMC/17/98: Observers were asked not to share the draft consultation document on the fees for nursing associates through social or other media, as the version to be released may differ following discussion by the Council.
  - b) NMC/17/105: General Nursing Council Trust Report would be deferred until the next meeting in January 2018 in the absence of Maureen Morgan.

### **NMC/17/93 Apologies for absence**

1. Apologies had been received from Karen Cox and Maureen Morgan.

### **NMC/17/94 Declarations of interest**

1. The following declarations of interest were made.
  - a) NMC/17/98: Nursing Associates - all registrant members and Geraldine Walters. This was not considered material as the individuals were not affected any more than other registrants.
  - b) NMC/17/100: Education Quality Assurance Annual Report 2016–2017 - Dame Janet Finch, Lorna Tinsley, Ruth Walker and Rob Parry. This was not considered prejudicial as the individuals were not affected any more than others involved in Education.
  - c) NMC/17/82: Midwifery Update - Lorna Tinsley, as a registered midwife and Ruth Walker, as an employer of midwives. This was not considered prejudicial as the individuals were not affected any more than other registrants.

### **NMC/17/95 Minutes of the previous meeting**

1. The minutes of the meeting on 27 September 2017 were agreed as an accurate record.

### **NMC/17/96 Summary of actions**

1. The Council noted progress on actions from the previous meetings.

2. Arising from NMC/17/80 – Nursing Associates, the Council would be updated on development of the draft Code in January 2018 and would review the draft for consultation in March 2018. The draft proficiencies which had been released had been generally well received. The skills annexe for the draft working standards was still in development and had not been released. This was of particular interest and it would be helpful to see this in January.
3. Delegation and accountability were fundamental issues and would need careful consideration: there may be value in looking at the existing delegation frameworks in the three devolved nations.
4. The Council agreed that the following actions had been addressed satisfactorily and could be closed:
  - a) NMC/17/83: Welsh Language Scheme Monitoring report
  - b) NMC/17/85: English language requirements.
  - c) NMC/17/87: Performance and Risk report.

**NMC/17/97 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. The following points were noted:
  - a) The Council commended the Chief Executive on her evidence at the Health Select Committee on 14 November 2017 as part of a panel that included the Chair of the Council of Deans of Health and Lord Willis.
  - b) Finalisation of the joint working protocol with the Care Quality Commission (CQC) was welcome. This was an updated version of previous arrangements focused on ensuring effective operational arrangements were in place.
  - c) A review of the Memorandum of Understanding (MoU) with Social Care Wales was underway. The learning gained from the CQC protocol would help inform this review and the review of MoUs with other system regulators and partners across the four countries.
  - d) Although there was no formal MoU in place with the GMC, there was an extensive and close working relationship, with joint activity where appropriate.
  - e) The Chair and a number of Council members had visited Edinburgh Napier University and three of the University's practice placements. The Council expressed its thanks to the University for its hospitality and for such an informative and interesting visit.
  - f) The first UK Advisory Forum had been successfully held in

Edinburgh, co-hosted with the CNO for Scotland and attended by the Chair and a number of Council members. The Forum provided an opportunity for the Council to strengthen knowledge and understanding of differing policy and other developments across the four countries.

- g) The Chief Executive had held a positive meeting with the Chief Executive of Mind.
- h) The Chief Executive had spent two days in Northern Ireland and met the Chief Nursing officer and colleagues from the Royal College of Nursing (RCN) and the Northern Ireland Practice and Education Council. It had been a very helpful visit, discussing key priorities and collaborative working arrangements.

### **NMC/17/98 Consultation on the fees for nursing associates**

1. The Director of Education, Standards and Policy introduced the draft fees consultation document. As nursing associates would be subject to the same model of regulation and regulatory processes as nurses and midwives, it was proposed to set the fees at the same levels. As for the precise level of the fee, the Council was committed to an annual review of all fees which was undertaken as part of the annual budget setting process each March.
2. Given that the nursing associate qualification was to be offered in England only, it was necessary to set fee levels for applicants to the nursing associates' part of the register who held other qualifications from institutions in Scotland, Wales and Northern Ireland. As there would need to be an assessment of whether those qualifications could be deemed equivalent to the nursing associate qualification, applicants would need to be subject to a similar process to that for applicants outside the EU/EEA, which involved an evaluation fee of £140. This was a complex issue as within the legislation, qualifications for those trained in Wales, Scotland and Northern Ireland could not be recognised under the EU Mutual Recognition of Qualifications provisions (since there was no nursing associate equivalent). The position would be kept under review and could be subject to change in the future.
3. In discussion, the following points were noted:
  - a) Whilst the legal position relating to those trained in Scotland, Wales and Northern Ireland was recognised, the proposal was uncomfortable and would not be easily understood in terms of 'common sense'. For example, it was noted that those trained in Northern Ireland would be training in educational institutions approved by the NMC.
  - b) The potential cost to the NMC of evaluating such qualifications was unclear, as there was as yet no evidence base of the types of

- qualifications which might be submitted.
- c) The Council's preference would be for those training for equivalent qualifications in Scotland, Wales and Northern Ireland to be subject to the same fees as EU applicants, if possible.
  - d) The consultation document should draw attention to the difficulties of the situation and encourage views on the proposals.
  - e) The opportunity should again be taken to promote to registrants, including future registered nursing associates, that they could claim tax relief on the fees, though recognising that this could be time-consuming for lower paid PAYE staff. Consideration might be given to whether there would be any benefit for registrants in paying fees through a covenant, given the NMC's charitable status, although this may only benefit higher earners.
  - f) It would be helpful to include more information about Brexit and the potential impact on current mutual recognition regulations in the consultation document if possible.
  - g) The proposed gender options in the equality, diversity and inclusion monitoring form seemed limited and should be checked against current good practice guidelines.

4. **Decision: The Council agreed to approve the draft fees consultation document, subject to further explanation of the fees for those trained in the devolved administrations, noting the difficult situation and encouraging views on this as part of the consultation.**

**Action:** Consider further promoting to registrants the right to claim tax relief on the fees and whether the NMC's charitable status offers any options for alternative payment approaches of benefit to registrants.

**For:** Director of Registration and Revalidation/Director of Resources  
**By:** 31 January 2018

**Action:** Revise the consultation document  
**For:** Director of Education, Standards and Policy  
**By:** 4 December 2017

#### **NMC/17/99 Questions from observers**

1. The Chair invited questions from observers. The following comments were made:
  - a) A representative of Unite noted that other regulators have lower fees for 'support' roles equivalent to nursing associates and asked why the NMC was taking a different approach. In response, it was noted that the lower fees for Pharmacy assistants for example, was £120 ie the equivalent of the proposed NMC fee for all registrants. In addition, other regulators generally had lower fees for such roles due to lower volumes of fitness to practise cases. As yet, the NMC has

no evidence around the likely level of future NA fitness to practise cases.

- b) The representative of Royal College of Midwives noted that different regimes across the four UK countries caused a range of anomalies. For example, in Scotland, overseas students benefited from the Scottish government's grant towards University fees; however English students did not.

### **NMC/17/100 Education Quality Assurance Annual Report 2016–2017**

1. The Director of Education, Standards and Policy introduced the draft annual report on the quality assurance (QA) of education 2016–2017.
2. There were currently 80 approved education institutions (AEIs) and a selected sample was monitored each year. During 2016–2017, 17 AEIs (21%) were selected for monitoring based on risk and the length of time since the last visit. Five key risk areas were focussed on to determine whether adequate controls were in place: resources, admissions and progressions, practice learning, fitness for practise, and quality assurance.
3. In discussion, the following points were noted:
  - a) The current QA model would change in conjunction with the proposed new education standards.
  - b) The QA process was critically important since the NMC relies on assurance from AEIs that newly qualified applicants to the register are fit for practice.
  - c) In respect of the ten AEIs which had 'not met' or 'required improvement' against practice learning requirements, some of these findings related to administrative and process requirements, such as keeping the mentor register up to date. Action taken needed to be proportionate: AEIs were requested to put things right and this was followed up.
  - d) It would be helpful to include trend data in future reports, particularly as part of annexe three: monitoring results.
  - e) Discrepancies between the results of the self-assessments and results from monitoring were concerning: self-reflection, openness and honesty on the part of AEIs was crucial and should be encouraged. The rigour of self-assessments should be considered as part of the new QA model.
  - f) Consistency of standards across AEIs was a key concern. AEIs took NMC monitoring visits very seriously. The report was sent to all AEIs and they were encouraged to take action to avoid issues in the future, as well as learn from good practice. The Council of Deans also had networks and fora in place to share good practice.
  - g) It may also be helpful to share the report with the Institute of Apprenticeships.

- h) It was not easy from the report to appreciate whether there were issues of real concern that needed to be addressed or to get a picture of the experiences of students. The concerns identified, such as around practice learning should be taken forward as part of the development of the new standards and new QA model.
- i) Prospective students could view all the reports on the NMC website to help them in making choices about where to study.
- j) The report did not directly address the question of risks to public protection. It would be helpful to say more about the measures in place, such as actions taken on exception reporting and preventative measures put in place to avoid such risks and provide assurance to the Council.

**4. Decision: The Council approved the draft annual report on the QA of education 2016–2017.**

**Action:** Take account of the Council's comments in developing the new education standards and QA model

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

**By:** November 2018

**Action:** Include trend data and information around public protection in future annual reports.

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

**By:** November 2018

**NMC/17/101 Draft People Strategy**

1. The Director of People and Organisational Development introduced the draft People Strategy which reflected previous Council feedback. In discussion, the following points were noted:

- a) The strategy was welcome.
- b) More information about headline priorities and next steps would be helpful, for example such as action planned to tackle staff turnover.
- c) Similarly, greater clarity about the outcomes being sought, how these linked to the NMC Strategy and the key indicators that would be used to measure progress against these outcomes was needed. This was a 3 year strategy and the Council would want to be clear what success looked like and whether it had been achieved.
- d) There was a full operational plan in place and a range of work already underway.
- e) For example, work was ongoing to develop the 'employer brand' as part of improving recruitment and retention processes. This would seek to help potential recruits understand better the role of the NMC as a regulator and what this involved. In taking this forward, it would be important to be clear about how this was different from the organisational brand and how the two inter-related.
- f) It was important that the values and behaviours set out in the

strategy were demonstrated at all levels within the organisation including by Council members.

- g) Consideration might be given to how to recognise and reward staff achievements such as nominating staff for awards.
- h) The scope for external benchmarking could be considered.

2. **Decision: the Council approved the draft People Strategy, subject to the above comments.**

<b>Action:</b>	<b>Provide more information on the key outcomes being sought; the priorities for action and the key indicators/measurements which will be used to measure progress against the key outcomes.</b>
<b>For:</b>	<b>Director of People and Organisational Development</b>
<b>By:</b>	<b>31 January 2018</b>

**NMC/17/102 Appointment of Assistant Registrars**

- 1. The Director of Registration and Revalidation introduced the report which sought approval for the appointment of two new Assistant Registrars.
- 2. The Council was assured that a fair and proper process had been followed in reaching a decision to recommend the two named staff members in the report.
- 3. **Decision: The Council approved the recommendation to appoint the two Assistant Registrars.**

**NMC/17/103 Annual equality, diversity and inclusion report 2016–2017 and strategic action plan**

- 1. The Director of Education, Standards and Policy introduced the annual NMC equality, diversity and inclusion (EDI) report 2016–2017 and the action plan for how the NMC would meet the EDI strategic aims in the NMC Strategy 2015–2020.
- 2. In discussion, the following points were noted:
  - a) The low success rate of BME applications for FtP panel member roles was cause for concern and it would be helpful to explore the underlying issues. This was a specific focus in the current recruitment campaign and a key criteria in identifying the external recruitment partner.
  - b) Unconscious bias training was also being rolled out to all Panel members.
  - c) Additional support, such as mentoring for prospective applicants might be worth considering and may increase the success rate.
  - d) It was concerning that twice as many registrants of black ethnicity were referred to the NMC which raised questions of

disproportionately and whether referrals were being made inappropriately. The research commissioned by the NMC and shared with the Council previously had shown that employers refer a higher proportion of BME staff to the NMC, but the outcome of fitness to practise processes operated by NMC did not show such an imbalance. This pattern was replicated for other regulators. More work could be done in terms of engaging with employers and looking at our own processes. There may be value in the Employer Link Service sharing the report with employers.

- e) More commentary about the analysis would have been helpful, to provide a clearer picture of what the data showed and assist the Council in considering future action.
- f) Differing age groupings had been used in some data sets and a more consistent categorisation would be helpful, particularly given recent information on those leaving the register. The demographics and trends were important information that needed to be embedded in other NMC work, such as developing the new midwifery standards, as well as valuable to other bodies responsible for workforce planning.

3. The Council welcomed the report and thanked the staff responsible for producing it.

<b>Action:</b>	<b>Provide more analysis of data in future reports and planed action to address findings</b>
<b>For:</b>	<b>Director of Education, Standards and Policy</b>
<b>By:</b>	<b>4 July 2018</b>

#### **NMC/17/104 Midwifery update**

1. The Director of Education, Standards and Policy introduced the update on midwifery, including the work of the Midwifery Panel.
2. In discussion the following points were noted:
  - a) The comprehensive nature of the report was welcome.
  - b) There was some work in Wales around what women want which may be useful to the Panel.
  - c) The update on the survey conducted on AEs approaches to training on fetal monitoring was welcome. This was a difficult area and it was recognised that there had been some failures associated with such monitoring.
  - d) There was concern about whether it was sufficient to address this through the new standards and sharing the outcomes with all AEs. However, there was no capacity to change the standard at present. It was also important to keep in mind that CTG was part of a suite of monitoring tool and that it was equally important to assess skills related to carrying out the actual monitoring. Consistent training for all professions involved in monitoring, including obstetricians, was

important. Recognising this, the future midwife sponsoring board included an obstetrician.

- e) In relation to the reference to women's health needs, whilst the focus on babies was obviously critical, it was also important to be clear about who was looking after the short and long term health outcomes for mothers: consideration needed to be given to how this was addressed and would feed into the standards.
- f) It would be helpful to have a briefing note outlining the various qualification entry routes to midwifery as part of the Council midwifery knowledge programme.

<b>Action:</b>	<b>Provide a briefing note on midwifery qualification entry routes.</b>
<b>For:</b>	<b>Director of Education, Standards and Policy</b>
<b>By:</b>	<b>31 January 2018</b>

#### **NMC/17/105 General Nursing Council Trust Report**

- 1. The report was deferred to the next Council meeting in January 2018.

#### **NMC/17/106 Performance and Risk report**

- 1. The Council considered a report on the latest overview of performance and risk management across the organisation.
- 2. ***Registration and revalidation performance, KPIs and dashboard***
  - a) Automation of the UK application process saw the usual spike of applications driven by the start of the academic year happen in September 2017 rather than October 2017. The number of applications processed manually had reduced from 14,000 year to 61 this year and time taken to enter new UK applicants on the register had reduced from 6.5 to 1 days.
  - b) Enhanced communications to registrants, employers and unions had halved the number of unintentional lapses of registrations.
  - c) There was no evidence to suggest intentional lapsing of registrations linked to revalidation.
  - d) While call volume and length increased in September, the call answer rate improved. The number of calls increased by 30% in November. The impact on performance was being closely monitored.
  - e) Some 4000 new EU/Overseas registration applications had been received following the introduction of the new language testing arrangements but it was important to recognise that these would not all necessarily translate into new registrants.
  - f) The review of English language requirements was now part of the wider overseas review and further information on this would be provided to the Council in January 2018.

### 3. ***Fitness to Practise performance, KPIs and dashboard***

- a) A spot rate (the month's actual performance) as well as the rolling 12 month performance for the current month would be provided to the Council on an ongoing basis.
- b) In relation to the Interim Order (IO) KPI (KPI 4) performance continued to exceed the 80% target.
- c) In relation to KPI 5 – the percentage of FTP cases concluded within 15 months remained just under the 80% target.
- d) Relatively high volumes of new referrals were being experienced and meant that the screening function was operating at or near capacity.
- e) Steps had been taken to strengthen the teams and allocate more management resource to investigations. Cases over 32 weeks were being monitored closely. Progress should be reported back to the Council in January 2018.
- f) The new section 60 changes would take time to embed and it was still early days. A saving of approximately £700,000 had been built into the budget for this year and this was currently on track.
- g) The new case examiner powers were being used more sparingly than expected so far; however this was because more cases were being closed at an earlier stage. The reasons for this and related potential financial and quality issues were being closely examined and kept under review and the Council could be assured that no major issues of concern had been identified. For example, as yet there had been no increase in requests under the power to review, either internally or externally which provided comfort about the quality of decisions.
- h) In relation to the increase in cases being closed as 'no case to answer' there may be value in providing feedback to employers and the ELS could assist. Work was underway to review the sources of referrals and some of the early closure rate may be the result of the ongoing work with employers, professional bodies and unions and the ELS encouraging early engagement with the process by those referred.

### 4. ***Customer Service performance***

- a) Overall the pattern remained stable. The data was helping to inform customer improvements, for example, feedback had been used to make improvements to the website.
- b) More responses, particularly in relation to FTP were needed to improve the data.
- c) In FTP, data was currently collected from registrants and witnesses: given the nature of FTP, a breakdown of this data by the different types of 'customers' may be more helpful.

### 5. ***Staff turnover***

- a) Although there had been a small dip in staff turnover, this was

- probably seasonal.
- b) Information from exit interviews was included in the confidential report to the Council but analysis of early leavers indicated that the reason for leaving was down to 'brand', ie the role was not what the employee expected it to be and/or the NMC was not what the employee expected.

### ***Progress against the Corporate Plan***

6. Performance against the corporate plan commitments was noted. In relation to the removal of the plans for early AEI adopters of the future nurse standards, consideration would be given to the impact on those with a March 2019 intake.
7. The Council agreed to remove the corporate plan transformation commitment.

### ***Corporate risk register***

8. The Council noted the corporate risk register update.

**Action:** Report back in more detail on cases over 32 weeks in January 2018.

**For:** Director of Fitness to Practise.  
**By:** 31 January 2018

**Action:** Consider scope to break down FTP customer service performance data by 'customer type'.

**For:** Director of Registration and Revalidation/Director of FTP  
**By:** 31 January 2018

**Action:** Provide fuller analysis of responses from exit interviews.  
**Deputy Director of Human Resources and Organisational**

**For:** Development  
**By:** 31 January 2018

### **NMC/17/107 Financial monitoring report**

1. The Council considered a report on financial performance to 31 October 2017.
2. Whilst the forecast on income from registrants for this financial year was down, a considerable amount of compensatory action to reduce planned expenditure on Business As Usual and programmes had been taken. Actions to manage and mitigate pressures were continuing.
3. The allocation from reserves of £2.5 million for Transformation was expected to be spent in full. Council would be updated on next steps as part of the corporate plan and budget initial discussion in January 2018.

4. Additional pressures this year, not anticipated at the time when the budget was set, included the Overseas Review Programme and the FtP Change Strategy. Greater clarity about action being taken to bring the budget under control would be helpful.
5. Funding due from the Department of Health for the nursing associate programme had now been received. This was a net nil cost and would not affect year end figures.

**NMC/17/108 Audit Committee report**

1. The Council noted the Audit Committee report.
2. In relation to the internal Whistleblowing policy, it may be helpful to consider any learning from the presentation the Council had received the previous day from the National Freedom to Speak Up Guardian.

**NMC/17/109 Chair's action taken since the last meeting**

1. The Council noted the Chair's action since the last meeting.

**NMC/17/110 Questions from observers**

1. The Chair invited questions from observers. The following comments were made:
  - a) An observer currently working as a support worker commented on her experiences of taking the IELTS English test on numerous occasions in terms of the scoring, time pressure to complete the test and the cost. The difficulties with pin numbers and top up degrees were also mentioned. Although unable to comment on the particular case, the Council appreciated hearing directly from the Support Worker's experience and noted the ongoing overseas review.
  - b) A student nurse commented on mentorship and the lack of objectives for learning during practice placements. The difficulties for overseas nurses of finding suitable pre-registration courses were also highlighted. Although unable to comment on the particular case, the Council appreciated hearing about the experiences and noted the ongoing work on the future education standards.
  - c) An observer asked about the scope for overseas nurse applicants with qualifications which did meet the requirements to register in the UK as a nurse would be able to register as nursing associates instead. All elements of overseas applications were currently being considered as part of the nursing associate work programme.

The next meeting of the Council in public will be held on Wednesday 31 January 2018 at the NMC Office at 23 Portland Place.

**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 29 November 2017

Minute	Action	Action owner	Report back to: Date:	Progress to date
<b>NMC/17/98</b>	<p><b>Consultation on the fees for nursing associates</b></p> <p>Consider further promoting to registrants the right to claim tax relief on the fees and whether the NMC's charitable status offers any options for alternative payment approaches of benefit to registrants.</p>	Director of Registration & Revalidation/Director of Resources	31 January 2018	<p>With regard to tax relief communications we produce reminders, such as a mention in annual retention communications, regularly posting messages on Twitter, and updates in our newsletters to nurses and midwives. The February 2018 newsletter will include a piece on tax relief. We will continue to promote this, where appropriate, in our various communications.</p> <p>We have established that there are no shortcuts for the claiming on tax relief other than that which we already promote, namely requesting it while doing tax returns or by calling HMRC.</p>
<b>NMC/17/98</b>	<p><b>Consultation on the fees for nursing associates</b></p> <p>Revise the consultation document</p>	Director of Education, Standards and Policy	4 December 2017	Completed. The fees consultation was successfully launched on 4 December 2017.
<b>NMC/17/100</b>	<p><b>Education Quality Assurance Annual Report 2016–2017</b></p> <p>Take account of the Council's comments in developing the new education standards and QA</p>	Director of Education, Standards and Policy	28 November 2018	Not yet due.

Minute	Action	Action owner	Report back to: Date:	Progress to date
	model			
<b>NMC/17/100</b>	<p><b>Education Quality Assurance Annual Report 2016–2017</b></p> <p>Include trend data and information around public protection in future annual reports.</p>	Director of Education, Standards and Policy	28 November 2018	Not yet due.
<b>NMC/17/101</b>	<p><b>Draft People Strategy</b></p> <p>Provide more information on the key outcomes being sought; the priorities for action and the key indicators/measurements which will be used to measure progress against the key outcomes.</p>	Director of People and Organisational Development	31 January 2018	This will be brought to the Council on 28 March 2018.
<b>NMC/17/103</b>	<p><b>Annual equality, diversity and inclusion report 2016–2017 and strategic action plan</b></p> <p>Provide more analysis of data in future reports and planned action to address findings</p>	Director of Education, Standards and Policy	4 July 2018	Not yet due.
<b>NMC/17/104</b>	<p><b>Midwifery update</b></p> <p>Provide a briefing note on midwifery qualification entry</p>	Director of Education, Standards and Policy	31 January 2018	This will be provided at the February 2018 seminar during the midwifery presentation item.

Minute	Action	Action owner	Report back to: Date:	Progress to date
	routes.			
<b>NMC/17/106</b>	<b>Performance and Risk report</b>  Report back in more detail on cases over 32 weeks in January 2018.	Director of Fitness to Practise.	31 January 2018	This is included in the Fitness to Practise section of the performance and risk report on the agenda.
<b>NMC/17/106</b>	<b>Performance and Risk report</b>  Consider scope to break down FTP customer service performance data by 'customer type'.	Director of Registration & Revalidation/Director of FTP	31 January 2018	This is included in the customer service annexe of the performance and risk report on the agenda.
<b>NMC/17/106</b>	<b>Performance and Risk report</b>  i. Provide fuller analysis of responses from exit interviews.  ii. Update the Council on the outcomes of the review of leavers, including mitigations and actions.	Deputy Director of Human Resources and Organisational Development	i. 31 January 2018  ii. 31 January 2018	i. This is included in the performance and risk report on the agenda.  ii. This is included in the performance and risk report on the agenda.

## Summary of outstanding actions arising from the Council meeting on 27 September 2017

Minute	Action	Action owner	Report back to: Date:	Progress to date
<b>NMC/17/80</b>	<p><b>Nursing Associates</b></p> <p>i. Release a working draft of the nursing associate standards of proficiency (Release 1), for the benefit of the nursing associate test sites and others, subject to the amendments requested by the Council.</p> <p>ii. Bring back skills annexe to the Council.</p>	Director of Education, Standards and Policy	<p>i. 29 November 2017</p> <p>ii. 30 January 2018</p>	<p>i. Completed: draft working standards (release one) issued on 9 October 2017 and circulated to Council members for information.</p> <p>ii. To be discussed at Council Seminar 30 January 2018.</p>
<b>NMC/17/80</b>	<p><b>Nursing Associates</b></p> <p>Ensure that future consultation on the draft standards includes a specific question about whether the standards work across the four fields of practice and that the results can be broken down by responses from those working in each of the fields.</p>	Director of Education, Standards and Policy	28 March 2018	Not yet due.
<b>NMC/17/86</b>	<p><b>Employer Link Service report one year on</b></p> <p>Take account of the Council's comments in future reports.</p>	Director of Fitness to Practise	19 September 2018	Not yet due.

## Summary of outstanding actions arising from the Council meeting on 24 May 2017

Minute	Action	Action owner	Report back to: Date:	Progress to date
<b>NMC/17/42</b>	<p><b>Future nurse standards and education framework: consultation</b></p> <p>Track changes made as a result of consultation responses</p>	Director Education, Standards and Policy	31 January 2018	<p>The team is currently mapping the changes showing consultation standards and new proposed standards with rationale for the change. This will be ready in March 2018 and will be brought to Council at its March 2018 meeting.</p> <p>The changes proposed will be provided in a tracked version at the February 2018 seminar prior to the final draft of the standards going to the March 2018 Council.</p>

## Council

### Chief Executive's report

**Action:** For information.

**Issue:** The Council is invited to consider the Chief Executive's report on (a) key developments in the external environment 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 Strategic engagement activity continues to focus on the regulation of nursing associates (NAs).

**Discussion: A: Accountability and oversight**

**Department of Health**

- 3 As Council members will be aware, the recent Cabinet reshuffle includes the replacement of MP Philip Dunne. We have contacted the new Minister of State Stephen Barclay, with responsibility for professional regulation, seeking an early meeting.
- 4 The Chief Executive and Registrar continues to engage with senior officers at the Department of Health on a range of issues, including nursing associates and language testing.

**Regulatory Reform**

- 5 Along with the General Medical Council (GMC), we were invited to participate in a ministerial roundtable on 9 January 2018 to discuss workforce matters and regulatory reform, with a focus on supporting professionalism. The event was postponed and we await confirmation of plans to reschedule the event.
- 6 Our response to the Government's consultation on regulatory reform is covered elsewhere on the agenda.

**Professional Standards Authority**

- 7 The Chief Executive met with the Director of Scrutiny and Quality, Professional Standards Authority (PSA) on 9 January 2018 as part of their lessons learned review. We continue to engage constructively with the review and anticipate that the final report will be published in the first quarter of 2018.

**Chief Nursing Officers**

- 8 The Chief Executive and Registrar continues to engage regularly with the four Chief Nursing Officers (CNOs), including the following meetings:
  - 8.1 Jane Cummings, CNO for England, by telephone on 13 and 23 November 2017 and face to face on 26 January 2018.
  - 8.2 Charlotte McArdle, CNO for Northern Ireland on 17 November 2017.

### **Queen's Nursing Institute (QNI) community nurse network event**

- 9 On 24 November 2017, the Chief Executive spoke at the QNI community nurse executive network event in London about workforce development and the role of the NMC in education before taking part in a Q&A session with delegates.

### **Engagement with Parliamentarians**

- 10 We have been proactive in engaging with key political stakeholders, by identifying and approaching parliamentarians with relevant interests, committee memberships and front bench roles. The Chief Executive has held meetings with the following parliamentarians:
- 10.1 Jonathan Ashworth MP (Labour), Shadow Secretary of State for Health (4 December 2017).
  - 10.2 Rt Hon Lord Hunt of Kings Heath OBE (Labour), Shadow Health Spokesperson (6 December 2017).
  - 10.3 Rosie Cooper MP (Labour), Member of the Health Select Committee (6 January 2018). The Chief Executive was accompanied by the NMC's Director of Fitness to Practise (FtP).
  - 10.4 Baroness Finlay of Llandaff (Crossbench), Co-Chair of the All-Party Parliamentary Health Group (16 January 2018).
- 11 On 23 November 2017, the Assistant Director, Education and Standards and Policy deputised for the Chief Executive at a meeting of the All Party Parliamentary Group for Continence Care.
- 12 On 27 November 2017, the Chief Executive took part in a discussion hosted by Lord Crisp and supported by Baroness Watkins. The focus of the discussion was on an initiative called 'Nurse Now' which is aiming to develop nursing leadership on an international scale.

## **B: Stakeholder Engagement and Communication**

### **Apprenticeships**

- 13 On 16 November 2017, the Chief Executive and Registrar participated in a Department of Health convened round table regarding the take up of apprenticeships by health and care sector employers.

### **Nursing Associates**

- 14 In December we launched our Rules consultation, which proposes the fees for nursing associates to initially register and maintain their registration with the NMC. Senior stakeholders, test sites, trainees, parliamentarians and directors of nursing were informed of the

consultation and asked to highlight the proposed changes to key stakeholders.

- 15 We have continued to develop the standards and requirements for the nursing associate programme by expanding our engagement to include employers and educators not connected to Health Education England's (HEE) pilot test sites. More than 100 employers and educators have shared their views on our draft standards of proficiency, skills annex and education requirements in our three workshops run across England in November and December 2017.
- 16 This year, we will expand our engagement to include patients and the public, health and social care employers and healthcare professionals who will work alongside nursing associates in the future.
- 17 All test sites have now provided evidence of the quality of their nursing associate programmes to HEE and OPM, an independent research organisation. Variability across the programmes will be assessed and, where necessary, test sites will be supported to make changes to meet the requirements of the HEE curriculum framework.

#### **Professional Bodies meeting**

- 18 On 21 November 2017, the Chair and Chief Executive hosted their regular meeting with representatives from the RCN, the Royal College of Midwives (RCM) Unite/CPHVA and Unison. Issues around the regulation of nursing associates were a key feature of the discussion.

#### **Health and Education National Strategic Exchange (HENSE)**

- 19 On 7 December 2017, the Chief Executive attended a meeting of the Health and Education National Strategic Exchange (HENSE). This is an informal group which brings together government departments and key stakeholders involved in nursing, midwifery, allied health and medical higher education, including the Council of Deans of Health, Universities UK and Health Education England, among others. It meets quarterly and is chaired, under Chatham House rules, by the Department of Health.

#### **Visit to Northern Ireland**

- 20 On 7 December 2017, the Director of FtP met with senior colleagues at representative bodies and regulators in Northern Ireland to discuss areas of mutual interest relating to FtP and discuss information sharing and future joint working opportunities.

#### **C: Engagement with other regulators**

- 21 We continue to work collaboratively with other regulators, including the GMC, on key issues such as regulatory reform. On 27 November

2017, the Chair and the Chief Executive participated in a meeting of the chairs and chief executives of the healthcare regulators which was hosted by the GMC on the subject of regulatory reform.

- 22 As part of the Awayday in Manchester in December 2017, Council members visited the Medical Practitioners Tribunal Service (MPTS) offices and met the MPTS Chair and the GMC Chief Executive for a discussion about FtP issues.
- 23 The Chief Executive continues to engage regularly with her opposite number at the GMC, including conversations on 13 and 27 November and 20 December 2017.
- 24 On 23 November 2017, the Chief Executive met Vicky McDermott, the recently-appointed chief executive of the General Optical Council for an introductory conversation.

#### **D: Media activity**

- 25 There was coverage in the trade media following Council's decision to move ahead with a consultation on proposed nursing associate fees. Following the Council meeting in November 2017, the Chief Executive gave interviews to both the Nursing Standard and Nursing Times.
- 26 We issued a statement following the decision of a High Court Judge to uphold the decision of the NMC's Registrar, that the indemnity arrangement previously relied upon by some midwife members of Independent Midwives UK (IMUK) was inappropriate. The story was covered by trade media including Nursing Times and Nursing in Practice.
- 27 Our registration data continues to be referenced in workforce and Brexit related coverage and has featured in the national press including BBC Radio 4.

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

- 28 No direct public protection implications.

#### **Resource implications:**

- 29 No direct resource implications.

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

- 30 No direct equality and diversity implications.

#### **Stakeholder engagement:**

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

**Risk implications:** 32 No direct risk implications.

**Legal implications:** 33 No direct legal implications.

## Council

### Education quality assurance: Programme approvals for the 2018–2019 academic year

**Action:** For decision.

**Issue:** A description of the proposed approach to programme approvals for the 2018–2019 academic year.

**Core regulatory function:** Education.

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

**Decision required:** The Council is recommended to approve the proposed approach to programme approval for the 2018–2019 academic year (paragraph 22).

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

- Annexe 1: Example criteria for evidencing compliance with standards.

**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 Council's Strategy 2015–2020 identifies education as a key corporate priority. In 2016, following approval by Council, we commenced a programme of reform in education to ensure that our standards are outcomes based, proportionate, flexible, future focused and emphasise public protection.
- 2 We will be seeking Council's approval of the new education and training standards (including requirements for learning and assessment), standards of proficiency for registered nurses and nurse and midwife prescriber standards in March 2018. Approved education institutions (AEIs) will be able to seek approval against these new standards from September 2018.
- 3 In January 2017, the Council agreed to regulate nursing associates (NA). Subject to the parliamentary time, Council will be considering NA standards of proficiency and requirements for education providers for approval in September 2018.
- 4 In order to discharge our statutory obligations, as set out in Part IV of the NMC Order, we must ensure that the education institutions are meeting our standards and requirements for all our regulated professions. We achieve this through a programme of quality assurance (QA).
- 5 In July 2016, the Council authorised the executive to commission an independent review of the scope and shape of future QA. The review took into account the need for flexibility to accommodate changes in the higher education and health and social care landscape, different programme models and the nursing associate role.
- 6 In March, April, July and September 2017, Council discussed the main findings and options from the review. Council proposed that the risk and intelligence led framework be developed further. It is anticipated that the next update on the development of the new QA framework will be presented for approval to Council in March 2018.
- 7 At their confidential meeting in November 2017, Council agreed that deciding the approach to immediate programme approval activity should be prioritised. This is in recognition of the high volume of forthcoming approvals for nursing, nurse and midwife prescribing and nursing associate programmes.
- 8 This paper sets out the proposed high level approach to approving education programmes for the 2018–2019 academic year.

**Four country factors:**

- 9 The proposed approach will be implemented across all four countries, reflecting our position as a UK wide regulator. Our approach will need to be sufficiently agile to accommodate country differences in higher education approaches and routes to nursing

and midwifery education.

- 10 The nursing associate role is currently England only, therefore NA programme will only be available in England.

**Discussion:**

- 11 During the 2018–2019 academic year, education institutions will begin seeking approval for nursing and nurse and midwife prescribing programmes against the new relevant standards of proficiency, the education framework and associated requirements for learning and assessment.
- 12 The first nursing associate programme approvals will also take place during this year. It is estimated that the initial number of education institutions seeking approval for NA programmes will be approximately 65. Where an institution is seeking approval for multiple programmes we will factor this in to our scheduling.

**Programme approval approach**

- 13 Under Article 15(6)(c) of the Order, “the Council may in particular, approve, or arrange with others to approve” courses of education or training. The approval of programmes is prospective. We can determine the process for the approval and we are allowed to work with others to approve. The decision for approving a programme is for Council and this can be delegated to NMC employees. Visits can be used as part of programme approval, although they are not required for all approvals (Articles 15 and 16 of the Order).
- 14 As the introduction of new standards and regulation of a new role represents significant change for the sector, it is proposed that all programme approvals during this period will include a documentary review and a visit. The data and intelligence collected through these approvals will create a baseline and inform future quality assurance activity.
- 15 In order to be assured that education institutions are meeting our standards, we will develop criteria based on the final version of the standards and key lines of enquiry to guide the work of reviewers. The criteria developed will include details of the evidence that an institution can provide to demonstrate that they meet the education framework and programme requirements. We have used the draft standards which we consulted upon in summer 2017 to provide examples of possible criteria in Annexe 1.
- 16 In line with taking a proportionate approach we will draw on the findings of other bodies such as the Quality Assurance Agency for Higher Education (QAA) to provide assurance. As part of programme approval we will consider whether the institution is “properly organised and equipped for conducting the whole or part of

an approved course of education or training”<sup>1</sup>.

- 17 The standards set out what all approved education institutions (AEIs), practice placement and work placed learning providers must do in order to manage and deliver all NMC approved education programmes. Areas of key lines of enquiry and criteria will include admissions, methods of student assessment and support for students in practice.
- 18 From our current QA activity, we know that the greatest risk is in practice learning. Therefore, we will focus on the student’s practice learning environment and seek assurance of readiness. This will include the new requirements for learning and assessment. We anticipate that any approval visits will focus strongly on practice settings and methods of assessment.
- 19 We will also review the relevant programme requirements and look for evidence that programmes are designed to sufficiently cover and assess all relevant standards of proficiency.

### **Practical implications**

- 20 This will represent a large amount of programme approval activity and planning has already begun to ensure that the necessary resources are in place to meet this high level of demand for QA. This will include publication of the new criteria by which compliance with standards will be measured, communication with key stakeholders and the recruitment and training of reviewers.
- 21 The information collected and considered by reviewers will be used to inform our decision whether to give approval.
- 22 **Recommendation: The Council is recommended to approve the proposed approach to programme approval for the 2018–2019 academic year.**

### **Public protection implications:**

- 23 There are significant public protection implications if we do not successfully manage the large volume of approval activity during the 2018–2019 academic year. We would be at risk of being unable to meet our statutory objective of protecting the public. If we are not able to provide assurance that students meet our new standards, we would be putting the public at risk and undermining the reputation and integrity of the professions.
- 24 In addition, we already know that there are significant risks in practice due to the complex challenges facing the health and social care landscape. The proposed approach to approvals allows us to focus more on these risks and challenges and therefore ensure that students are learning in safe and effective environments and that the

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<sup>1</sup> Article 15 (6)(c), The Nursing and Midwifery Order 2001.

public and patients are protected.

- |   |    |  |
|---|----|--|
| <b>Resource implications:</b>               | 25 | The 2018–2019 academic year will see a large amount of programme approval activity. The timing of approval events will be demand led depending on the preference of AEs. We estimate that the cost of our QA activity for this period will be approximately £1.6 million.  |
| <b>Equality and diversity implications:</b> | 26 | Equality and diversity implications are under consideration and will be finalised subject to Council’s decision on the new framework.  |
| <b>Stakeholder engagement:</b>              | 27 | Subject to Council approval we will communicate to all AEs about plans for approvals of nursing, nurse and midwifery prescribing and nursing associate programmes during the 2018–2019 academic year.  |
|   | 28 | Close collaboration with NMC stakeholders in education remains key to QA activity and any plans will be communicated with sufficient notice. The Council of Deans of Health is being regularly updated.  |
|   | 29 | We have established a QA reference group to support development of our plans. The group includes representatives from education and practice, lay members and students. The first meeting was held in October 2017 and further meetings are planned for 2018. We will consult with this group on our implementation of QA for the forthcoming academic year, including seeking feedback on methods, criteria and key lines of enquiry. |
| <b>Risk implications:</b>                   | 30 | Adopting the proposed approach to institution and programme approval would ensure we keep any disruption of QA activity to a minimum. If the proposed approach is not agreed, our default would be to continue implementing the current QA framework, which may mean increased costs.  |
| <b>Legal implications:</b>                  | 31 | This approach aligns with the statutory requirements for education set out in Part IV of the Nursing and Midwifery Order 2001.   |



**Example criteria for evidencing compliance with standards**

<b>Standard</b>	<b>Criteria for approval</b>
Approved education institutions together with practice placement and work placed learning partners must ensure that all learners are provided with the learning and pastoral support to empower them to prepare for independent, reflective professional practice	<ul style="list-style-type: none"> <li>• Evidence of processes to provide support to students</li> <li>• Confirmation of resources in place in the AEI and practice to provide support to students</li> <li>• Student handbook, to communicate processes</li> <li>• Evidence that assessment processes will consider this</li> </ul>
Approved education institutions together with practice placement and work placed learning partners must ensure that assessment is fair, reliable and valid to enable learners to demonstrate they have achieved the proficiencies for their programme	<ul style="list-style-type: none"> <li>• Evidence of assessment methods used, including practice assessment documentation</li> <li>• Evidence that the curriculum has been mapped to the relevant proficiencies</li> <li>• Confirmation of appropriately experienced and trained assessors</li> </ul>
Approved education institutions together with practice placement and work placed learning partners must ensure that the minimum award for a pre-registration nursing programme is a bachelor's degree	<ul style="list-style-type: none"> <li>• Confirmation of programme award</li> <li>• Confirmation of award of degree awarding powers by the Privy Council (based on advice from the Quality Assurance Agency for Higher Education (QAA))</li> </ul>



## Council

### NMC response to Government consultation: 'Promoting professionalism, reforming regulation'

**Action:** For decision.

**Issue:** Seeks any additional comments from the Council in relation to the NMC response to Government consultation on regulatory reform: "*Promoting professionalism, reforming regulation*".

**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 asked to consider the NMC's response and provide any additional comments in relation to the consultation for submission to the Department of Health (paragraph 14).

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

- Annexe 1: NMC response to the Government's consultation 'Promoting professionalism, reforming regulation'.

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

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- Context:**
- 1 The NMC has long called for fundamental reform of the legislation governing regulation of healthcare professionals in order to facilitate its ambition to be a responsive and dynamic leading regulator. Previous attempts to bring forward wholesale change to the regulatory framework have not succeeded, in the main due to a lack of parliamentary time to process the required legislation.
  - 2 The need for reform of the legislation governing the nine professional regulators has been recognised by successive governments. This included the 2010 to 2015 coalition government through their white paper '*Enabling Excellence*' in 2011, which led to the subsequent Law Commission report and draft Bill to reform healthcare regulation. The draft Bill aimed to deliver greater operational freedom to the regulators, balanced by strengthened accountability to both Parliament and the public.
  - 3 The coalition Government's response to the draft Law Commission Bill in January 2015 accepted the vast majority of the recommendations and reiterated its commitment to legislative change. Despite this recognition and our continued calls for a shared framework for health professional regulation, the Law Commission produced Bill did not gain parliamentary time and progress towards a new legislative framework has since been slow and disappointing.
  - 4 In October 2017 the Department of Health launched a new consultation called 'Promoting professionalism, reforming regulation.' Its aim is to seek further views on what reforms are needed across the UK healthcare regulatory system in order to support workforce development while maximising public protection in a more efficient way.
  - 5 We have submitted our consultation response by the deadline of 23 January 2018 and used our response to once again call on the Government to commit to legislative change to enable us to become a responsive and dynamic leading regulator.
- Four country factors:**
- 7 The NMC is a four country regulator and currently all of our functions operate in the same way in each. The consultation is being conducted by the Department of Health on behalf of all the four administrations.
- Discussion: Our position on regulatory reform**
- 8 We have long called for wholesale change to our regulatory framework so we can respond and adapt to the changing regulatory and healthcare environment. In the meantime, we have made significant improvements to our operating procedures most recently

within fitness to practise, as recognised in our best ever performance review from the Professional Standards Authority (PSA)<sup>1</sup>. We achieved this against a backdrop of piecemeal legislative change.

- 9 At a time when the health services across the UK are under pressure and workforce supply in some areas is uncertain, more flexible regulatory powers can help to support the UK to maintain a well-qualified and competent healthcare workforce.
- 10 Fundamental reform of our legislative infrastructure is needed to give us the autonomy and flexibility to respond to the changing needs of the health services. We can push the boundaries of what is possible within the limits of our existing legislation, but we are rapidly reaching the extent of what is currently possible.

### **Main proposals of the consultation**

- 11 The consultation has a total of 24 questions. The main proposals cover a number of areas including the following:
  - 11.1 Who should be regulated and the number of regulatory bodies: the Government proposes that there need not be as many as nine regulators and discusses what factors should be taken into account when deciding who should be regulated;
  - 11.2 Fitness to Practise reform: the Government seeks views on whether regulatory bodies should be given a full range of powers for resolving fitness to practise cases and whether the PSA should place less emphasis on fitness to practise performance;
  - 11.3 Supporting professionalism: the Government invites views on whether regulators have a role in supporting professionalism and, if so, how can regulators better support registrants to meet and retain professional standards;
  - 11.4 Increased cooperation and working with other regulators: the Government proposes regulators work more closely together, including sharing data with system regulators and with each other. Additionally, it suggests four potential areas for joint working to improve public protection and generate efficiencies;
  - 11.5 Autonomy and greater freedom for regulators: the Government proposes that regulatory bodies be given greater flexibility to set their own operating procedures; and
  - 11.6 Reform of governance structures: the Government proposes

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<sup>1</sup> <https://www.professionalstandards.org.uk/docs/default-source/publications/performance-reviews/nmc-annual-review-of-performance-2015-16.pdf>

replacing the existing Council structures of healthcare regulators with unitary boards comprising both non-executive and executive directors, and that regulators be formally accountable to all four legislatures of the UK and not just the Westminster Parliament.

### **The NMC's response**

- 12 Council members discussed the consultation proposals in seminar in November 2017 and have commented on sections of the response. The full response which was submitted is at Annexe 1.
- 13 This was framed within the context of our remit as the professional regulator for nursing, midwifery and from 2019, nursing associates, and the priorities for change that we have articulated publicly over a number of years. We have responded to the consultation questions which we feel are most relevant to our remit. In some cases, where we feel that decisions on the way forward should be for Ministers alone, we have not offered comment.
- 14 **Recommendation: The Council is asked to consider the NMC's response and provide any additional comments in relation to the consultation for submission to the Department of Health.**

### **Next Steps**

- 15 Following the submission of our response to the consultation we will continue to work with the other healthcare regulators, the administrations in the four UK countries and other partners to promote professionalism, including through legislative reform.

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

- 16 Our approach to regulatory reform is based on our view that the best way we can protect the public is by being a flexible, targeted and proportionate regulator able to respond to changes in healthcare delivery, models of education and the needs of patients. The potential benefits for public protection of successful reform to the regulatory framework are considerable.

#### **Resource implications:**

- 17 There are no direct resource implications at present although should the Government's proposals be taken forward into legislation there would be a resource implication.

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

- 18 We have addressed the equality and diversity impacts of the proposals in our response.

#### **Stakeholder engagement:**

- 19 Not applicable.

- Risk implications:** 20 Should the consultation not result in the kind of wholesale reform that we would like to see, we will still be subject to very detailed and outdated legislation that takes a long time to amend. This will continue to constrain our ability to evolve into a more responsive and dynamic regulator.
- Legal implications:** 21 No direct legal implications at present, as legal drafting does not accompany this consultation.



## **Government consultation ‘Promoting professionalism, reforming regulation’: Nursing and Midwifery Council response**

### **Introduction**

- 1 The Nursing and Midwifery Council (NMC) is the independent professional regulator for nurses and midwives in the UK. From 2019, we will also regulate the new profession of nursing associates.
- 2 Our role as a regulator is to protect the public. The most effective way we can do that is by supporting nurses and midwives in their commitment to deliver high quality care, drive improvement and prevent harm. This means that our priority must be to make sure that those professionals who join our register have the competence and capability to provide a high standard of care and are supported in doing so throughout their careers. This is not only good for professionals and patients but for the broader development and maintenance of a high quality healthcare workforce.
- 3 Regulation is sometimes portrayed as a barrier to such development and to innovation, and an expensive one at that. In fact, effective regulation is well placed to be an enabler of change. At a time when the health services across the UK are under pressure and workforce supply in some areas is uncertain, effective regulation can help to support the UK to maintain a well-qualified and competent healthcare workforce.
- 4 But to be an enabler of change we must ourselves be enabled. Fundamental reform of our legislative infrastructure is needed to give us the autonomy and flexibility to respond to the changing needs of the health services. We can, and will, push the boundaries of what is possible within the limits of our existing legislation, but we are rapidly reaching the extent of what is currently possible.

### **Our response**

- 5 We welcome the Government’s consultation on proposals to reform health professional regulation<sup>1</sup>. We agree with the Government’s view that health professional regulation needs to change. We consider that some, but not all, of the proposals in this consultation could lead to change in a positive direction.
- 6 Our role, functions and powers are set out in the Nursing and Midwifery Order 2001 (‘the Order’). The Order provides the legal basis for the existence of the NMC, for the maintenance of the register of nurses and midwives in the UK and for our core regulatory functions of setting standards of education, training, conduct and performance for nurses and midwives and ensuring the maintenance of those standards through our education, registration, revalidation and fitness to practise processes.

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<sup>1</sup> Department of Health, October 2017. Promoting professionalism, reforming regulation

- 7 A number of other pieces of secondary legislation stipulate in greater detail the governance structure and the operational rules which we rely upon to carry out our core regulatory functions. These include Orders made by the Privy Council relating to our governance processes and Rules made by our Council relating to our education, registration and fitness to practise processes. These pieces of legislation form the legal framework which governs how we operate and to make or amend them requires parliamentary approval.<sup>2</sup>
- 8 Our current legislation is prescriptive, outdated and a barrier to our becoming the dynamic leading regulator which is the cornerstone of our strategy. We have long called for wholesale changes to our regulatory framework so we can respond and adapt to the changing regulatory and healthcare environment. In the meantime, we have made significant improvements to our operating procedures most recently within fitness to practise as recognised in our best ever performance review from the PSA.<sup>3</sup> We achieved this against a backdrop of piecemeal legislative change. Our goal is greater flexibility to continue to improve delivery of our statutory duties so as to better protect the public and promote professionalism. In this context we are disappointed that no new draft legislation accompanies this consultation.
- 9 Our response is framed within the context of our remit as the professional regulator for nursing, midwifery and from 2019, nursing associates. We have responded to the consultation questions which we feel are most relevant to our remit.

**Question 1 – Do you agree that the PSA should take on the role of advising the UK governments on which groups of healthcare professions should be regulated?**

- 10 We do not agree with this proposal. Given their dual role in overseeing and measuring the performance of the statutory professional regulators and accrediting voluntary registers it could be argued that giving the PSA a formal role in advising on which professions should be regulated presents a potential conflict of interest.
- 11 Ultimately, decisions about whether any professions should become or remain regulated will remain with Ministers and we would support this approach. Whilst any such decision should be properly informed and evidence-based and should take account of the views of and advice offered by others, we do not see any particular benefit in giving the PSA a formal statutory role in the process and consider that any such decision should be approached with caution.

**Question 2 – What are your views on the criteria suggested by the PSA to assess the appropriate level of regulatory oversight required of various professional groups?**

- 12 We agree that any process to assess whether a professional group should be regulated must be based on clearly specified criteria. However we disagree with some of those proposed by the PSA.

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<sup>2</sup> <https://www.nmc.org.uk/about-us/our-legal-framework/our-order-and-rules/>

<sup>3</sup> <https://www.professionalstandards.org.uk/docs/default-source/publications/performance-reviews/nmc-annual-review-of-performance-2015-16.pdf>

- 13 *Criteria for assessing the risk of harm.* The PSA proposes that the complexity of activities or interventions should be the key indicator. We agree with that but the nature of those activities and interventions must also be considered.
- 14 *Size of the professional group or number of patients.* We do not agree with using this as a criterion. A small number of professionals in a high risk profession could present a serious risk to public protection.
- 15 *Potential impact of regulation on the cost and supply of the workforce.* We do not agree with using this as a criterion, because it runs counter to the over-arching objective of public protection.
- 16 *Two-stage assessment.* We see no clear rationale for the PSA's intention to run these assessments as a two-stage process, and see no benefit in it.
- 17 We believe that further thought needs to be given to the circumstances in which new professions are identified in this context. We would caution against the conflation of new specialist or advanced practice roles being undertaken by existing healthcare professionals with the creation of new professions. As healthcare continues to evolve we consider it is appropriate for regulated healthcare professionals to develop their practice across multi-disciplinary boundaries in order to meet the changing clinical needs of the population, without the need for a plethora of new professions, supported by new registers or regulators. This approach goes to the heart of encouraging individual professionalism and supporting dynamic regulation and should be facilitated by a more flexible approach to registration and annotation.
- 18 Ultimately we feel that the overarching criteria necessary to assess the appropriate level of regulatory oversight required of various professional groups should be:
- 15.1 What is the risk of harm and potential risk to the protection of patients and service users and other members of the public?
- 15.2 What value would regulation bring in terms of promoting professionalism and raising the quality of the healthcare professionals concerned and their work?

**Question 3 – Do you agree that the current statutorily regulated professions should be subject to a reassessment to determine the most appropriate level of statutory oversight? Which groups should be reassessed as a priority? Why?**

- 19 Yes, we believe that in principle it would be sensible to reassess the risks presented by some of the professions as this might have changed over time. Additionally, inevitably, the level of risk presented by different regulated professions will vary and it is important for any decisions about the need for statutory regulation to be evidence based. We are not in a position to comment on which groups should be reassessed as a priority.

**Question 4 – What are your views on the use of prohibition orders as an alternative to statutory regulation for some groups of professionals?**

- 20 The use of prohibition orders would constitute a very restricted approach to regulation, focused in the main on dealing with professionals who have already transgressed rather than preventing professionals from doing so through promoting professionalism and continued fitness to practise. Their proposed use would seem to run counter to the current direction of travel for professional regulation, which is about prevention rather than punishment and would therefore need very careful consideration.
- 21 If the arrangements for prohibition orders were similar to those of the Disclosure and Barring Service (DBS), it is difficult to see how they would work in practice in relation to fitness to practise matters which fall outside the DBS regime. For instance, if the profession is not regulated there will be no clear standards of competence and conduct against which the profession will be held to account and the mechanism for making any such prohibition order would then need careful thought. In addition, it is unclear how employers would become aware if one of their employees or potential employees is subject to a prohibition order if they were not subject to any form of registration or regulation. Overall, we consider that any move in this direction needs a clear evidence base and further investigation.

**Question 5 – Do you agree that there should be fewer regulatory bodies?**

**Question 6 – What do you think would be the advantages and disadvantages of having fewer professional regulators?**

**Question 7 – Do you have views on how the regulators could be configured if they are reduced in number?**

- 22 In response to each of the questions 5-7 above, we consider that any decisions on the number and configuration of regulators should be for Ministers based upon the principles outlined in our response to question 2 above.

**Question 8 – Do you agree that all regulatory bodies should be given a full range of powers for resolving fitness to practise cases?**

- 23 We would strongly support the proposal that regulators be given a full range of powers for resolving fitness to practise cases so as to deal with concerns about the performance of professionals in a more proportionate and responsive fashion and improve the protection of the public from the risk of harm from poor professional practice.
- 24 We have found that having a fuller range of disposal powers enables us to operate our fitness to practise functions in a more proportionate and effective fashion. We think that these options should be available to all regulatory bodies as otherwise there is the risk of certain groups of registrants being disadvantaged compared with others. Common terminology between different regulators' methods of disposal would also assist with informing the public as to what each disposal power means and why it has been used in a particular case.

- 25 It is also important to recognise that these powers should not simply be limited to being able to issue warnings, give advice, or agree undertakings. The fitness to practise process is lengthy and often time consuming. Regulators need to be given greater flexibility and discretion over how to process and investigate fitness to practise cases.
- 26 We are already exploring ways to reduce the number of cases requiring a full public hearing following the introduction of our new disposal powers but early and constructive engagement from our registrants is critical to all these initiatives.
- 27 We also recognise that potentially avoidable delays occur in fitness to practise hearings due to late or limited engagement from nurses and midwives. This is despite nurses and midwives being under a professional duty to co-operate with any regulatory investigations. The power to make binding case management directions would improve efficiency and reduce delays during fitness to practise hearings and also encourage constructive early engagement. This would help to reduce costs in fitness to practise and allow us to redirect our resources into areas which promote upstream harm prevention.
- 28 The quicker disposal of cases would also ensure that those who are subject to fitness to practise referrals will have their cases dealt with more efficiently thus allowing them to remedy their practice and return to the workforce if appropriate. Additionally, highlighting the need for engagement with your regulator would have clear positive implications for professionalism in the workforce.

**Question 9 – What are your views on the role of mediation in the fitness to practise process?**

- 29 We would support any measure which allows the consensual disposal of those cases that do not require a full contested hearing however we remain unclear how mediation would play an effective role in promoting this. Fitness to practise decisions are fundamentally about risk assessment and management in order to protect the public. Mediation is about resolving disputes in a way that focuses on the individual needs of the parties. There is a clear and unbridgeable disconnect between the two concepts. We consider that mediation is neither applicable nor relevant to our regulatory role and does not deal with concerns about the performance of professionals in a proportionate and responsive fashion.
- 30 We recognise that mediation may have a possible role in relating to complaints resolution for those regulators involved in regulating businesses as well as individuals but this would be separate from any fitness to practise process.

**Question 10 – Do you agree that the PSA’s standards should place less emphasis on the fitness to practise performance?**

- 31 We consider that fitness to practise is an important regulatory function and one where effective performance is essential for public protection. However, we think the current emphasis on fitness to practise is disproportionate bearing in mind the other important regulatory activities carried out by healthcare regulators such as education, registration, revalidation and so on, and that this should be reflected in how the standards are balanced.

- 32 Overall, we believe that the PSA's standards should be outcome focused and be measured by qualitative assessment focusing on the impact of our approaches in achieving public protection, rather than on inputs and process. For best effect, the standards should be coupled with descriptions of the characteristics of good outcomes. Regulators would then be free to innovate in how best to achieve these outcomes. We believe this is reflective of best practice regulation, will provide flexibility, act as a proactive driver to bring about effective behaviours, and will enhance public protection.
- 33 This proposed approach is also more future-proofed than the current linear approach and would ensure that PSA's oversight role does not act as a barrier to effective and innovative regulation of the future healthcare workforce. We also believe that the scope of the PSA's oversight activities for the professional regulators should be limited to our core regulatory functions of education, registration, continuing professional development / revalidation and fitness to practise, focusing on what the impact of our approaches is on public protection.

**Question 11 – Do you agree that the PSA should retain its powers to appeal regulators' fitness to practise decisions to the relevant court, where it is considered the original decision is not adequate to protect the public?**

- 34 In the absence of a power being given to all regulators to appeal their own decisions, we can see the benefit in the PSA retaining its appeal powers where the original decision is not adequate to protect the public. If however, the appeal power was made available to every regulator then the need for the PSA to retain its powers is less clear-cut.
- 35 If the PSA retains its power to appeal then there is a need for it to move to a more risk based and proportionate approach to best direct its finite resources towards protecting the public. For example, this could be a move to a risk-based approach to the review of substantive fitness to practise outcomes (instead of the current blanket approach to reviewing final determinations through the PSA's s.29 powers), the generation of 'learning points', and revisiting the PSA's approach to initial stages of audits. We believe there is scope for greater added value and helping identify performance improvements by adopting such an approach, and ultimately better protecting the public.

**Question 12 – Do you think the regulators have a role in supporting professionalism and if so how can regulators better support registrants to meet and retain professional standards?**

- 36 We exist to protect the public and supporting professionals to deliver the highest standard of care is integral to ensuring public safety. We believe that regulators do have an important role to play in supporting professionalism, provided this does not stray into the territory that should be occupied by professional bodies rather than a regulator. We have already made significant progress in many areas including our joint guidance with the General Medical Council (GMC) on the duty of candour, the enabling professionalism project, our new education standards and our new revalidation process.
- 37 With the help of the four Chief Nursing Officers we launched 'The Enabling Professionalism Framework' on Nurses' Day 2017. Its aim is to set out the ways in

which care settings can support professionalism among the nurses and midwives they employ.

- 38 We are also modernising the standards for the education and training of nurses and midwives so they are equipped with the skills and knowledge they need to practise now and in the future. This is a further example of supporting professionalism by ensuring UK education is fit for future nursing and midwifery roles in light of an ever-changing healthcare environment.
- 39 We have successfully introduced revalidation for nurses and midwives. This is the process that all nurses and midwives in the UK need to follow to maintain their registration with us. Our revalidation process is centred on our Code<sup>4</sup> and encourages continuing professional development and reflective practice which are both so critical to maintaining high standards. It has played a key role in embedding professionalism for nurses and midwives and we are proud of our work in this area.
- 40 We recognise that we can support professionalism by undertaking more proactive or ‘upstream’ regulatory activity of this nature rather than only responding once harm has occurred. However, we also acknowledge that we should not overstep our statutory remit or the remit of other professional bodies when supporting professionalism and we must ensure our activities are always geared towards public protection rather than being focused on maintaining professional interests or status.
- 41 Looking forward, we would like to improve the way we manage and maintain our register. Many of the annotations and parts/sub-parts of the register are a historic record of how care was delivered in the past. The nursing register itself is a record of the qualification that someone gained at the start of their careers and does not always reflect the area of practice in which they now work. This archaic structure does not support the objectives outlined in this consultation by the four UK governments, namely “supporting the development of a flexible workforce that is better able to meet the challenges of delivering healthcare in the future” and providing “greater support to regulated professionals in delivering high quality care”.
- 42 With over 690,000 registrants, who make up such a significant proportion of the UK health workforce, it is paramount that we have the necessary tools to ensure that the register reflects current practice. We therefore require better powers to manage the register and be able to adapt it to reflect current and future nursing and midwifery workforce needs in order to protect the public and ensure that our register is relevant, up to date and is not a barrier to supporting professionalism now and in the future.

**Question 13 – Do you agree that the regulators should work more closely together? Why?**

- 43 Collaboration is one of the strategic priorities in our NMC Strategy for 2015-2020. Accordingly, we would support steps which facilitate further voluntary collaboration

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<sup>4</sup> Professional standards of practice and behaviour for nurses and midwives - <https://www.nmc.org.uk/globalassets/sitedocuments/nmc-publications/nmc-code.pdf>

with other regulatory bodies. Our Employer Link Service (ELS) function is making progress towards joint working and data sharing. We are currently also working on a Joint Escalation Protocol which will allow greater information sharing between regulators.

- 44 The regulators should be able to work together where this can deliver increased public protection; greater consistency and fairness; better customer service and improved efficiency. However, it is important that a drive for greater joint working does not mask profession-specific considerations and does not in itself increase bureaucracy. The PSA should have a central role to play in promoting and sharing good practice among the regulators.

**Question 14 – Do you think the areas suggested above are the right ones to encourage joint working? How would those contribute to improve patient protection? Are there any other areas where joint working would be beneficial?**

- 45 The four UK governments and the PSA have identified four potential areas where joint working may improve public protection and generate efficiencies. These include a shared online register, a single set of generic standards, a single adjudicator responsible for all fitness to practise cases and a single organisation conducting back office functions such as HR, finance and IT. These proposals are similar to those outlined in the PSA document Right Touch Reform.<sup>5</sup>
- 46 Whilst we support the idea of joint working to promote upstream regulation, we consider that the case has not been made and that there is no rationale given to support moving in the direction suggested. There is no evidence base to suggest that a shared online register, a single set of generic standards, a single adjudicator and/or a single organisation creating back office functions would enhance public protection or increase efficiency.
- 47 There is no mention of the potential set-up costs associated with the proposals which are likely to be considerable, nor who would be liable to pay for delivery and implementation. Similarly, there is no mention as to the length of time this would take. We suggest that further work is needed to explore these options, and to evidence whether they would actually make a difference against the backdrop of the costs and time it would take to implement.

**Question 15 – Do you agree that data sharing between healthcare regulators including systems regulators could help identify potential harm earlier?**

- 48 Yes. In November 2017 we updated our joint working protocol with the Care Quality Commission in order to work more effectively together and reduce duplication by sharing information where appropriate.
- 49 We have a duty to co-operate with other public bodies including other regulators however our legislation does not contain any specific powers to enable the Council to work more closely with other regulators and share functions and information. For example more specific permissive powers on sharing and requesting

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<sup>5</sup> <https://www.professionalstandards.org.uk/publications/detail/right-touch-reform-a-new-framework-for-assurance-of-professions>

information would enable us to develop our joint regulatory work in this area further in light of the General Data Protection Regulation (GDPR).

- 50 If information is shared between regulators it is important that it is carried out lawfully and fairly in accordance with data protection legislation, including that the information is accurate.

**Question 16 – Do you agree that the regulatory bodies should be given greater flexibility to set their own operating procedures?**

- 51 We strongly agree that regulatory bodies should be given greater flexibility to set their own operating procedures and we are disappointed that previous attempts to secure reform of this nature have not resulted in the introduction of legislation to parliament.
- 52 Section 60 orders have enabled us to change our processes in relation to fitness to practise, which has had a positive impact on our regulatory function. However, they are piecemeal and not able to offer the level of reform needed to secure the progress needed to affect real change.
- 53 We believe that a single, high-level piece of legislation would be the most appropriate framework, setting out our statutory functions and regulatory outcomes whilst giving our Council the necessary powers to allow us to make and amend our own procedural rules and guidance. Having our high level requirements in legislation but much of the detail in guidance would allow us to be innovative, efficient and flexible in responding to or driving change in a fast changing environment with newly emerging trends. We would ensure that we undertook appropriate consultation and stakeholder engagement on any formal guidance and standards, as we do at present. It would mean the need for parliamentary time would be minimal, and that we could be much more agile and proactive at pursuing public protection outcomes and promoting professionalism. Our outcomes would also be more future-proofed than the current approach.
- 54 However, the NMC is mindful that such a piece of legislation requires a lengthy process, which is challenging given other demands on the parliamentary agenda. If Government is unable to find parliamentary time to provide regulators with an entirely new statutory framework we believe there is an alternative option. Our view is that it is possible to use one Section 60 order to change our legislation and create powers to move many of our current procedural requirements from rules into guidance.
- 55 In the interests of strengthening public protection our English language requirements were set in guidance instead of rules under a Section 60 Order which came into force in 2015. This was an innovation for us at the time and has allowed us to be much more flexible and change processes that require revision far more quickly than if they were set out in Rules.
- 56 As an example, in early 2017 we undertook a stock take of our language testing arrangements for nursing and midwifery professionals from overseas seeking to register to work in the UK. In November 2017, we subsequently amended our language requirements for nurses and midwives trained outside the UK following a consultation without needing to go through the parliamentary process involving

legislative change. The new language testing arrangements increase the options available for applicants trained outside the UK to demonstrate their English language capability whilst maintaining the standards needed to ensure public protection.

- 57 The case of language testing is important as an example of how flexible regulation enables us to be responsive to the changing needs of the health service and workforce. However this would not have been possible if our statutory power to amend these language requirements was prescribed in our rules, in the same way as many of our other detailed registration processes. At present, if we want to amend any of the other documentary and evidence requirements that we have for registration we have to change our Registration Rules by going through the whole parliamentary process, despite how small the change may be.
- 58 The proposed change to our Order outlined above would allow us to make other appropriate changes to our registration processes more quickly and thus allow us to introduce more efficient and effective ways of processing applications from those who have qualified in the UK or overseas to our register. This would enable us to streamline our registration processes at a time of unprecedented workforce pressures across the UK, addressing this where possible whilst maintaining our standards to ensure public protection.

**Question 17 – Do you agree that the regulatory bodies should be more accountable to the Scottish Parliament, National Assembly for Wales and the Northern Ireland Assembly, in addition to the UK Parliament?**

- 59 As a UK wide regulator, we support proposals for greater accountability to the Scottish Parliament, National Assembly for Wales, and the Northern Ireland Assembly, in addition to the UK Parliament.
- 60 In practice, we already seek to engage fully with each of the devolved administrations. As a matter of courtesy and for information, we send our statutory annual reports and accounts to the Scottish Parliament, the National Assembly for Wales and the Northern Ireland Assembly as soon as these have been submitted to the UK Parliament. Our annual reports include information broken down by country where possible and we will continue to seek to develop this further, so we would not see a case for providing separate country specific reports. We give evidence to Parliamentary/Assembly Committees in all four countries when invited to do so. As a charity we also ensure compliance with the requirements of the relevant charity regulators in all four countries.
- 61 We recognise that, over time, devolution will lead to greater diversity of health and care policies and provision across the four countries of the UK. In turn this may require different processes for accountability. So we would consider carefully any requests to strengthen our relationship with the relevant authorities in the devolved administrations, and would do our best to respond positively to them.
- 62 We ensure through a wide range of mechanisms that we are fully aware of differences in delivery of health care and developments across the four administrations. In setting UK wide standards for education and training, we

facilitate the movement of nurses and midwives throughout the four countries of the UK.

**Question 18 – Do you agree that the councils of the regulatory bodies should be changed so that they compromise both non-executive and executive members?**

- 63 We share the Government's view of the importance of effective governance. As the consultation recognises, clarity of accountability is integral to effective governance. We acknowledge that there are different templates for the composition of a Council that can secure this, and the appropriate one may vary in different circumstances. For example, there is a huge disparity in the size of the professions regulated by the current nine health care professional regulators. The composition that is effective for the NMC, which regulates a much bigger number of professionals than any of the others, may not be appropriate for others.
- 64 For the NMC we believe that there is no reason to depart from the current constitutional arrangements. They provide clarity of accountability, enabling the Council to hold the Executive to account, whilst critically also ensuring independence of operational decision-making.
- 65 The current configuration of the NMC Council with a balance of registrant and lay members drawn from across the four UK countries provides an invaluable mix of expertise and knowledge. All Council members, lay and registrant, are appointed entirely on merit, following robust open and transparent processes to ensure that they are qualified for the role and that the Council has the right mix of skills. Each of them is appointed as an individual, not as a representative of either a profession, or of one of the countries of the UK. In addition, the Chair and Council members participate in annual individual appraisals and the Council as a body reviews its own effectiveness annually.
- 66 Council members, collectively and individually, are clear that protection of the public is the foremost consideration in all Council decision-making. Adoption of best governance practice, including our Code of Conduct, published registers of interest and declaration of interests at every meeting, mean that effective arrangements are in place to ensure that decisions are not subject to any inappropriate or undue influence.
- 67 The effectiveness of the current constitution and composition of the Council is evidenced by the significant improvements in NMC performance and reputation led and overseen by the Council since it was reconstituted in 2013. This has been achieved by working in partnership with the Executive, setting the strategic direction and providing both support and challenge, whilst effectively holding it to account for delivery. The current constitutional arrangements provide the essential clarity of role and responsibilities conducive to strong and effective governance.
- 68 We are not persuaded that moving to a unitary style board comprising executive and non-executive members would therefore enhance accountability or strengthen governance. The role of the Executive is to share the making of strategy and policy with the non-Executive members and take responsibility for the execution of policy. A unitary board would give the Executive more influence over policy and is more likely to reduce the ability of the Non-Executive members to challenge and hold the Executive to account. Moreover, constitutional change inevitably involves

disruption, distracting organisational energy and focus from the primary purpose - to protect the public, for no apparent gain and potentially significant loss of focus and effectiveness.

**Question 19 – Do you think that the views of employers should be better reflected on the councils of the regulatory bodies, and how might this be achieved?**

- 69 We already have effective mechanisms in place to engage with and gauge the views of employers, and work closely with them as appropriate. This includes our Employer Link Service which has been very positively received by employers, as well as ongoing Executive engagement with employer representative bodies, amongst others.
- 70 Within the current constitutional arrangements, Council members can include individuals who are also employers, as is currently the case, and we value the insight and awareness this brings to our work. However, as indicated above, we believe that Council appointments should continue to be solely on merit, in accordance with the skills mix needed to ensure an effective high-performing governance body. We strongly oppose allocation of places on the Council to represent the specific interests of employers. This would present potentially insurmountable conflicts of interest for the individual(s) involved since unlike other Council members their authority and primary responsibility would be to the body they represent, rather than to serving the best interests of the Council and the public we serve.

**Question 20 – Should each regulatory body be asked to set out proposals about how they will ensure they produce and sustain fit to practise and fit for purpose professionals?**

- 71 We agree that each regulatory body should state this clearly. However, in the case of the NMC, this is already in place. The statutory functions of the NMC are already clearly set out in Article 3 of the Nursing and Midwifery Order 2001. These statutory functions set out how we “produce and sustain” fit to practise and fit for purpose professionals through our education requirements, standards setting, and registration and fitness to practise functions. Our statutory functions clearly state that we exist to protect the public. We set standards of education, training, conduct and performance so that nurses and midwives can deliver high quality healthcare throughout their careers. We make sure nurses and midwives keep their skills and knowledge up to date and uphold our professional standards. We have clear and transparent processes to investigate nurses and midwives who fall short of our standards.
- 72 We work closely with other regulators to share good practice and information, collaboratively where appropriate for example, our joint guidance with the General Medical Council on the duty of candour and joint statements with other regulators on the duty of candour.
- 73 Our five year strategy and annual corporate plan clearly set out our priorities and how we will fulfill our statutory functions and we evidence how we achieve this in our statutory annual reports to Parliament.

- 74 The question implies that there should be some new requirement laid on regulators. Given what is already in place in the case of the NMC, we do not see the value or rationale in imposing additional requirements of the sort proposed and are unclear how this would add to public protection.

**Question 21 – Should potential savings generated through the reforms be passed back as fee reductions, be invested upstream to support professionalism, or both? Are there other areas where potential savings should be reinvested?**

- 75 The Council is responsible for setting the fees and is committed to reviewing the fees annually, as part of the budget-setting process. In this way the Council ensures that the fees are set at the right level to meet the costs of regulation, whilst ensuring best value for money for registrants from the fees paid.
- 76 The NMC Council takes its responsibility for setting the fees very seriously. We consider that each Council is best placed to make judgments about the most effective and efficient use of resources, taking account of short, medium and long term financial health and sustainability.

**Question 22 – How will the proposed changes affect the costs or benefits for your organisations or those you represent?**

- an increase
- a decrease
- stay the same

**Please explain your answer and provide an estimate of impact if possible.**

- 77 The proposed changes in this consultation are broad and lack specific detail. Therefore we are unable to clearly set out what the costs or benefits will be. Further information is required as to the proposed changes outlined before we can analyse the impact on our organisation and our stakeholders.

**Question 23 – How will the proposed changes contribute to improved public protection and patient safety (health benefits) and how could this be measured?**

- 78 As per our answer in question 22, we are unable to provide a meaningful answer unless further information is provided on the changes the Government has proposed. We welcome further clarity before we are able to analyse any impact on public protection and patient safety.

**Question 24 - Do you think that any of the proposals would help achieve any of the following aims:**

- **Eliminating discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010 and Section 75(1) and (2) of the Northern Ireland Act 1998?**
- **Advancing equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it?**
- **Fostering good relations between persons who share a relevant protected characteristic and persons who do not share it?**

**If yes, could the proposals be changed so that they are more effective?**

**If not, please explain what effect you think the proposals will have and whether you think the proposals should be changed so that they would help achieve those aims?**

79 As mentioned above, we are unable to provide a meaningful answer from an equality and diversity perspective unless further clarity on the proposals is provided.

80 However, we note that the executive summary says that:

*“we expect the professional regulators to work in partnership with employers and higher education providers to ensure that the recruitment, education and training systems they assure and operate are delivering the **right people, that they are teaching the right things** (through both the formal and informal curricula)”* emphasis added.

81 It's important to recognise that the 'right' people should mean recognition of the diversity of both patients and the health professionals. This should be intrinsically part of any system for the education of health professionals, that they understand the health needs of a diverse population. Furthermore any education system may need to include provision for widening participation, to engage with groups that may be disadvantaged in their applications into health professional education, and to ensure that the health professionals are diverse in how they reflect the patient population. To meet the public sector equality duty to 'advance equality of opportunity' there may need to be requirements set by the health regulators in their standards to encourage education and training providers to meet these duties.

82 Similarly in order for health professionals to meet the public sector equality duty of eliminating discrimination and harassment, it may be that they have to be more prescriptive in their regulatory expectations of health professionals and consider breaches of these duties in fitness to practise proceedings. Any focus on risk should include consideration of discrimination and harassment of patients and other colleagues – as discriminatory behaviours have been linked to environmental risks and patient safety.

## Council

### Gender Pay Gap Report 2017

- Action:** For decision.
- Issue:** To approve the NMC Gender Pay Gap Report 2017 for publication.
- Core regulatory function:** Supporting functions.
- Strategic priority:** Strategic priority 4: An effective organisation.
- Decision required:** The Council is recommended to approve the draft NMC Gender Pay Report 2017 for publication on the NMC website and Government portal (paragraph 19).
- Annexe:** The following annexe is attached to this paper:
- Annexe 1: Draft NMC Gender Pay Report 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.

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- Context:**
- 1 The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 require employers with 250 or more employees to publish figures showing their gender pay gap by 4 April 2018. The information must be calculated and published each year on both the employer's own website and on a dedicated Government website. The regulations specify how the gender pay gap is to be calculated.
  - 2 The NMC's first draft report for review and approval by the Council is at Annexe 1. As required, the report is based on a snapshot of the NMC permanent and fixed term workforce at 5 April 2017.
- Four country factors:**
- 3 The new legislation is applicable across England, Scotland and Wales. The Northern Irish legislation is still in draft form and whilst it is expected to be similar it is expected to go further and request information on ethnicity and disability.

**Discussion: NMC Gender Pay Report 2017**

- 4 The objectives of our Gender Pay Report are to:
  - 4.1 demonstrate NMC compliance with the requirements by providing the results of the six mandatory calculations and publish the results on our website and the Government website by April 2018.
  - 4.2 provide a narrative with our calculations which gives the reasons for the results and our proposed actions to reduce or eliminate the gender pay gap and more generally to move forward with our Equality, Diversity and Inclusion objectives.
  - 4.3 note the positive outturn in 2017: the gender pay gap to be reported for the NMC in this first year is significantly better than the national trend reported to date. This outturn is in part due to the strong representation of female colleagues in middle and senior management roles.
- 5 Since the implementation of The Equal Pay Act in 1970, employers have been expected to take steps to ensure pay parity for equal work between male and female workers. Despite the Act now being over 40 years old, evidence in the wider labour market continues to show that there is still not pay parity across the board.
- 6 The legislation implemented from April 2017 requires all organisations with more than 250 employees to report the overall gender pay gap between all men and women. This must be reported on the employer's website and a dedicated Government website. This is the NMC's first report submitted for publication.
- 7 The report is based on a snapshot of the demographic status of the

NMC employees at 5 April 2017. It is important to note that the Gender Pay Report measures six high level criteria set down in the legislation; it is not an Equal Pay audit.

- 8 We proposed to complete an equal pay audit as part of our wider reward work, the outcome of which will be reported to the Council in March 2018. This will help inform an action plan to close the gap even further.
- 9 Our report shows the following results for 2017:
  - 9.1 The NMC mean pay gap for 2017 is 1.9%.
  - 9.2 The NMC median pay gap for 2017 is 3.7%
  - 9.3 In 2017, 64% of NMC employees were female.
  - 9.4 Across all the quartile bands, female employees outweighed male employees.
  - 9.5 The difference between male and female median salary is driven by an allowance in payment to a small number of employees, in a role where there are fewer female employees. If the allowance were to be discounted, the gap in this measure would be 0%.
  - 9.6 When assessing the comparison between male and female employees by breaking the workforce down into quartiles, the data shows that the upper quartile of the pay ranges (100%–75%) and the middle lower quartile (50%–25%) have a negative pay gap and means that females are paid more than males in these groups.
  - 9.7 The NMC mean pay gap is driven by the population within the upper middle quartile (75%–50%). This is due to 37% of females being paid at the lowest rate compared to only 27% of males in that group.
- 10 Compared to national results the NMC has performed well in 2017. The current national average mean gap is 10.9%, compared to the NMC 1.9% (9% lower). To date there are no other published results from other healthcare regulators to enable us to provide any insight into sector performance.
- 11 We are pleased with this outturn; however we are not complacent. The newly approved People Strategy (2017–2020) sets out our ambition to become an employer of choice, one way that we will achieve this is by taking the Equality, Diversity and Inclusion (EDI) and reward agenda beyond compliance, to embed these objectives within our culture and normal ways of working.
- 12 The NMC will complete additional assessment to close the gap

further. As part of our Reward review in 2018-2019 we will obtain more data than is required including grade, locations and levels of experience of employees as part of an equal pay audit. By understanding this breakdown, we will be able to explain and address the gender pay gaps effectively and seek to reduce them.

- 13 Demographic gaps are typically caused by an overrepresentation of male employees in senior highly paid roles and/or an overrepresentation of female employees in the most junior roles. This has the impact of increasing the average male salary across the organisation. As part of an informed action plan, we will be identifying diversity challenges and finding ways of breaking down barriers to female recruitment, retention and promotion at senior levels and increasing balance in all grades. By taking steps to equalise gender representation across all levels, the NMC will start to see further reductions to our gender pay gap.
- 14 Non-demographic gaps relating to employees performing broadly comparable work will likely identify equal pay issues among employees. These could be down to a whole host of reasons, which may include historic and inherited pay issues that continue to impact on employees' current reward levels. The NMC will conduct this work and create an action plan to resolve any differences that cannot be justified, once the financial amount is calculated. We will take account of these issues in developing the draft corporate budget 2018-2019 which the Council will consider in March 2018.
- 15 The NMC is reviewing all HR policies and procedures throughout 2018. The NMC launched its Agile Working Policy in October 2017 a policy which is accepted as a positive route to encourage more women to work and to encourage progression to higher grades. In 2018, the People and Organisational Development directorate will be reviewing family and parental leave policies, launching the performance management programme for leadership, and a new appraisal process which will be more about experiential learning, as well as working with external organisations that specialise in talent programmes. These are all techniques which enhance access, experience and development of individuals in under-represented groups. In recruitment, we will be reviewing our processes and how we recruit and promote employees and will be piloting the use of 'anonymised cvs' in 2018.
- 16 All of these approaches are likely to enhance our approach to equality in the workplace and we are appointing a Staff Lead for EDI in early 2018 to help us progress these objectives.
- 17 If pay disparities between these employees are not justifiable (for example, on the basis of relative performance or time in role), the NMC will be in breach of equal pay laws. HR will be working with Finance to identify and remediate non-demographic gaps as a priority. Such remedies are likely to include pay increases for those

individuals for whom a gap cannot be justified.

- 18 All salary levels will be reviewed over the next three years to reach our aim to become a median pay employer. Further work on reward will review the use of out of hours allowances to ensure fairness. We will undertake Equal Pay reviews on appointment to ensure that we monitor and act on any gap before recruitment activity begins.
- 19 The draft report at Annexe 1 has been discussed with the Employee Forum and the Equality and Diversity Leadership Group.
- 20 **Recommendation: The Council is recommended to approve the NMC Gender Pay Report 2017 for publication on the NMC website and Government portal.**

**Public protection implications:**

- 21 None arising from this report.

**Resource implications:**

- 22 Costs of undertaking the gender pay assessment and preparing the report will be met from within the business as usual People and OD directorate budget.
- 23 Costs to address the gap will need to be met from the NMC pay budget in plans for 2018-2019 and beyond.

**Equality and diversity implications:**

- 24 The report seeks to fulfill our equality and diversity obligations for gender pay reporting in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

**Stakeholder engagement:**

- 25 The report will be published on the NMC and Government websites.

**Risk implications:**

- 26 There is a risk of reputational damage if the report is not published within the legal timeframes. The People Strategy includes EDI and Reward work streams, which aim to mitigate the risks of gender or equal pay claims.

**Legal implications:**

- 27 Failure to comply with the requirements in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 constitutes an 'unlawful act' under s 34 of the Equality Act 2006. This empowers the Equality and Human Rights Commission (EHRC) to take enforcement action.



# Gender Pay Gap

## report 2017

# Foreword

The Nursing and Midwifery Council (NMC) is committed to the principle of equal opportunities for all employees, irrespective of their protected characteristics. We are pleased to report that the NMC has a gender pay gap significantly lower than the trends reported nationally so far this year. We are proud that our demographic shows that this outturn is largely due to a strong representation of female colleagues in middle and senior management roles, as well as rigorous control over pay and grading arrangements. Our data evidences that we are in a good position in terms of gender pay equality; however we recognise that we are on a journey of continuous improvement.

This year has seen the approval of our People Strategy (2017–2020). The roll out of the strategy will ensure that the NMC is a great place for all our colleagues to work and is befitting of our role as a healthcare regulator. In year one, the NMC is undertaking a full review of our policies and approaches across the employment lifecycle. This is so that we can continue to ensure that the NMC offers candidates and employees equal access and inclusion in all that their interaction and employment with us offers, irrespective of protected characteristics or personal circumstances.

We will take important steps towards embedding Equality, Diversity and Inclusion (EDI) in all that we do and the decisions that we make about employees, and we are pleased to be appointing a Staff Lead for EDI in early 2018. This role will drive and inform our work, taking us further than the mandatory Equality and Diversity training we already provide to all staff. It will further implement unconscious bias training and practices across the NMC to support our recruitment decisions. It will also set high standards and upskill all those responsible for managing people and making decisions that affect the employee experience.

We are excited to take our work further in this area, we are not complacent; as we embed the various work streams of our People Strategy we will continuously review our performance and effectiveness so that Equality, Diversity and Inclusion become embedded in our ways of working.

**Sarah Daniels**

Director of People and Organisational Development

# What is the Gender Pay Gap report?

All employers with 250 or more employees are now required to publish their gender pay gap data every year under new legislation that came into force in April 2017. The data must be provided for the snapshot date of 5 April 2017.

## What does the NMC have to do?

To comply with regulation we have to provide:

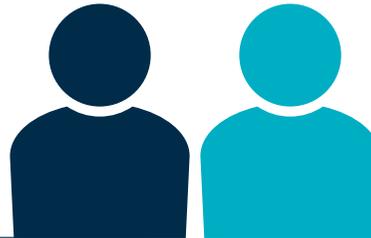
- 1) the mean gender pay gap
- 2) the median gender pay gap
- 3) the mean bonus gender pay gap
- 4) the median bonus gender pay gap
- 5) proportion of males receiving bonus
- 6) proportion of females receiving bonus
- 7) the proportion of males and females in quartile bands.

### We must also:

- publish our gender pay gap data and a written statement on our public-facing website
- report our data to government online – using the gender pay gap reporting service

# Information collection methodology

We ran a report of all staff on the snapshot date of **5 April 2017** with the following information:



✓ Staff number	✓ Full name	✓ Directorate
✓ Department	✓ Worker type	✓ Contract type
✓ Job title	✓ Gender	✓ Pay level
✓ FTE (Full Time Equivalent headcount)	✓ Actual working hours	✓ Salary
✓ Allowances	✓ FTE salary	

# Information collection methodology

# 1.



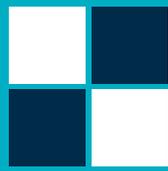
The first step was to work out the FTE salary, including allowances for all employees to enable us to work out the mean gender pay gap. This was done by using the employee's salary, allowances and actual working hours and then working out the average FTE salary by gender.

# 2.



The next step was to calculate the median pay gap. This was achieved by ranking the FTE salaries of all male and female employees highest to lowest and finding the median value for both genders.

# 3.



The final step was to work out the percentage of males and female in each quartile. This was completed by ranking all employee by their FTE salaries and the splitting them into quartiles. Then each quartile was evaluated separately to understand the distribution of males and females. This provided the results for the NMC gender gap report.

# Our 2017 gender pay gap results



## The mean gender pay gap

The NMC mean pay gap for 2017 is 1.9%

This means that on average male employees are paid 1.9% more than females. The major reason for this is that 12% of all male employees are in higher graded jobs, (e.g. Grade F-CEO), whereas only 10% of females follow this pattern. So proportionately, more males are in the top grades compared to females.

## The median gender pay gap

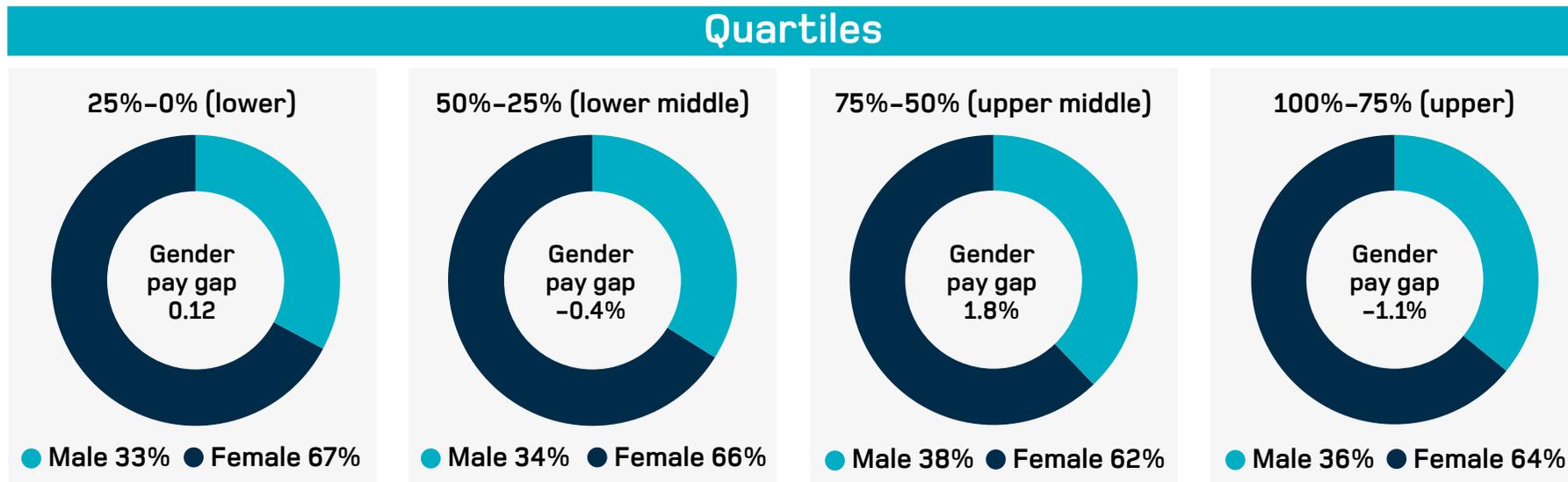
The NMC median pay gap for 2017 is 3.7%

This means that the median male employee is paid 3.7% more than the median female. The reason for the difference is that the median male is paid a base salary of **£30,142.13**, however is in receipt of an allowance of **£2,500.00**.

The median female employee is paid a base salary of **£31,426.20** (which is higher than the median male), however does not receive any allowances. This is reflected in the rest of the NMC as only four females in a lower grade band (e.g. Grade C or below) received an allowance compared to eight male employees. If the NMC were not to pay any allowances, the pay gap would be 0%.

# Our 2017 gender pay gap results

The proportion of males and females in quartile bands



In April 2017 **64%** of NMC employees were female. This is reflected in the quartile bands in which the number of female employees outweighs the number of males.

We can also see that from the data above that the upper quartile of the pay ranges (**100%-75%**) and the middle lower quartile (**50%-25%**) actually have a negative pay gap and mean females are paid more than males.

The final piece of information that this highlights is that our mean pay gap is driven by the population within the upper middle quartile (**75%-50%**). This is due to **37%** of females being paid at the lowest rate compared to only **27%** of males.

**Bonuses:** The NMC doesn't currently pay bonuses to any of its employees and we therefore don't have any data in relation to this.

# How do we compare?

In August 2016 the Office for National Statistics reported the mean gender pay gap was **9.4%**. Therefore the NMC is currently **7.5%** below the national average.

To date **411** different employers in the UK have published their gender pay reports. The average results are as follows:



AVERAGE UK RESULTS ▼	▼ NMC RESULTS
<b>10.9%</b> Mean gender pay gap	NMC is currently <b>9%</b> lower
<b>9.1%</b> Median gender pay gap	NMC is currently <b>5.4%</b> lower
<b>15.3%</b> Mean bonus gender pay gap	The NMC currently does not pay bonuses
<b>6.5%</b> Mean bonus gender pay gap	The NMC currently does not pay bonuses

# How the NMC aims to reduce its gender pay gap

We want to ensure that we are able to reach, attract and recruit the best candidates for our organisation, irrespective of their gender or background. We also want to pay a competitive salary and benefits package that is appropriate to our market sector and maintains the integrity of our pay and grading system.

During 2017–2018 we will undertake a review to refresh, and where appropriate update all of our employment policies. This will include recruitment, selection and reward. There are many policies that we have already implemented that can have a direct effect on the gender pay gap.

We will consult on these policies with our staff and the Employee Forum. An Equality Impact Assessment will also be completed to ensure that we maintain the principles of opportunity and fairness in this work.

More recently, in October 2017, we launched our agile working policy. Ultimately by working more efficiently and making better use of our resources we will be in a better place to deliver our regulatory function and achieve our mission to protect the public.

We also want to support everyone to achieve a reasonable balance between work and other priorities, such as family

and caring responsibilities, further learning and other needs, interests and hobbies.

We believe that a healthy work–life balance can improve motivation, performance and productivity and support employees to access more interesting work and opportunities. Through agile working we aim to give people greater autonomy over how they work by moving to a culture of delivery, outcomes, quality and success rather than focusing on their attendance at work during fixed set hours.

The NMC has created and adopted an Equality, Diversity and Inclusion (EDI) Framework which places EDI at the heart of our organisation, and demonstrates our commitment to improving the experiences of diverse groups.

One of our strategic equality and diversity aims is to be a good employer and aspire to have a workforce that reflects the diversity of the communities in which we operate at all levels of our organisation. In view of this aim our EDI Leadership Group will review this report and the issues arising into its action planning. It will ensure that the gender pay gap remains under regular review, making recommendations for action and improvement where appropriate.



## Council

### Review of Council allowances 2017

**Action:** For decision.

**Issue:** Review of Council allowances 2017.

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

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

**Decision required:** The Council is asked to consider the report of the Independent Panel appointed to review Council allowances (Annexe 1) and:

- Agree the Independent Panel's recommendation that the annual allowance for Council members be increased to £14,724 from 1 April 2017 (paragraph 15).
- Agree that a full independent review of allowances be undertaken every three years (paragraph 21.1).
- Decide whether to develop a 'remuneration philosophy' to inform regular review of Council allowances and, if so, ask the Remuneration Committee to develop proposals for consideration by the Council. (paragraph 21.2).

**Annexe:** The following annexe is attached:

- Annexe 1: Independent Panel Stage 2 Report.

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

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- Context:**
- 1 Under the Nursing and Midwifery Order 2001, the Council is responsible for determining the allowances to be paid to Council members.
  - 2 In July 2015, the Council agreed a process to ensure that conflicts of interest are handled appropriately and that the Council is distanced from decisions relating to its own allowances. This process included the formation of an independent panel to undertake a review and make recommendations. The Independent Panel first met to review Council allowances in 2016.
  - 3 The Independent Panel's first report to the Council in November 2016 recommended a two stage approach. The Council agreed the Independent Panel's recommendation that the 2016 review be regarded as Stage 1.
  - 4 This paper presents the Stage 2 recommendation of the Independent Panel in relation to Council members. The Independent Panel's report is at Annexe 1.
- Four country factors:**
- 5 Benchmarking comparators considered by the Independent Panel included organisations with UK-wide responsibilities.

**Discussion: Independent Stage 1 review 2016**

- 6 Prior to the Stage 1 review in 2016 there had been no increase to allowance levels since 2009.
- 7 In its Stage 1 review the Independent Panel recommended that the equivalent daily rate for Council members be brought into line with the median equivalent rate across healthcare regulators (equating to a daily rate of £368). However, the Panel took the view that there could be a case for a higher level of allowance for Council members and also recommended that a further review should take place in 12 months with the benefit of fuller evidence.
- 8 The Council accepted both the Panel's recommendations. This resulted in the annual allowance for Council members being increased from £12,000 to £13,250 from April 2016, based on the formal time commitment expected of members of three days a month.

**Independent Stage 2 review 2017**

- 9 The Panel reconvened to undertake the second stage review in October 2017 to consider an increase for 2017–2018. In carrying out its review, the Panel considered a range of factors, including:
  - 9.1 A much broader range of up-to-date comparative

benchmarking data than available at the Stage 1 review. This included data for healthcare regulators and a range of other organisations.

- 9.2 Comparative information on healthcare regulators, including size of the register and annual income.
  - 9.3 Factors considered by other healthcare regulators when determining appropriate allowance levels.
  - 9.4 The revised role description and competencies for members adopted by the Council in November 2016 which had renewed focus on issues of responsibility and accountability, including in respect of members' duties as charity trustees.
  - 9.5 The market for skilled and qualified non-executive directors and the need to be able to recruit and retain individuals of the required calibre.
  - 9.6 The NMC Executive Pay framework and staff pay awards over the period since 2012.
  - 9.7 Information on registrant pay increases since 2012.
- 10 The Panel reaffirmed its Stage 1 view that the relative size and complexity of the NMC, the public-facing nature of the role, and the challenging environment in which the organisation operates, warrants an allowance at least at the median for healthcare regulators and possibly higher.
  - 11 The Panel noted that since its previous review the mean and median allowance across healthcare regulatory bodies had increased to £393 (equivalent daily rate) and that was now higher than the allowance for NMC members despite the uplift to £368 (equivalent daily rate) adopted by the Council in 2016.
  - 12 The Panel also looked at the benchmarking data for three other larger regulators (the General Medical Council, General Dental Council and the Health and Care Professions Council), alongside the NMC. It calculated that the mean equivalent daily allowance for these four regulators is £424.
  - 13 The Panel recommended an increase in the Council member allowance to £14,724 a year. This equates to a day rate of £409, based on the existing formal time commitment of three days a month (36 days per year). The equivalent daily rate of £409 is approximately at the half way point between the mean and median daily allowance across healthcare regulatory bodies (£393) and the mean daily allowance for the four healthcare regulators referred to in paragraph 12 (£424) and in line with the median rate for the wider range of organisations sampled. This represents an increase of

approximately 11 percent on the rate set in April 2016.

- 14 If agreed by the Council, the increase would take effect from 1 April 2017, in line with normal policy on increases in NMC staff remuneration.
- 15 **Recommendation: The Council is asked to agree the Independent Panel's recommendation that the annual allowance for Council members be increased to £14,724 from 1 April 2017.**

### **Future approach to allowances**

- 16 The Independent Panel considered the future approach to the review of Council member allowances (paragraphs 30 to 34 of the report).
- 17 The Panel's view was that implementation of the Stage 2 review recommendations should address the anomalies resulting from the absence of any increase in allowances since 2009 and allow for a period of relative stability. The Panel advised that the Council should review regularly whether the reward offering is sufficient to attract and retain members, with a formal review every three years. The Panel suggested that the Council might develop a formal 'reward philosophy' to inform this approach.
- 18 The Panel also looked at whether there might be a case for additional recognition for Council members undertaking specific roles with additional responsibilities, such as Vice Chair/Committee Chair, in recognition of additional responsibilities and time commitment. The Panel noted that some healthcare regulators and others organisations take this approach and considered it a reasonable concept to offer an additional allowance to reflect significant additional responsibility. The Panel's view was that it should be a matter for the Council to identify which, if any, roles involved a commitment exceeding that which might reasonably be expected of a Council member.
- 19 The Council will wish to consider whether to take forward the Panel's suggestion of developing a formal 'reward philosophy' to inform its future approach to both regular and full three year reviews of allowances. This might encompass principles such as, for example, recognition of the public service nature of the roles and charitable status; ensuring remuneration is sufficient to attract and retain high calibre candidates with the necessary skills, expertise and experience from a wide range of diverse backgrounds; equality, diversity and inclusion; affordability and economic climate; recognition that expenditure is funded from fees paid by registrants. Development of such an approach could also include further consideration of the concept of additional responsibility allowances.
- 20 If the Council wishes to take forward this proposal, it may wish to ask

the Remuneration Committee, supported by the Secretary, to develop proposals for future consideration by the Council.

**21 Recommendation: The Council is asked to:**

**21.1 Agree that a full independent review of allowances be undertaken every three years.**

**21.2 Decide whether it would be helpful to develop a 'remuneration philosophy' to inform future review of Council allowances and, if so, ask the Remuneration Committee to develop proposals for consideration by the Council.**

**Public protection implications:**

22 None.

**Resource implications:**

23 Provision has been made for any change to Council members' allowances in the Governance budget.

**Equality and diversity implications:**

24 The Independent Panel's Terms of Reference required it to take into account equality and diversity impacts and the NMC's obligations under the Equality Act 2010.

**Stakeholder engagement:**

25 None.

**Risk implications:**

26 There is a need to be mindful of affordability and economic climate in relation to any increase to Chair and members' allowances. Any increase should be justifiable and able to withstand public scrutiny. The Independent Panel's Terms of Reference included the requirement to take these factors into account.

**Legal implications:**

27 The Nursing and Midwifery Order 2001 provides for the Council to determine the allowances to be paid to members.



# A report by the Independent Panel appointed to review NMC Council allowances

Bronwen Curtis CBE (Chair)  
Keith Luck FCMA, CGMA  
Prof Rosemary Kennedy CBE OStJ TD

**3 October 2017**



## **A report of the Independent Panel on Allowances**

### **Stage 2 review of Allowances**

#### **Background**

- 1 The Council established the Independent Panel in 2016 to review and make recommendations to the Council on the allowances to be paid to the Council Chair and members.
- 2 The Panel's first report to Council in September 2016 recommended a two-stage approach. Stage 1 was to bring NMC allowance levels to the equivalent of the median daily rate paid by other healthcare regulators. The Panel recommended an increase on this basis for Council members. No increase was recommended for the Chair's allowance for 2016–2017, which was at that time already above the median for the allowance levels of Chairs of healthcare regulators.
- 3 The Panel concluded that based on the evidence provided, there could be a case for the allowances for both the Chair and members to be higher, possibly either at or around the third quartile. The Council approved the Panel's recommendations, including the proposal for a further stage 2 review in twelve months with the benefit of further comparative data.
- 4 At the Council's request, the Panel reconvened in September 2017 to consider the allowance level to be set for the new Chair of Council who will take up office in May 2018, based on a new role description and time commitment. The Council approved the Panel's recommendation and the Chair role has been advertised with the agreed level of remuneration (£78,000 based on a time commitment of three days a week).
- 5 The Panel met again in October 2017 to undertake Stage 2 of its review of allowances for the current Council Chair and Council members.

#### **The Panel**

- 6 Biographies of members of the Panel are attached at Annexe 1. The Panel comprises:
  - 6.1 Bronwen Curtis CBE (Chair)
  - 6.2 Keith Luck FCMA CGMA
  - 6.3 Professor Rosemary Kennedy CBE OstJ TD

#### **Scope of review**

- 7 The Independent Panel was invited to:
  - 7.1 Recommend an appropriate level of remuneration for the current Chair of Council.
  - 7.2 Recommend an appropriate level of remuneration for Council members.

- 7.3 Offer advice on the appropriateness or otherwise of the principle of additional remuneration for roles with additional responsibility, such as the Vice-Chair and Committee Chair roles.
- 7.4 Offer advice on an appropriate mechanism for an annual 'testing' of allowances, such as an inflation-related index, within the context of full reviews taking place every three to five years.

## **Approach**

- 8 The Panel noted that the parameters set by the Council in relation to the first stage of its review remained in place. These were:
  - 8.1 Comparability of allowance levels with those of similar organisations, including charitable status and the relative size and nature of responsibilities.
  - 8.2 Time commitment.
  - 8.3 Affordability and economic climate.
  - 8.4 Equality, diversity and inclusion.
- 9 The Panel agreed some overarching principles to guide its Stage 2 review, as follows:
  - 9.1 Where possible, the approach taken should be consistent with that of the Stage 1 review (September 2016).
  - 9.2 Recommendations should be informed by the evidence provided, including, but not restricted to, benchmarking data for the sector and beyond. In particular, the focus should be on any 'new' information before the Panel.
  - 9.3 That the ability to recruit and retain sufficient individuals of the required calibre was a key factor in determining an appropriate level of allowance. The Panel should be mindful of the type of roles being assessed and the market in which the NMC would be competing.
  - 9.4 Allowances should be considered as one part of the 'reward' package and not assume an importance that cannot be substantiated. The reputation of the organisation, the intrinsic nature of the work, the level of satisfaction and the reward for effort ratio are, amongst others, all important factors in recruitment and retention.
  - 9.5 The need to be mindful of attendant risks such as the temptation to over-engineer the review process or take a disproportionately complex approach.
  - 9.6 Recommendations should meet the test of fairness and be robust enough to withstand scrutiny and challenge.

## **Recommendations**

- 10 The Panel recommends that:

- 10.1 The annual allowance for the current Chair of Council be increased to £50,440. This equates to a day rate of £485, based on the existing formal time commitment of two days per week (104 days per year). The Panel noted that it was open to Council to recognise the additional time invested by the current Chair should it wish to do so.
- 10.2 The annual allowance for Council members be increased to £14,724. This equates to a day rate of £409, based on the formal time commitment of three days per month (36 days per year).
- 11 The Panel understands that, subject to Council's agreement, increases in allowances would be backdated to April 2017.

### **Deliberations**

- 12 In making its decisions the Panel considered a range of factors, including:
- 12.1 A much broader range of up-to-date comparative benchmarking data than provided for its Stage 1 review. This included data for healthcare regulators and a range of other organisations.
- 12.2 Comparative information on healthcare regulators, including size of the register and annual income.
- 12.3 Factors considered by other healthcare regulators when determining appropriate allowance levels.
- 12.4 Current role descriptions for the incumbent Chair and for Council members.
- 12.5 Outline information (anonymised) on the most recent Council member recruitment campaign.
- 12.6 Equality and diversity monitoring data (anonymised) for Council and committee members as at March 2017.
- 12.7 Executive Pay framework, staff pay and registrant pay.

### **Decisions**

#### **Allowance for Chair of Council**

- 13 The Panel noted that the current level of annual allowance for the Chair role (£48,000 with an equivalent daily rate of £462) had been set in 2009 and reviewed in 2012 with no change recommended. During its Stage 1 review in September 2016 the Panel had not recommended any increase as the allowance was at that time already above the median for the allowance levels of Chairs of healthcare regulators. The Panel had concluded that there could, however, be a strong case for the Chair's allowance to be higher, given the demands of the role, possibly at, or around, the third quartile.
- 14 The Panel considered a range of options from 'do nothing' to applying an equivalent increase to that agreed for the Chair role from May 2018.

- 15 The Panel noted that in the case of the incumbent Chair, the driver of aiding recruitment and retention did not apply given that her term of office would conclude in April 2018. However, the Panel's view was that the aim of any uplift should be to provide a competitive reward, to recognise the time and energy invested by the office holder and to withstand the fairness test.
- 16 The option to increase the incumbent Chair's allowance to the level recommended for the new Chair was not considered appropriate given the expanded scope of the Chair role from May 2018. The Panel had recommended an annual allowance of £78,000 for the new Chair role, which equates to a daily rate of £500.
- 17 The Panel reaffirmed its view that the relative size and complexity of the NMC, the public-facing nature of the role, and the challenging environment in which the organisation operated, warranted an allowance at least at the median for healthcare regulators and possibly at or around the third quartile. The Panel reviewed the most recent published data for both the sector and the wider range of organisations sampled. It noted that since the time of the last review, increases in Chair allowances were such that the Chair of the NMC Council no longer received an allowance above the sector median.
- 18 The Panel noted that the median equivalent day rate paid to Chairs of healthcare regulatory bodies is £485. This is higher than the median for the wider range of organisations sampled. The Panel agreed to recommend that the annual allowance for the incumbent Chair of Council be increased to £50,440. This reflects the current median day rate across healthcare regulatory bodies of £485, based on the existing formal time commitment of two days per week (104 days per year). It was noted that in practice the incumbent Chair had worked significant additional voluntary hours over and above the agreed formal two day per week commitment. The Panel considered that should the Council wish to take account of this additional time then it was open to it to do so.

### **Allowance for Council Members**

- 19 Following approval of the recommendations of the Stage 1 review in September 2016, allowances for Council members had increased to £13,250 per annum (an equivalent daily rate of £368 based on a 3 days per month time commitment), effective from April 2016. Since that time, a revised role specification and competencies had been introduced. This had clarified the organisation's expectations of members and brought renewed focus on issues of responsibility and accountability, including in respect of members' duties as charity trustees. Following review of both the previous and current role specifications, the Panel considered that there had been no material changes to the role or to the formal time requirement expected of members.
- 20 The Panel considered the likely impact of its recommendations on the ability to attract and retain high-calibre candidates and to promote equality, diversity and inclusion. The prevailing view was that there was insufficient evidence to conclude whether allowance levels were a key determinant in attracting or dissuading prospective Council members. Other factors may well have an impact but no evidence was provided to understand this further. Equally, it was not possible to determine from the available data whether financial considerations had a

disproportionate influence on outcomes for those from non-traditional and under-represented groups.

- 21 In considering members' allowances, the Panel had regard to the relative size and complexity of the NMC, the public-facing nature of the role, the challenging environment in which the organisation operated, and the market for skilled and qualified non-executive directors. Consistent with the approach taken in respect of the current Chair, the Panel concluded that there was a case for remunerating Council members at least at the median for the sector and possibly higher.
- 22 The Panel noted that the median and mean (average) daily allowance rates across healthcare regulators gave rise to the same figure (£393), and that this was higher than the rate applied to NMC Council members (£368), despite the uplift awarded in April 2016.
- 23 Alongside the NMC, the Panel looked at the benchmarking data for three other larger regulators (General Medical Council (GMC), General Dental Council (GDC) and Health and Care Professions Council (HCPC)). It calculated that the approximate mean daily allowance for these four regulators was £424, but noted that the figure was skewed by the GMC being somewhat of an outlier.
- 24 The Panel agreed to recommend that the annual allowance for Council members be increased to £14,724. This equated to a day rate of £409, based on the formal time commitment of three days per month (36 days per year). This was approximately at the halfway point between the mean and median daily allowance across healthcare regulators (£393) and the mean daily allowance for the 'big four' regulators (GMC, GDC, HCPC and NMC) of £424 and not out of line with the median rate for the wider range of organisations sampled.

### **Additional Responsibility Allowance**

- 25 The Panel considered whether there might be a case for additional recognition for Council members undertaking specific roles with additional responsibilities, such as Vice Chair of Council and committee Chair roles.
- 26 In principle, the Panel considered it a reasonable concept to offer an additional allowance to reflect significant additional responsibility. The Panel noted that some healthcare regulators and other organisations do provide additional allowances in recognition of additional responsibilities and time commitment. It would be a matter for the Council to identify which, if any, roles involved a commitment exceeding that which might reasonably be expected of a Council member.
- 27 There were two options in terms of remuneration:
  - 27.1 An additional flat rate allowance in recognition of additional responsibility.
  - 27.2 An additional sum equivalent to an agreed number of additional days.
- 28 Based on available benchmarking data and the Panel's own knowledge, between £2,000 and £3,000 would appear to be an appropriate flat rate of additional allowance for the sector, if this were the preferred option.

- 29 In considering the possible introduction of additional allowances, the Council would no doubt wish to be mindful of the guidance provided by the NHS Foundation Trust Code of Governance in relation to Non-Executive Director remuneration. This cautions against paying more than is necessary to attract, retain and motivate quality applicants. Other considerations might include: the need to demonstrate sensitivity to pay and employment conditions; the fact that any increase in allowance would need to be funded from registrants' fees; issues of affordability and impact on revenue budgets; and the inherent danger in establishing a precedent which might then be extended to other office holders/post holders and types of activity.

### **Future approach to the review of allowances**

- 30 The Panel considered whether for the future an appropriate mechanism, such as an inflation-related index, should be built in to address annual uplifts, with full reviews taking place every three to five years.
- 31 The Panel was of the view that automatic inflationary increases would not be appropriate or desirable set against a backdrop of public sector wage restraint, the need to exercise financial prudence, and the likely criticism that such a move would generate.
- 32 The Panel felt that following the September 2016 review and the conclusion of the current Stage 2 review, any significant anomalies in allowance levels should have been addressed which should therefore allow for a period of relative stability. Allowance levels will also need to be tested as part of any future recruitment campaigns
- 33 The Panel advises the NMC to consider the market, and its dynamics, within which it operates for these roles. There is a risk that in strictly applying, for example, a median or median plus approach then allowances spiral and the equivalent of wage inflation occurs. The level of allowance becomes disproportionate. The data available, whilst helpful in enabling decisions to be made, is not robust enough to support frequent reviews, and does not necessarily need to be. Caution should be exercised in seeking greater complexity within a system that does not warrant it.
- 34 In considering an annual 'testing' of allowances, the Panel suggested that the NMC should, in line with many other comparable organisations, take a slightly longer term perspective. The lack of annually collected robust data does not support an annual review. Furthermore, the part allowances play in the recruitment and retention of members should be understood. There should be no expectation that formal annual allowance reviews will take place but that the NMC would regularly review whether the reward offering is sufficient to attract and retain and would formally review this every three years. It might be helpful to capture this approach in a reward philosophy statement. The Panel's advice, therefore, is that in future full reviews every three years should suffice.

Bronwen Curtis  
Chair of Independent Panel

## **Members of the NMC allowance review panel**

**The members of the NMC Independent review panel are:**

### **Bronwen Curtis CBE - Chair**

Bronwen Curtis is a former senior HR Director, with experience in both public and private sectors and a former Civil Service Commissioner. She brings considerable appointments and remuneration experience and has worked with and for a range of regulatory bodies. She is currently Chair of the Senior Remuneration Committee, House of Commons, Chair of the Remuneration Committee, Institute and Faculty of Actuaries, a member of the NHS Pay Review Body, a member of the Appointments Committees for the Bar Standards Board and the Institute of Chartered Accountants.

### **Keith Luck FCMA, CGMA**

Keith has a deep understanding of the public sector having held a number of high profile board level appointments – including Chief Operating Officer of the MoD's Defence Business Service, Director General of Finance at the Foreign & Commonwealth Office (FCO), Director of Resources at the Metropolitan Police, and Finance Director for the London Borough of Lewisham.

He has broad stakeholder management experience, from local authorities, policing, citizens and customers (all of which were subject to multiple governance oversight), in the UK as well as internationally. At the FCO and Metropolitan Police, Keith's remit was wide, extending beyond finance to property, estates, facilities management and security.

### **Prof Rosemary Kennedy CBE OStJ TD**

Rosemary has held several senior posts in the NHS including General Manager and Director of Nursing. Rosemary was appointed Chief Nursing Officer (CNO) for Wales in 1999 and was responsible for the publication of several key nursing strategies for Wales including Free to Lead: Free to Care. In addition, Rosemary gained a commission in the Queen Alexandra's Royal Army Nursing Corps (Territorial Army) in 1984 and held all top level unit posts culminating in the appointment of Commanding Officer of a TA Field Hospital. After stepping down as the CNO in September 2010, Rosemary was appointed Chairman of Velindre NHS Trust in January 2011.



## Council

### Review of Chair's allowance 2017

**Action:** For decision.

**Issue:** Review of Chair's allowance 2017.

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

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

**Decision required:** The Council is asked to consider the report of the Independent Panel appointed to review Council allowances (See NMC/18/10, Annexe 1) and:

- Agree the Independent Panel's recommendation that the equivalent daily rate for the incumbent Chair be increased to £485 to take effect from 1 April 2017 to the end of the Chair's term of office (30 April 2018) (paragraph 12).
- Approve an increased annual allowance for the incumbent Chair from 1 April 2017 of £63,050, taking account of the factors set out in paragraphs 13 to 15 (paragraph 16).

**Annexes:** See NMC/18/10, Annexe 1: Stage 2 report by the Independent Panel on Allowances.

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

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- Context:**
- 1 Under the Nursing and Midwifery Order 2001, the Council is responsible for determining the allowances to be paid to Council members, including the Chair.
  - 2 The Council established an Independent Panel in 2016 to review and make recommendations to the Council on the allowances to be paid to the Council Chair and members. Before this there had been no increase to allowance levels since 2009.
  - 3 The Independent Panel's first report to the Council in September 2016 recommended a two stage approach. Council agreed the Independent Panel's recommendation that the 2016 review be regarded as Stage 1.
  - 4 This paper presents the Stage 2 recommendation of the Independent Panel in relation to the incumbent Chair. The Independent Panel's report is attached as Annexe 1 to NMC/18/10.

#### **Allowance for new Chair role from May 2018**

- 5 At the Council's request the Independent Panel undertook a separate review of the allowance for the role of Chair from 1 May 2018, based on the new role description and increased time commitment agreed by the Council in July 2017. In September 2017 the Council agreed the Independent Panel's recommendation and approved an annual allowance of £78,000 (equivalent daily rate £500), based on a time commitment of three days a week, for the role of Chair of Council from May 2018.

- Four country factors:**
- 6 Benchmarking comparators considered by the Independent Panel included organisations with UK-wide responsibilities.

#### **Discussion: Independent Stage 1 review 2016**

- 7 In its Stage 1 review in 2016 the Independent Panel did not recommend an increase to the Chair's allowance because it was, at that time, already above the median paid to Chairs across healthcare regulatory bodies. This means that there has been no increase to the incumbent Chair's allowance since 2009.
- 8 The Independent Panel concluded that there could be a strong case for the level of allowance paid to the Chair to be higher and that a further review should take place in 12 months with the benefit of fuller evidence.

#### **Independent Stage 2 review 2017**

- 9 In carrying out its review the Independent Panel considered a range

of factors, including:

- 9.1 A much broader range of up-to-date comparative benchmarking data than provided for its Stage 1 review. This included data for healthcare regulators and a range of other organisations.
  - 9.2 Comparative information on healthcare regulators, including size of the register and annual income.
  - 9.3 Factors considered by other healthcare regulators when determining appropriate allowance levels.
  - 9.4 Current role description for the incumbent Chair.
  - 9.5 Executive Pay framework, staff pay and registrant pay.
- 10 The Independent Panel reaffirmed its Stage 1 view that the relative size and complexity of the NMC, the public-facing nature of the Chair's role, and the challenging environment in which the organisation operates, warrants an allowance at least at the median for healthcare regulators and possibly higher.
  - 11 Noting that the sector median had increased since its Stage 1 review and that the current Chair's allowance is now below it, the Independent Panel recommends that the allowance for the incumbent Chair should be increased to the median level paid to Chairs of healthcare regulatory bodies. In terms of the 'equivalent' day rate this equates to an increase from £462 to £485 (five percent).
  - 12 **Recommendation: The Council is asked to agree the Independent Panel's recommendation that the equivalent daily rate for the incumbent Chair be increased to £485 to take effect from 1 April 2017 to the end of the Chair's term of office (30 April 2018).**
  - 13 The Independent Panel noted that the incumbent Chair had worked significant additional voluntary hours over and above the agreed formal two days per week time commitment. The Independent Panel considered that should the Council wish to take account of this additional time then it was open to it to do so.
  - 14 The Council itself has previously recognised that the demands of the current Chair role have necessitated the Chair working in excess of the formal two day time commitment. This in part informed its decision to move to an increased time commitment of three days for the new Chair role.
  - 15 The Council is invited to, on a one off basis, approve an increased allowance of £63,050 (based on the £485 daily rate as recommended by the Independent Panel, for 2.5 days per week).

This would:

- 15.1 Recognise the Chair's significant and valued contribution to the NMC.
- 15.2 Recognise the additional time commitment made by the Chair over and above the formal two days.
- 15.3 Offer a fairer and more consistent approach in relation to the increased allowance proposed for Council members.

- 16 **Recommendation: The Council is asked to approve an increased annual allowance for the incumbent Chair for 1 April 2017 to March 2018 of £63,050 (taking account of the factors set out in paragraphs 13 to 15 above).**

**Public protection implications:**

- 17 None.

**Resource implications:**

- 18 Provision has been made for change to the Chair's allowance in the OCCE budget.

**Equality and diversity implications:**

- 19 The Independent Panel's Terms of Reference include the requirement to take into account any equality and diversity impacts and the NMC's obligations under the Equality Act 2010.

**Stakeholder engagement:**

- 20 None.

**Risk implications:**

- 21 There is a need to be mindful of affordability and economic climate in relation to any increase to Chair and members' allowances. Any increase should be justifiable and able to withstand public scrutiny. The Independent Panel's Terms of Reference included the requirement to take these factors into account.

**Legal implications:**

- 22 The Nursing and Midwifery Order 2001 provides for the Council to determine the allowances to be paid to members.

## Council

### Midwifery update

**Action:** For discussion.

**Issue:** Provides an update on midwifery matters.

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

**Strategic priority:** Effective regulation.

**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 director named below:

Director: Geraldine Walters  
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- Context:**
- 1 In January 2017, the Council agreed that a number of measures would be put in place to ensure that the Council received regular advice relating to midwifery regulation, following the removal of the statutory Midwifery Committee. One of those measures included a report at each meeting to update the Council on midwifery issues.
  - 2 This report provides the Council with an update on recent midwifery activity including the work of the Midwifery Panel, the development of new standards of proficiency for midwives, and recent and planned engagement.

- Four country factors:**
- 3 As there are different approaches across the four countries to midwifery issues and maternity services, where different approaches apply these will be highlighted throughout the report.

**Discussion Midwifery Panel**

- 4 There has been no meeting of the Midwifery Panel since the last report to Council. The next meeting of the Panel will be on 8 February 2018.

**Council of Deans of Health**

- 5 The Council of Deans of Health (CoDH) published *Educating the Future Midwife: Discussion paper on the key future outcomes for registered midwife education* in November 2017.
- 6 The paper outlines key factors influencing midwifery practice and areas for further discussion. The report will be considered at the next Thought Leadership Group in January 2018, where the role of the future registered midwife and midwifery education in the UK will be discussed.

**MBRRACE-UK**

- 7 The reports [\*Saving Lives, Improving Mothers' Care\*](#) and [\*Term, singleton, intrapartum stillbirth and intrapartum-related neonatal death\*](#) were recently issued by the MBRRACE-UK collaboration as part of the perinatal confidential enquiry. Both reports will be analysed as part of the future midwife programme and will inform the development of the standards of proficiency for registered midwives.
- 8 On 7 December 2017, representatives from the NMC future midwife team attended the launch meeting in Manchester of the MBRRACE-UK Joint perinatal Confidential Enquiry and Maternal Mortality Report. The findings, implications and recommendations in the report were presented. The conference corroborated what we have been hearing

at our midwifery listening events and reiterated the importance of effective communication and inter-disciplinary working.

### **National Maternity and Perinatal Audit Clinical Report 2017**

- 9 The *National Maternity and Perinatal Audit (NMPA) Clinical Report 2017* was recently published. The NMPA is a large scale audit of the NHS maternity services across England, Scotland and Wales. The NMPA is led by the Royal College of Obstetricians and Gynaecologists in partnership with the Royal College of Midwives, the Royal College of Paediatrics and Child Health, and the London School of Hygiene and Tropical Medicine.
- 10 The report identifies areas of good practice in maternity care and provides important data for areas where there are opportunities to improve the maternity care that women and babies receive. The report will be discussed at a future Midwifery Panel meeting and consideration will be given to whether it can be used to inform our work on the future midwife standards.

### **Future midwife standards**

- 11 There has been no meeting of the Future Midwife Sponsoring Board (FMSB) since the last report to Council. The next meeting of the FMSB will be on 19 April 2018.
- 12 We have embarked on an extensive programme of engagement since October 2017.
- 13 On 29 and 30 November 2017, Mary Renfrew and the future midwife project team met stakeholders in Belfast to hear views on the skills and knowledge that should be required of midwives today and in the future.
- 14 This included focus groups of student midwives and midwifery lecturers, as well as a visit to a mother and toddler group facilitated by the National Childbirth Trust.
- 15 We held a future midwife workshop with 26 participants, including midwives, student midwives, educators, family members and advocacy group representatives. The Midwifery Thought Leadership Group also met in Belfast on 30 November 2017. The next meeting will be in Cardiff on 16 January 2018, followed by a workshop on 17 January 2018.
- 16 There are some consistent themes arising from our engagement to date and feedback on the quality of the events has been positive.
- 17 On 14 December 2017, we held a workshop in London, with 48 participants. We received similarly constructive insights, and feedback

was positive.

- 18 Engagement work to date has also included discussions with a range of advocacy groups including Maternity Action, The Traveller Movement, Refugee Action, Terrence Higgins Trust, and Mumsnet among others. Examples of groups we will be engaging with in January and February 2018 include Sands, professors of midwifery, National Infant Feeding Network, student midwives, educators and mother support groups.
- 19 We continue to engage extensively throughout January and February 2018; we will hold two more workshops in Cardiff and Glasgow, two Thought Leadership Groups in Cardiff and London plus a range of meetings and focus groups with newly qualified midwives, midwifery professors, various advocacy groups and service users. The workshop details for Cardiff and Glasgow can be found on our website. We are also making contact with stakeholders to inform them of the details of the workshops.
- 20 Alongside our engagement work, the University of Dundee are developing a thematic analysis of the future midwife workshops and are undertaking literature reviews based around three key areas: effective education; standards development; and needs of women, babies and families.
- 21 Both will feed into a summary of evidence report being developed by the NMC for Council Seminar in February 2018. It will summarise evidence gathered from a range of sources such as national reports on maternity care and the outputs from our wider programme of engagement.
- 22 A skeleton draft of the proficiencies is being developed alongside the summary report and both will be discussed in Seminar with Council in February 2018.
- 23 Council will receive a further draft of the proficiencies in May 2018.

**Public protection implications:**

- 24 None directly arising from this report.

**Resource implications:**

- 25 None directly arising from this report.

**Equality and diversity implications:**

- 26 None directly arising from this report.

- Stakeholder engagement:** 27 This is covered in the body of the report.
- Risk implications:** 28 No specific risk implications arising from this report. Risks relating to development of the future midwife standards are captured through the programme.
- Legal implications:** 29 None arising from this paper.



## Council

### Education and standards consultation update

**Action:** For information.

**Issue:** A high level summary of consultation feedback on the draft nursing standards of proficiency and the education framework standards is provided alongside an overview of how this will be used to inform the finalised standards.

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

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

**Decision required:** None.

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

- Annexe 1: Final education programme consultation response numbers.

**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 Between June and September 2017, we ran two consultations on new draft education standards.
  - 2 In consultation one, we sought views on:
    - 2.1 Draft standards of proficiency for registered nurses.
    - 2.2 Draft education framework, including requirements for learning and assessment.
    - 2.3 Draft programme requirements for pre-registration nursing.
  - 3 In consultation two, we sought views on:
    - 3.1 Our proposal to adopt the Royal Pharmaceutical Society's prescribing competency framework.
    - 3.2 Draft programme requirements for nurse and midwife prescribing programmes.
    - 3.3 Our proposal to withdraw the Standards for Medicines Management.
  - 4 During the consultation period, extensive activity took place to ensure that we gained actionable feedback on the draft standards helping us to ensure that the final versions are fit for purpose and are clear and accessible.
  - 5 A formal online consultation was held that encouraged responses from all stakeholders between June and September 2017. Qualitative research with a variety of service users was also commissioned during this period. In addition, an extensive series of consultation events were held across the four countries to allow those managing the development of the standards to engage directly with a wide range of stakeholders.
  - 6 Responses to the consultation indicate high levels of agreement with our proposals in several areas. Respondents felt that the new nursing standards of proficiency sufficiently emphasise the importance of patient centred care and patient safety. Respondents felt that the draft education framework promotes equality and diversity. There was also widespread support for adoption of the Royal Pharmaceutical Society's competency framework for prescribers.
  - 7 However there are also areas where respondents have mixed views or in some cases disagree with our proposals.
- Four country factors:**
- 8 It was encouraging that the proportion of responses to the consultation from Wales, Scotland and Northern Ireland was higher

than their (proportionate) share of the register.

- 9 Engagement events were held in all four countries during the consultation period.

**Discussion:**

- 10 We received 1932 responses to consultation one (1292 from individuals, 269 from organisations, three unknown and 368 from a shorter questionnaire with selected key questions). Our target was 1000 responses.
- 11 We received 706 responses to consultation two (585 from individuals, 120 from organisations and one unknown). Our target was 500 responses.
- 12 The respondents included a range of employers, nurses, midwives, students, education providers and other stakeholders. The overall volume of responses was high and importantly the responses were diverse in terms of field of practice and the four countries (see Annexe 1).

**Draft standards of proficiency for registered nurses**

- 13 Overall feedback was positive for the draft standards of proficiency for the future nurse with the majority agreeing that all the original design principles have been met.
- 14 There is a relatively strong and recurring theme from the main consultation that there should be more emphasis on the level of nursing procedures that is specific to a field of nursing and the core or fundamental skills that should be applied across different fields.
- 15 There is widespread support for competence of certain nursing procedural skills being achieved in simulated practice settings before being assessed in actual practice settings. However, despite respondents citing benefits to simulation and support for initial competence being assessed in simulation, there is a widely held conviction that simulation should not be seen as a substitute for hours spent in practice settings.
- 16 Opinions are polarised as to whether student nurses should be required to demonstrate proficiency across each of the four fields of nursing practice in order to demonstrate that they have met the communication and relationship skills stated in Annexe A (of the standards of proficiency) to practise safely and effectively at the end of their programme. Open ended comments suggest a divide between those that believe all fields should be able to demonstrate proficiency/awareness in core skills which are transferable as opposed to those that believe greater depth/more advanced proficiencies are needed for some skills/procedures according to field.

- 17 In terms of all skills, including procedural skills, around one in three respondents think nurses should be proficient across the four fields while 60% suggest this should be in their own field of practice only.

### **Draft standards for education and training providers**

- 18 A majority of respondents feel it is evident that 'the proposed programme of change for education seeks to offer more flexibility to education institutions and their practice placement and work placed partners to deliver nurse and midwifery programmes in creative and innovative ways'.
- 19 Most respondents feel the NMC met their defined objectives<sup>1</sup> in developing the draft education framework standards and requirements.
- 20 Around half of respondents agree with the proposal to separate the support and supervision of students from the assessment of students with a third disagreeing and the remainder being neither for nor against this potential change. Slightly fewer agree with the proposal that the practice assessor role should be independent of the practice supervisor role and a minority agree with encouraging locally agreed innovative and creative approaches to supervision and assessment.
- 21 Most respondents disagree with the proposal that we will no longer require those supporting, supervising and assessing students to complete a programme that is NMC approved. There are mixed opinions regarding the suggestion that practice supervisors can be any registered health and social care professional who is suitably prepared and does not have to be an NMC registrant.

### **Draft programme requirements for pre-registration nursing**

- 22 Views are mixed regarding the suggestion that approved education institutions (AEIs) and their practice placement partners might be allowed to set entry criteria for literacy, numeracy and digital literacy locally.
- 23 A majority of respondents agree that we should continue to set a maximum limit for recognition of prior learning and half of those who commented felt this should be set at 50 percent. A majority also agree that we should continue to require an equal amount of nursing

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<sup>1</sup> Defined objectives are 1) situates patient safety at the core of their function, 2) enhanced outcome, future focussed requirements, 3) being right touch - consistent, clear, proportionate and agile 4) evidence based regulatory intervention that promotes inter-professional learning and cross regulatory assurance 5) providing a framework that is applicable to a range of learning environments 6) ensuring the education framework is measureable and assessable 7) promoting equality and diversity

education to be delivered in practice and theory.

- 24 Views are mixed on the proposal that the proportion of practice learning provided through simulation can be increased. A very large majority of respondents think there should continue to be a cap on the maximum number of practice hours which can be completed in simulation.
- 25 There is widespread agreement that there should be a UK wide national standardised practice assessment document (PAD) to improve consistency of outcome judgments on student proficiency and that we should work with others to support the development of a standardised PAD.

### **Prescribing**

- 26 There is consistent and widespread agreement with the proposal to use the Royal Pharmaceutical Society's Single competency framework for all prescribers as the basis for the NMC's nurse and midwife prescribing proficiencies, and within the post-registration prescribing programme requirements. Overall, 40% of respondents 'strongly agree' and 44% 'agree' with this proposal. In addition, almost all respondents who agree with the proposal (96%) also agree that it will promote a shared approach to prescribing competency between professional groups.
- 27 Mixed opinions were expressed regarding the NMC's proposal that immediately after successful completion of their pre-registration nursing programme and following registration, a registered nurse or midwife can complete a community practitioner prescribing programme (known as V150). Almost half of the organisations that responded (49%) agree with this proposal compared with only 28% of individual respondents; 65% of individuals disagree. The main theme emerging from respondents' comments was that a period of consolidation/preceptorship is required before a nurse or midwife can complete V150.

### **Standards for medicines management**

- 28 There is widespread agreement that governance and policy decisions about safe management of medicines should be made by organisations who deliver care and services to people and patients. Further, 82% of respondents agree that evidence based practice, policies and standards of medicine management should apply to all healthcare professionals.
- 29 However feedback was less supportive of our proposal to withdraw our standards for medicines management. 27% of respondents agreed with the proposal, 40% disagreed and 33% either neither agreed nor disagreed or did not know.

**Service user feedback on the draft standards**

- 30 We did not expect many service users to engage with our main consultation. A shorter targeted consultation document focusing on key areas in the standards was developed to encourage members of the public to respond to the consultation, this received 544 public responses.
- 31 Generally the public responses were positive although they thought a simplified version of the standards would be helpful and some had concerns about nurses prescribing.
- 32 Independent focus groups and in-depth interviews were held with service users to gain their considered perspective on the draft standards of proficiency for nurses. These included four particular groups (1) those aged 67 or over, (2) those with long term health issues, (3) those with learning disabilities and (4) those with experience of using mental health services.
- 33 Service users thought the role and skills of the future nurse detailed in the standards were in line with what will be needed and they were pleased to see the person centred focus. The emphasis on compassionate care, greater recognition of mental health and the increased engagement and collaboration with patients and their families were also welcomed.
- 34 Whilst most found the draft nursing proficiency standards very readable and easy to navigate some found the content, length and layout of the document more challenging and there was strong support for a shorter summary version for the public. They felt that the document could be improved by removing some of the repetition and duplication, increasing the font size, and breaking up the text with more visual elements. It was suggested that there is a need for an easy read version for those with learning disabilities.
- 35 Most participants considered the document to be very comprehensive and broad enough to be applied across all fields of nursing but there was a sense that the content felt less applicable to child nursing and more focused on acute settings.
- 36 Independent focus groups with children and young people aged between 10 and 17 were held to explore the draft nursing proficiency standards. This aimed to allow them to review the standards and contribute to their further development in a meaningful way.
- 37 Children and young people were positive about the standards and valued the emphasis on including people in their care and when making choices. They held divergent views on prescribing; whilst some thought this would be a positive move, others had concerns about competence and the appropriateness of prescribing. They would appreciate a shorter/simplified version of the nursing

proficiency standards.

### **Next steps**

- 38 Since the consultation closed, we have been using the feedback collected to refine the standards. This feedback has come from the online consultations, focus groups, engagement events and social media commentary.
- 39 To support us in doing this, we have established four consultation assimilation teams (CATs). These groups are made up of subject matter experts whose knowledge and experience of nursing and midwifery education can support us to finalise the standards. The group members include a diverse range of opinions and cover all four countries.
- 40 The four CATs are focused on:
- 40.1 Education Framework.
  - 40.2 Standards for proficiency for registered nurses.
  - 40.3 Learning and assessment.
  - 40.4 Prescribing and Standards for Medicines Management.
- 41 These groups have met regularly between October and December 2017 to review the draft documents and make refinements. As part of the process, they considered all evidence sources, legal requirements and all feedback collected through the consultation and engagement activity. Any changes that are proposed by the CATs are ratified initially by a policy advisory group and then by the education programme board. Both of these groups are made up of senior staff from across the NMC.
- 42 The revised standards documents will be submitted to Council for approval at the March 2018 meeting.
- Public protection implications:** 43 Our programme of change in education is driven by the need to protect the public and promote public confidence in nurses and midwives.
- Resource implications:** 44 The resource implications for the programme have been accounted for within the corporate plan and budget.
- Equality and diversity implications:** 45 We have progressed equality impact assessments for all work streams within the education programme. Initial screening has been followed up by internal assessment of the draft products and plans. Actions to address issues have been identified and engagement with

protected stakeholder groups has taken place.

- |                                |    |  |
|--------------------------------|----|--|
| <b>Stakeholder engagement:</b> | 46 | We have engaged with Chief Nursing Officers, nurses, midwives, employers, educators, students, patients, service users and the public, and membership organisations across the UK during the development of the draft standards and throughout the consultation period. 52 engagement events and meetings were hosted or attended during the consultation period, including 13 themed webinars which enabled access to wider audiences than the face-to-face meetings. We e-mailed 637,374 nurses and midwives on our register inviting them to participate in the consultation and encouraged Twitter chats which involved 561 unique contributors. |
|                                | 47 | We will continue to collaborate with stakeholders on our ambitious programme of change in education and are engaging with relevant subject matter experts during the consultation feedback assimilation process.   |
| <b>Risk implications:</b>      | 48 | Some areas of the consultation showed very mixed opinions about some of our proposals. This will need to be managed carefully as part of our rationale for the final drafting of the standards and implementation plan for the new standards.  |
| <b>Legal implications:</b>     | 49 | The legal basis for the education and quality assurance function is set out in the NMC Nursing and Midwifery Order 2001, the education and registration rules and requirements on the education of nurses as part of EU legislation. Legal advice has been sought on proposed changes as required.   |

**Final education programme consultation response numbers****Consultation 1 (nurse proficiencies & education framework)**

Country	Proportion from our register	Proportion responding	Net difference (% points)
England	78.9%	70.1%	<b>-8.8%</b>
Scotland	10.0%	14.5%	<b>+4.5%</b>
Wales	5.2%	6.9%	<b>+1.7%</b>
N. Ireland	3.5%	6.4%	<b>+2.9%</b>
Non-UK	2.4%	1.8%	<b>-0.6%</b>

Nurses - scope of practice	Proportion from those that have revalidated	Proportion responding	Net difference (% points)
Adult (and general care)	62.8%	58.0%	<b>-4.8%</b>
Mental health	10.6%	14.0%	<b>+3.4%</b>
Children's (and neonatal) nursing	5.8%	11.0%	<b>+5.2%</b>
Health visitor	2.8%	5.0%	<b>+2.2%</b>
Learning disabilities	1.6%	5.0%	<b>+3.4%</b>

Midwives	Proportion from the register	Proportion responding	Net difference (% points)
Midwives	6.3%	6.8%	<b>+0.5%</b>

**Consultation 2 (SMM & prescribing)**

Country	Proportion from our register	Proportion responding	Net difference (% points)
England	78.9%	78.5%	<b>-0.4%</b>
Scotland	10.0%	10.4%	<b>+0.4%</b>
Wales	5.2%	6.9%	<b>+1.7%</b>
N. Ireland	3.5%	4.3%	<b>+0.8%</b>
Non-UK	2.4%	0.0%	<b>-2.4%</b>

Nurses - scope of practice	Proportion from those that have revalidated	Proportion responding	Net difference (% points)
Adult (and general care)	62.8%	67.0%	<b>+4.2%</b>
Mental health	10.6%	6.0%	<b>-4.6%</b>
Children's (and neonatal) nursing	5.8%	11.0%	<b>+5.2%</b>
Health visitor	2.8%	4.0%	<b>+1.2%</b>
Learning disabilities	1.6%	1.0%	<b>-0.6%</b>

Midwives	Proportion from the register	Proportion responding	Net difference (% points)
Midwives	0.3% prescribers	4.1%	<b>+3.8%</b>



## Council

### General Nursing Council Trust Report

<b>Action:</b>	For information.
<b>Issue:</b>	Provides a summary of the work of the General Nursing Council Trust (GNCT), its purpose, the contribution it makes to supporting early career nurse researchers and the benefits achieved for patients and the NHS.
<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.

Author: Maureen Morgan OBE

## The General Nursing Council for England and Wales Trust

### Introduction

- 1 This paper summarises the work of the GNCT, its purpose, the contribution it makes to supporting early career nurse researchers and the benefits achieved for patients and for the NHS.

### Background

- 2 The General Nursing Council of England and Wales was established by the Nursing Registration Act 1919 to administer the new register of nurses in England and Wales. It was a key milestone in the development of professional nursing through formalising nurse education and standards of nursing practice. The first register of nurses was opened in 1921. The GNC was superseded by the Central Council for Nursing, Midwifery and Health Visiting in 1983 and by the Nursing and Midwifery Council in 2002, each iteration aimed at streamlining regulation and eventually bringing nursing midwifery and health visiting under one regulator.
- 3 The GNCT was founded as a charity in 1983, to manage capital funds, originally contributed by nurses themselves, towards establishing the GNC.
- 4 The trustees felt they could best keep faith with their heritage by applying income from the funds to promote the development of nursing for the benefit of society. This would in turn, enhance the profession by maintaining and developing standards of practice and conduct, thereby enabling the profession to gain in recognition and respect. This principle holds to the present day.

### 5 The Trust's Objectives

- 5.1 To advance the art and science of nursing.
- 5.2 To advance the better education and training of students training for a statutory nursing qualification and the further education and training of registered nurses.
- 5.3 To promote research and investigation into matters relating to nursing.
- 5.4 To further the objectives of the Nurses Welfare Service.

### Trustees

- 6 There are five trustees, each of whom have a background in nursing practice, education or research, with one place reserved for a registrant member of the Nursing & Midwifery Council (NMC). The NMC appointed Maureen Morgan as a trustee to the GNCT in January 2015. Trustees are supported by a lay secretary who has had a career in financial management and is able to provide expert advice and guidance.

## Investment Policy

- 7 The GNCT Funds are managed by Investec Wealth & Investment Ltd, which is a member of the London Stock Exchange and is regulated by the Financial Conduct Authority.
- 8 There are no restrictions on the GNCT's power to invest, but it has adopted the principle that investments should be made within an ethical framework.
- 9 Trustees consider income requirements, risk profile and the investment managers' view of the stock market with Investec regularly. Performance of the portfolio is scrutinised against agreed benchmarks, the overall aim being to sustain an annual income to enable its public benefit work. In September 2017 we subjected management of our portfolio to a tendering exercise that was won, following stiff competition, by the incumbent, Investec.

## Application of Funds

- 10 Four research applications are funded every year comprising approximately £30,000 each, depending on the performance of the portfolio. Additionally, scholarship travel grants of £10,000 have been made on a three year rolling basis to the Florence Nightingale Foundation, under collaborative arrangements.
- 11 Topics for each year are selected by trustees to reflect current issues within nursing. For example the theme for 2017 was making care safer for patients.
- 12 The criteria for applications:
  - 12.1 Proposals must reflect an aspect of nursing policy, practice or education which addresses the specific focus of the year's theme.
  - 12.2 The study must address a defined research question and use a recognised methodology.
  - 12.3 The request must fall within the maximum amount specified.
  - 12.4 The lead applicant must be a nurse working in practice, education, management or research in England or Wales.
  - 12.5 The project must develop the abilities of an early career nurse researcher.
- 13 Applications are scrutinised and rated by academic reviewers and selected by a panel of GNC trustees. In 2017, 19 applications were received of which six were deemed by reviewers to meet the criteria and four were chosen by the panel.
- 14 Successful applications were made by:
  - 14.1 Parveen Ali, University of Sheffield - Do primary care nurses provide appropriate care to women victims of domestic abuse – evidence from black and ethnic communities.

- 14.2 Louise Condon, Swansea University – Maintaining child and family safety when a parent has a mental health problem – a nurse led participatory project.
- 14.3 Sally Tedstone, Royal United Hospitals NHSFT – Does osteopathic treatment of infants with tongue function difficulties improve breathing outcomes? A feasibility study.
- 14.4 Glenda Cook, Northumbria University – Supporting optimal hydration with those living with dementia in care homes making care safer.
- 15 Trustees monitor the progress of each of the funded projects and final reports are published on its website.
- 16 Our ambition for the future is to raise the profile of the work of the GNCT to encourage more applications and to promote dissemination of findings to enhance the body of knowledge and evidence to support nursing practice and benefit patient care.

**Maureen Morgan OBE**  
**November 2017**

## Council

### Performance and Risk report

**Action:** For discussion.

**Issue:** The latest overview of performance and risk management.

**Core regulatory function:** All functions.

**Strategic priority:** All.

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

- Discuss our KPI performance for October to December 2017 (paragraph 17).
- Discuss the corporate risk summary (paragraph 22).

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

- Annexe 1: Performance reports including year to date progress update against corporate KPIs.
- Annexe 2: Corporate risk summary.

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

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- Context:**
- 1 This report provides the latest overview of performance and risk management across the organisation.
  - 2 Further improvements in reporting about performance and risk are intended for 2018–2019 and will be a key outcome of 2018–2019 annual business planning.
- Four country factors:**
- 3 These are taken into account in considering our risks and through our operational performance.

**Discussion: Performance**

- 4 Performance for October to December 2017 including a year to date summary against our five corporate key performance indicators (KPIs) is presented at Annexes 1a to 1h.

**Highlights**

- 5 Progress against our corporate KPIs for UK initial registration applications (KPI 1 and 2) and EU/Overseas registrations applications (KPI 3) remain stable and above target except for a fluctuation in November 2017 due to increased application volumes. This dip was driven by a rise in more complex applications requiring referral to the Assistant Registrar, combined with departmental vacancies leading to resource gaps. Performance had returned to being above target by December 2017 and we are confident we can retain this for the remainder of the year (Annexe 1a).
- 6 Call answering rates recovered to above target following a dip in performance in August, with year to date performance above 90%. Call volumes decreased in December 2018, but call complexity significantly increased leading to longer average call times (Annexe 1a).
- 7 We continue to exceed our 80% target for imposing Fitness to Practise (FtP) interim orders (KPI 4) within 28 days as shown at Annexe 1b.
- 8 Conclusion of FtP cases within 15 months of being opened (KPI 5) remains stable at 78% but marginally below target our target of 80% (see Annexe 1b). This is in line with our forecast and is indicative of our continuing prioritisation for the progression of older cases. Since April 2017, performance has improved by 3%. We continue to forecast reaching target by the end of the year.
- 9 A detailed update incorporating the implementation of changes to Section 60 and the timeliness pathway is at Annexe 1d. This update expands on the information previously presented within the dashboard. The caseload statistics show that overall caseload

currently stands just above forecast but is expected to be broadly on forecast by year end.

- 10 A summary of Case Examiners disposals since the new section 60 powers came into force in July 2017 is provided at Annexe 1d. There has been no substantive change since Council last met and there are no risks or issues to highlight. As previously reported the pace has been slower than expected with fewer cases being closed through the new case examiner powers, however, the proportion of cases progressing for a hearing is lower due to more cases being closed with no case to answer which is positive.
- 11 We continue to embed our approach to measuring the customer service of Registrations and Revalidation and FtP with our latest results presented at Annexe 1e. Overall satisfaction remains stable with an average of 75% customers very satisfied/satisfied this year. 70% of customers strongly agreed/agreed that the NMC made it easy for them to manage their issue. It is noteworthy that nearly 16% of customers were either dissatisfied/highly dissatisfied or disagreed/strongly disagreed that we made it easy. Work continues to analyse the responses to consider actions to improve the experience for service users.
- 12 Staff turnover results are presented at Annexe 1f. Since December 2016 staff turnover has reduced by 2.1% to 23.1%. However, we have seen a marginal increase of 0.6% between October and December 2017 which we will monitor closely. Leaver reasons remain consistent with those reported to Council in November 2017. 28% of leavers had under one year's service. While no target has been set for 2017–2018, potential mitigating actions have also been included as part of this annexe.
- 13 Full time equivalent (FTE) headcount has fallen slightly by 1.9% to 678 permanent staff since January 2017.

### **Progress against the Corporate Plan**

- 14 Progress against the Corporate Plan at Q3 is presented at Annexe 1g. Three items are judged to have a current status of amber, suggesting that not all planned milestones have been met. These are:
  - 14.1 Nursing education (1a): This commitment has been revised to reflect a change to the plan to remove early adoption. Overall delivery timescales remain unchanged. The year-end status remains amber pending an agreed way forward for quality assurance and the approval of new programmes to deliver new standards.
  - 14.2 Nursing and Midwifery education quality assurance (1d): the year-end status remains amber and reflects the

interdependency with a way forward on quality assurance and programmes to deliver new standards.

- 14.3 Effective organisation (5): The People Strategy was agreed in November 2017 following the establishment of the new People and Organisational Development Directorate. The intention for 2018 is to re-structure to enable a business partnering service to be launched. Whilst this position is expected to improve in the long term, the current and forecast year-end status, both remain amber.
- 15 Five commitments have an amber forecast for year-end. This includes the three areas above with the additions of:
- 15.1 Nursing and Midwifery education programme (1c): the year-end forecast changed from green to amber due to the interdependency with the quality assurance framework.
- 15.2 Nursing and midwifery post-registration standards (1e): the amber status reflects delayed timescales for delivery.
- 16 Progress against corporate KPIs is presented at Annexe 1h.
- 17 **Recommendation: The Council is invited to discuss our KPI performance for October to December 2017.**

### **Corporate risks (Annexe 2)**

- 18 Our corporate risk summary is provided at Annexe 2. The Council undertook an annual risk review in April 2017 to consider the current corporate risks the NMC faces. The summary contains these corporate risks and work undertaken to refine and improve planned risk management actions.
- 19 Risk two regarding the risk that we may fail to take appropriate action to address regulatory concern remains amber rated, but has been downgraded slightly for likelihood to reflect better mitigations in place.
- 20 Risks three (capacity to deliver) and four (capability to deliver) have been consolidated into a single red-rated risk regarding insufficient capacity; resilience and capability to deliver change. This remains NMC's top priority to address. A number of mitigations have been updated to reflect the change of focus and we forecast this risk reducing to amber by spring/summer 2018.
- 21 We have been focusing on making sure that we have identified all of the risks we are facing in the current, rapidly changing environment and developing the right mitigations to address these risks over time. Directors will reflect on NMC's risk position in February 2018 in light of our draft business plan and budget for 2018–2019. This will be

presented to the Council in March 2018.

- 22 **Recommendation: The Council is invited to discuss the corporate risk summary.**

**Public protection implications:**

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

**Resource implications:**

- 24 Resource implications are captured in the financial monitoring report.

**Equality and diversity implications:**

- 25 Equality and diversity implications are considered in reviewing our performance and risks.

**Stakeholder engagement:**

- 26 KPI and risk information is in the public domain.

**Risk implications:**

- 27 The impact of risks is assessed and rated within our corporate risk register.

**Legal implications:**

- 28 None.



**This cover page is an overarching summary of progress and performance.**

The accompanying reports within annexe 1 contain the detail.

**Contents of annexe 1:**

**1a** Registration and Revalidation performance report

**1b** FtP performance report

**1c** FtP Performance Summary

**1d** FtP dashboard

**1e** Customer service

**1f** Staff turnover

**1g** YTD Progress against Corporate Plan

**1h** 12 month summary of corporate KPIs

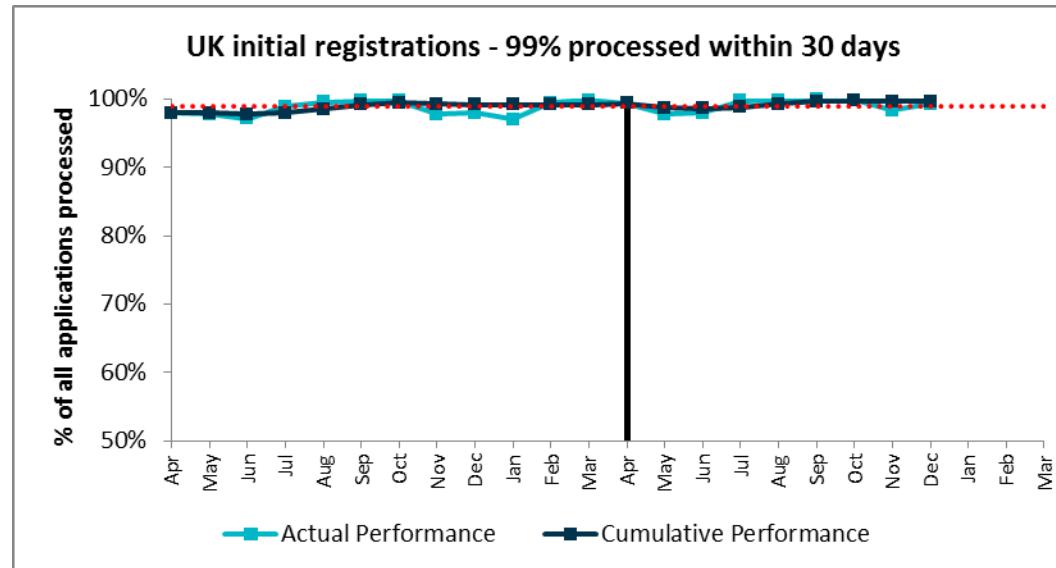
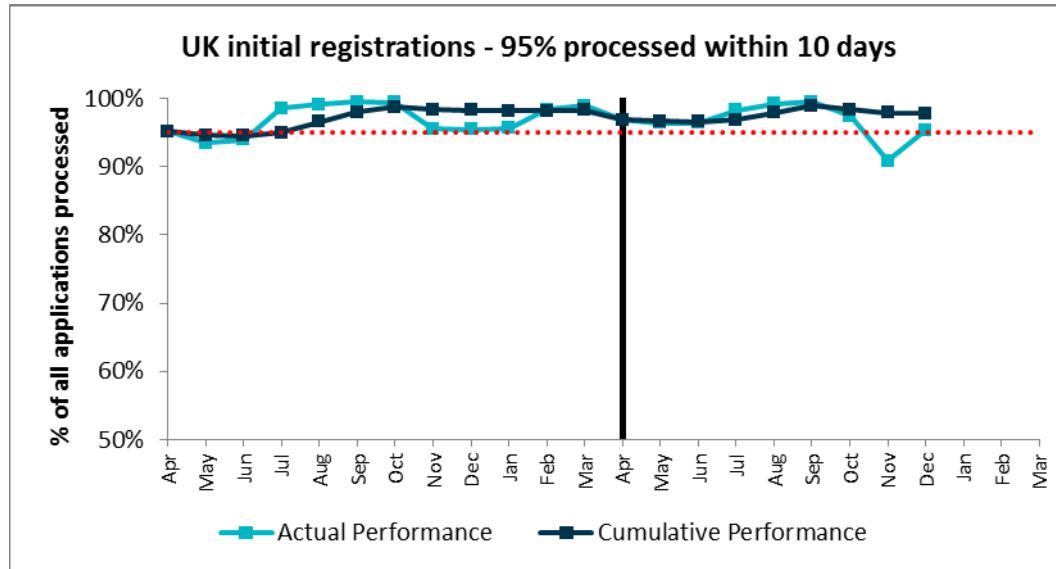


KPIs 1 and 2 - Percentage of UK initial registration applications completed									
KPI	Average for 2016–17	October 2017		November 2017		December 2017		Year to date average	Year end average target
		No.	As a %	No.	As a %	No.	As a %		
KPI 1 10 Days	98.2%	5,785	97.4%	1,139	90.8%	409	95.3%	97.8% (Green)	95% within 10 days
KPI 2 30 Days	99.2%	5,933	99.9%	1,233	98.3%	426	99.3%	99.6% (Green)	99% within 30 days

**Commentary:**

Performance remained above target for most of quarter three. September and October are our busiest months for initial UK registrations and the standard applications were largely processed within target. There was a proportionate rise in complex applications which required investigation and referral to the Assistant Registrar for decision, which increased the processing time marginally. This increase coincided with staff leaving and vacancies being carried over this period which led to a dip in performance for November 2017. The backlog of complex cases is now cleared and we have recruited to vacant posts, driving high performance for December 2017.

Rating definitions:	Green	Amber	Red
KPI 1 – 10 days	≥ 95.0%	90.0% – 94.9%	≤89.9%
KPI 2 – 30 days	≥ 99.0%	98.9% – 94.0%	≤93.9%



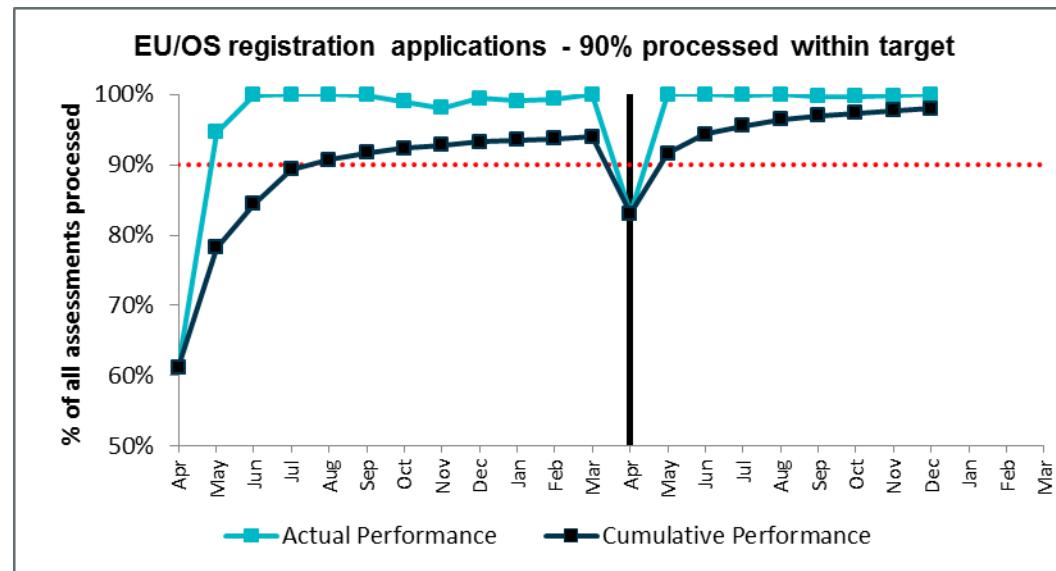
KPI 3 - Percentage of EU/Overseas registration applications assessed within 60 days							
October 2017		November 2017		December 2017		Year to date average	Year end average target
No.	As a %	No.	As a %	No.	As a %		
1,117	99.7%	1,268	99.9%	892	99.9%	98% (Green)	90%

**Commentary:**

Performance has been strong over the past three months. We have consistently hit our assessment performance target and our quality assurance results.

The team continues to prepare for an increase in applications as a result of changes to our English language requirements. As volumes increase we will continue to pay close attention to performance against our targets.

Rating definitions:	Green	Amber	Red
KPI 3 – 60 days	≥ 90.0%	85.0% – 89.9%	≤84.9%



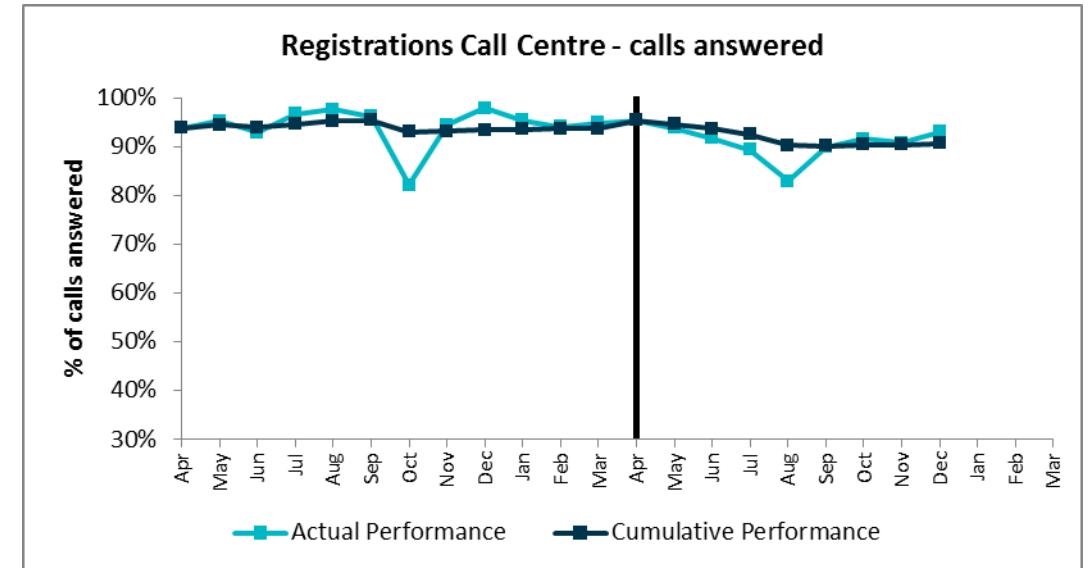


## Call Centre

Percentage of calls answered			
October 2017	November 2017	December 2017	Year to date
91.6%	90.9%	93.1%	
27,133 / 2,275 offered/abandoned	24,118 / 2,195 offered/abandoned	15,044 / 1,034 offered/abandoned	90.7%

### Commentary:

Performance has been above 90% over quarter three. Call volumes decreased in December, however talk time increased (44 seconds up when comparing December 2016 vs December 2017) due to higher complexity, of calls due to an increase in technical queries (including access to and use of online services).



## Revalidation

Percentage of revalidation rates for each UK country				
	England	Scotland	Northern Ireland	Wales
October	95.1%	92.3%	94.1%	95.3%
November	92.3%	91.7%	92.4%	93.0%
December	90.0%	92.8%	94.8%	89.1%

Revalidation volumes and percentages - whole register			
	October	November	December
Number	15,537	14,463	12,187
As a percentage (of those due to revalidate)	94.2%	91.6%	89.7%

### Note:

Both tables show monthly revalidation rates, with the whole register table including those based outside of the UK.

### Commentary:

The percentage rates for October, November and December 2017 continue to be positive and show a slightly higher revalidation rate compared with the same period in 2016. Averages are in line with historical averages for this period.

### Verifications:

Applications verified in quarter three continued to show a high degree of compliance with less than 1% of applications verified failing to meet the standard.



**KPI 4 – Percentage of interim orders (IO) imposed within 28 days of opening the case**

12 month rolling performance March 2017	October 2017 *	November 2017 *	December 2017 *	12 month rolling performance December 2017	12 month rolling performance target
91%	88%	86%	88%	87% Green	80%

**KPI 5 - Percentage of FtP cases concluded within 15 months of being opened**

12 month rolling performance March 2017	October 2017 *	November 2017 *	December 2017 *	12 month rolling performance December 2017	12 month rolling performance target
75%	78%	80%	81%	78% Amber	80%

\* *Figure shown is monthly actual*

**Commentary**

**KPI4: Interim Orders:** The rolling 12 month performance remains on target.

**KPI5: Cases concluded within 15 months:** The continuing focus on progressing older cases means that the 12 months rolling performance remains slightly below the target as reported to Council in November 2017. There has been an improvement of 3% since April 2017. We started with the rolling performance at 75% at the end of April 2017, this then went up to 77% at the end September 2017, increased to 78% at the end of November 2017 and has been maintained in December 2017.

We are forecast to continue making progress against our timeliness pathway for the remainder of the year.



## Fitness to Practise Performance Summary

### Introduction

- 1 At the start of 2017–2018 we set a forecast for caseload reduction and a timeliness pathway and have reported performance against these on our dashboard at every Council meeting.

### Caseload

- 2 Caseload is shown in graphs A1 and A2 of the dashboard. Key points to note:
  - 2.1 we expect to end the year with our overall caseload broadly on forecast.
  - 2.2 at the end of Q3, overall caseload stood at 3,024 against a forecast of 2,918.
  - 2.3 output at the investigation stage has been lower in the year to date, principally as a result of section 60 implementation and the focus on older cases.
- 3 The referral rate is shown in graph A3 of the dashboard. Key points to note:
  - 3.1 on average, we are receiving 457 referrals a month in the year to date.
  - 3.2 maximum capacity in the screening teams is 500 referrals a month.

### Timeliness

- 4 Table 1 below shows how our performance compared to other regulators at the start of the current financial year.

<b>Table 1: Benchmarking <sup>1</sup></b>	<b>NMC</b>	<b>HCPC</b>	<b>GMC</b>	<b>GDC</b>	<b>GPhC</b>
<b>Number of registered professionals</b>	690,773	350,330	270,060	111,128	77,285
<b>Annual fee</b>	£120	£90	£425	£890/£116	£250/118
<b>Median time from receipt of complaint to interim order decision</b>	26 days	19 weeks	8 weeks	19 weeks	13 weeks
<b>Median time from receipt of complaint to Investigating Committee / Case Examiner decision</b>	51 weeks	34 weeks	36 weeks	41 weeks	52 weeks
<b>Median time from receipt of complaint to final hearing</b>	87 weeks	97 weeks	100 weeks	90 weeks	94 weeks

<sup>1</sup> Source: PSA performance review 2016/17 for HCPC, GDC, and GPhC; PSA annual performance review 2015–2016 for GMC; 2016–2017 data return to PSA for NMC (as yet unpublished). All regulators operate with different legislation so direct comparisons should be treated with caution.

- 5 Median ages of cases at the different stages of our process are shown in graphs B1, B2, and B3 of the dashboard. Key points to note:
  - 5.1 good performance at the screening stage.
  - 5.2 improved in-year performance at the investigation and case examiner stages.
  - 5.3 good performance at the adjudication stage relative to external benchmarks.
  
- 6 The age profile of cases at the different stages of our process is shown in graphs C1, C2, C3, and C4 of the dashboard. They provide assurance that there is no build-up of older cases.
  
- 7 Table 2 below shows performance against the timeliness pathway since the start of the financial year. Key points to note:
  - 7.1 screening has performed well against the pathway since the start of the year.
  - 7.2 timeliness of investigations has improved but there is some way to go before the pathway is fully met.
  - 7.3 achieving the pathway at the case examiner and adjudication stages is affected by performance at the investigation stage.

<b>Table 2: Timeliness pathway<sup>2</sup></b>	<b>Apr-17</b>	<b>Jul-17</b>	<b>Oct-17</b>	<b>Nov-17</b>	<b>Dec-17</b>
No Screening cases over 8 weeks (from April 2017)	30 (7%)	8 (7%)	14 (3%)	0 (0%)	10 (3%)
No Investigation cases over 32 weeks (from December 2017)	266 (24%)	255 (24%)	222 (20%)	195 (18%)	225 (20%)
No CE cases over 39 weeks (from December 2017)	129 (34%)	164 (39%)	140 (38%)	139 (38%)	124 (36%)
No Adjudication cases over 65 weeks (from June 2018)	462 (59%)	371 (59%)	284 (55%)	247 (52%)	224 (48%)

- 8 The main issues that have affected investigations during the year are:
  - 8.1 the effects of historically high staff turnover.
  - 8.2 reduced capacity during the implementation of section 60 changes.
  - 8.3 delays in obtaining information from other parties.

<sup>2</sup> Excludes cases that have been held up by third party investigations.

- 9 Our current plans include:
- 9.1 working with People and Organisational Development to target remaining areas of high staff turnover and taking steps to improve case handovers when staff leave the organisation.
  - 9.2 embedding a strengthened management structure and improving our case management framework.
  - 9.3 increasing the use of Case Examiners to provide early assessment of cases.
- 10 We estimate that we will end the financial year with around 100 cases at the investigation stage older than 32 weeks. We will provide a further update in March 2018 together with proposals for monitoring progress against the timeliness pathway in future.

### Update following legislation changes

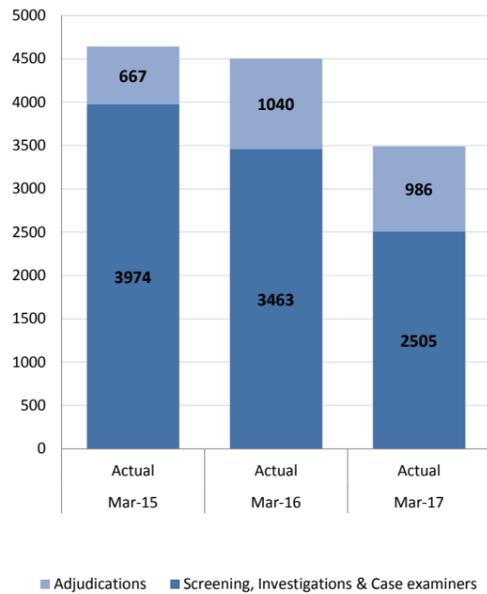
- 11 Table 3 below shows the number and proportion of Case Examiner disposals since the new powers came into force on 31 July 2017. Key points to note:
- 11.1 use of the new disposal powers remains lower than our planning assumption.
  - 11.2 there is no financial risk because the no case to answer rate remains higher than our planning assumption.
  - 11.3 there has been no increase in requests for reviews of case examiner decisions and no concerns arising from internal quality checking.
  - 11.4 we continue to monitor disposals carefully and will make a full assessment in September 2018 after one year of operation.

Table 4 Case Examiner disposals	Planning assumption	Q2 (Aug & Sep)	Q3	Total YTD
Case to answer	42%	35% (140)	35% (221)	35% (361)
Undertakings offered	5%	3% (11)	3% (17)	3% (28)
Warnings issued	11%	5% (18)	5% (30)	5% (48)
Advice issued	6%	1% (5)	2% (13)	2% (18)
No case to answer	36%	57% (226)	55% (342)	56% (568)



## FtP performance dashboard December 2017

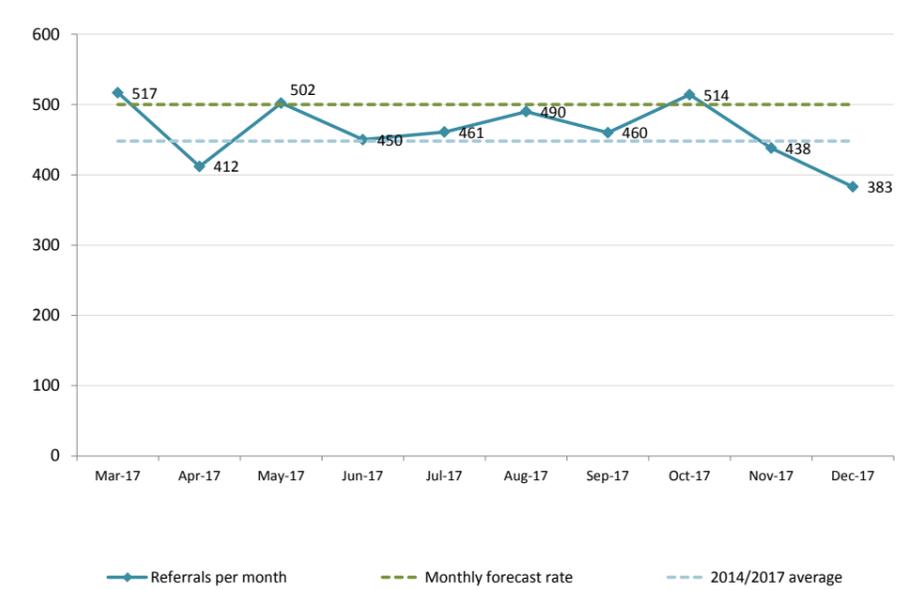
**A1** Historic caseload



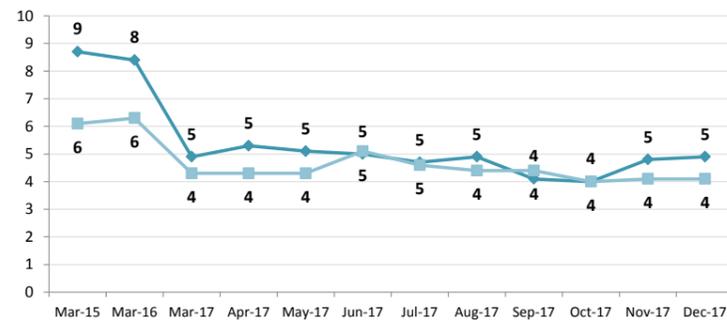
**A2** FtP caseload



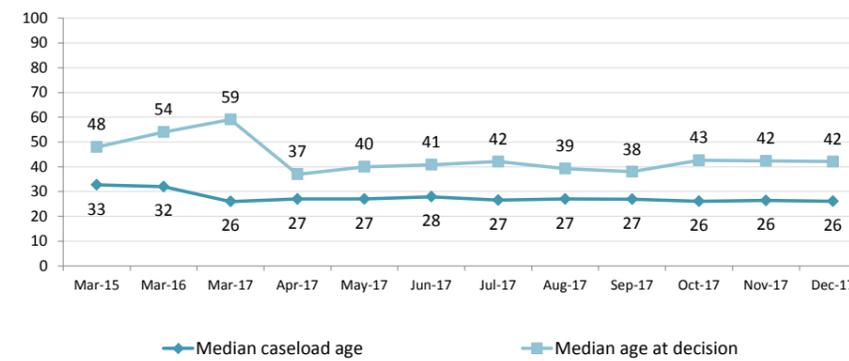
**A3** New referrals



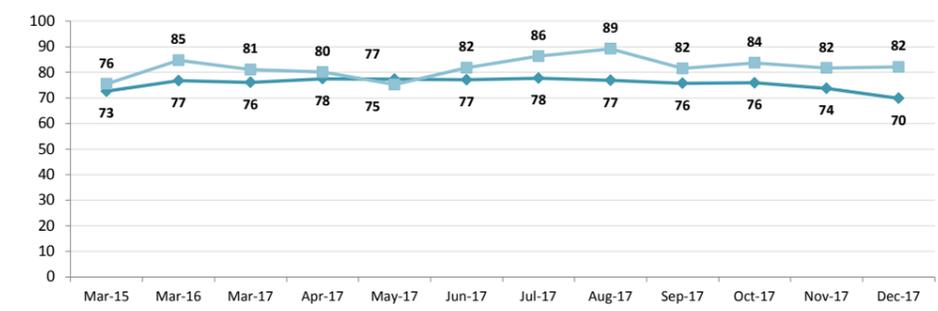
**B1** Median age at Screening



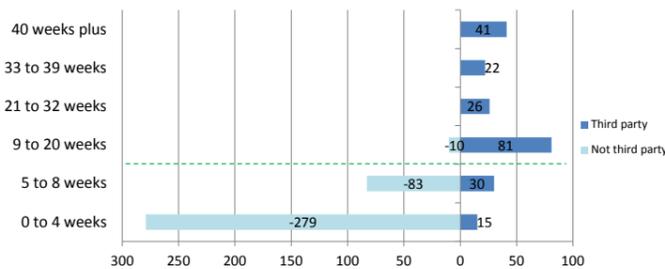
**B2** Median age at Investigations and Case Examiners



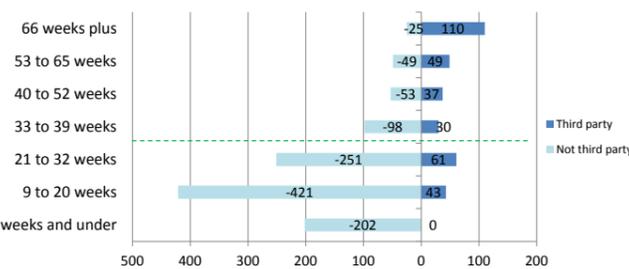
**B3** Median age at Adjudications



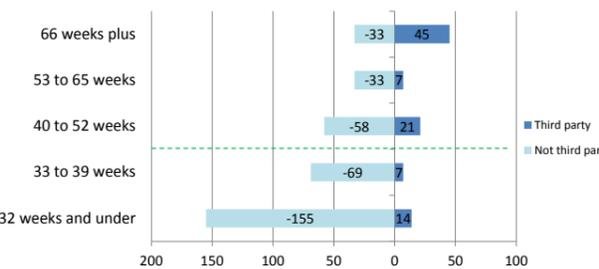
**C1** Screening caseload



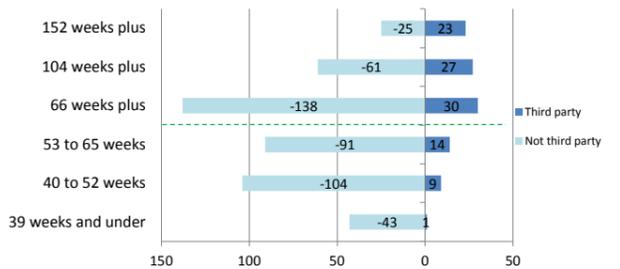
**C2** Investigations caseload



**C3** Case Examiner caseload



**C4** Adjudication caseload



Caseload Movement Summary  
December 2017

Opening caseload 3,059

383 cases received

369 cases closed

3,024 Closing caseload



## Percentage of customers satisfied with the service received and percentage of customers who felt the NMC made it easy for them to deal with their issue

Measure	October 2017	November 2017	December 2017	Year to date
Overall Satisfaction	71.1%	78.0%	74.0%	75.3%
Effort	66.9%	72.0%	71.4%	70.4%

### Commentary:

#### Satisfaction

Overall customer satisfaction has increased since the last reporting period, with our average year to date performance going from 74% to the current performance of 75.3%. Since April 2017:

62.7% of Fitness to Practise respondents were satisfied or highly satisfied.

75.9% of Registration and Revalidation respondents were satisfied or highly satisfied.

This variance is understandable given the different areas of work of the two directorates.

#### Effort

Since October 2017 there has been higher customer perception of our ability to manage their issues (effort). Since April 2017:

51.2% of Fitness to Practise respondents agreed or strongly agreed.

71.4% of Registration and Revalidation respondents agreed or strongly agreed.

#### Response rates:

4,983 total feedback responses since April 2017:

- 4,728 were from Registration and Revalidation (95%).
- 255 were from Fitness to Practise (5%).

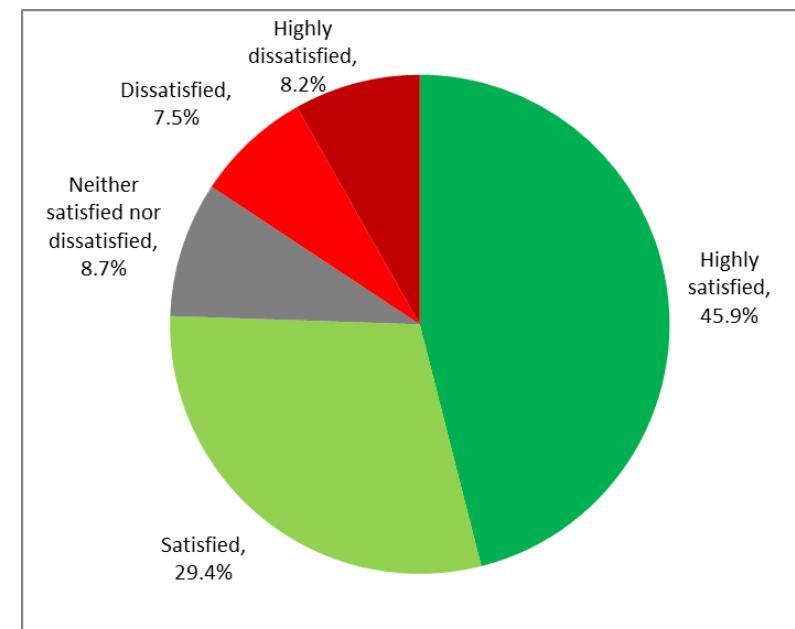
We have looked at our FtP customer feedback responses by customer type. When broken down to this level, the number of responses in each category is currently too small to give us any meaningful trends or highlight particular areas for improvement. Our priority is to increase customer feedback rates and we will return to this analysis when we have a volume of feedback which is likely to provide useful insights.

#### Definitions:

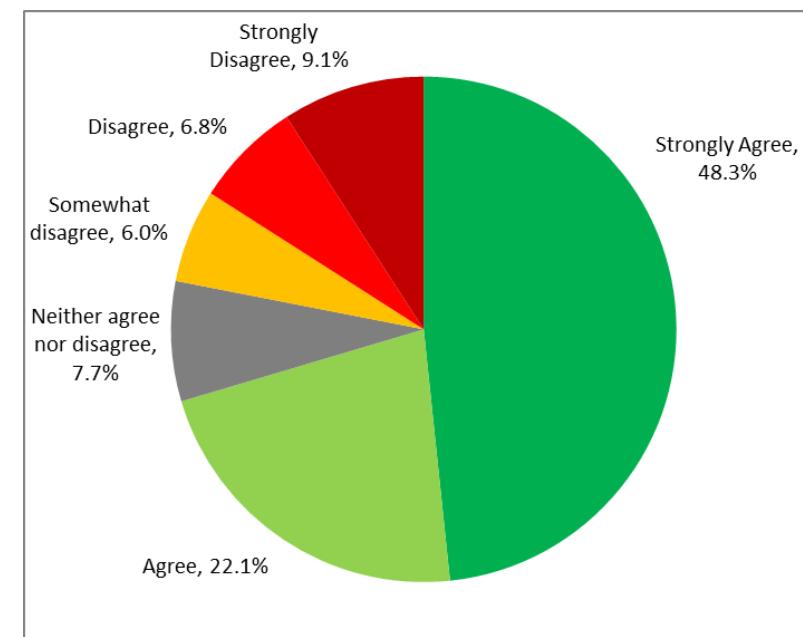
**Satisfaction** - % of customers Highly Satisfied and Satisfied with the service received

**Effort** - % of customers who Strongly Agree and Agree that the NMC made it easy for them to manage their issue

## Overall customer satisfaction year to date



## Overall customer effort year to date





# People – Staff turnover

135

Period: Oct – Dec 2017

KPI 5 – Staff turnover rate			
Historic figure (March 2017)	October 2017	November 2017	December 2017
24.6%	22.5%	22.8%	23.1%

Year on year has reduced by 2.1% from 25.2% in December 2016, to 23.1% in December 2017. Reasons given for leaving remain consistent and are outlined below.

In October 2017 our turnover rate stood at 22.5%, but has marginally increased to 23.1% at December 2017 representing an increase of **0.6%**. We will monitor this to ensure this is not an increasing trend. In the same period permanent headcount has reduced from 691 to 678 a reduction of **13** permanent heads.

### 1. People leaving NMC (12 months)

#### A. Total Leavers

- Since January 2017, **152** Permanent employees have left the NMC
- **91%** were voluntary (138 Employees)
- **9%** were involuntary (14 Employees)
- The most common reason for leaving stated in interview was career progression **47.8%**
- The average length of service was **2 years 2 months**

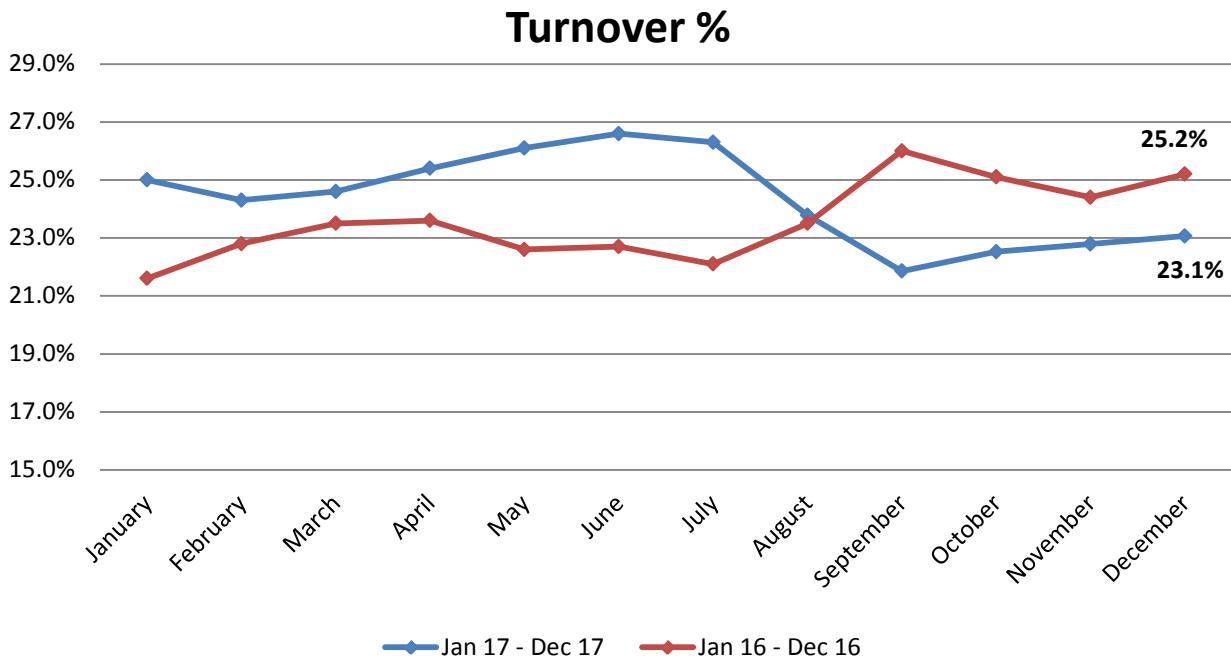
#### B. Total leaving with under 1 year of service:

- Since January 2017, **28.3%** (51 out of 180) new starters left within their first year
- The area with the highest turnover of starters leaving within the first year was in Technology and Business Innovation
- The most common overall reason given at interview for leaving was career progression **54%**
- **14%** of leavers in this group failed their probationary period

#### C. Exit survey data

In addition to face to face exit interview, HR is reviewing all the data trends received from Survey Monkey since 2015. The top 5 leaving reasons for this period were as follows:

Career progression	39.0%
New role	10.7%
Change in personal circumstances	9.0%
Organisational fit	8.1%
Working Relationships	6.1%



**No target set for 2017-2018.** 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.

#### Mitigating action

The themes highlighted will all be addressed via the workstreams contained within the People Strategy. It is important to recognise that solutions are likely to be long-term. Priorities for 2018 for example (but not limited to):

- Improving the candidate journey and experience
- Line management capability
- Employee performance
- Reward
- Occupational Health
- HR analytics, including Exit
- Employee engagement including response to 2017 Staff Survey
- Career Pathways
- Policy development programme

Work is already underway in the following areas:

- Recruitment and Careers website re-launch to improve candidate experience and manage role expectations, reinforce the NMC values and behaviours
- Reviewing job descriptions, style, form and content
- Introducing a policy on probation aimed at supporting both managers and new employees
- Introduction of 1 month reviews with newly appointed staff will be implemented by HR in February 2018
- Refreshed corporate welcome launched in December 2017
- Leadership development programme continues in 2018 with management capability modules on recruitment and selection, absence management, and performance management



## Year to date progress against the corporate plan 2017–2018

**Report period: October – December 2017**

Our corporate plan 2017–2018 states priorities and commitments for the financial year, aligned to the strategic priorities of our corporate strategy 2015–2020. This report provides an assessment of the progress being made.

### Key to ‘delivery commitments’ table headings

<b>Delivery commitments</b>	Work we had committed to undertaking in 2017–2018 as stated in the corporate plan.		
<b>Red/amber/green (RAG) status</b>		<b>Current status</b> (an assessment of our progress and performance October to December 2017)	<b>Forecast status</b> (anticipated position at 31 March 2018)
	<b>Red</b>	Significant work has not been progressed.	We do not expect to fully meet this commitment by year end.
	<b>Amber</b>	Work is still at early stages or we have not met all planned milestones.	It is not yet clear whether the commitment will be met at year end.
	<b>Green</b>	Most, if not all work has been progressed to date.	We are on track to meet all areas of this commitment.

2017-2018 Deliverable	Current status	Forecast status
<b>Strategic Priority 1</b>		
<b>1. Education</b>		
<b>(1.a) Nursing:</b> published new competency based pre-registration education standards ready for full roll-out by September 2019, taking into account the views and feedback from the public, patients and all our stakeholders.	<b>Amber</b>	<b>Amber</b>
<p><b>Current Status:</b> Amber – no change</p> <p><b>Forecast status:</b> Amber – no change.</p> <p>This commitment has had a revision to remove early adoption. This does not affect the overall delivery timescales for delivering new standards.</p> <p>We are on track with this work stream and are finalising transitional arrangements and necessary communications and engagement plans for dissemination. Plans are subject to Council's consideration regarding our approach to QA and new programmes to deliver new standards. Amber forecast status reflects delayed timescales.</p>		
<b>(1.b) Midwifery:</b> prepared draft new competency based pre-registration education standards ready for us to begin testing with midwifery professionals, educators, women, the public and other stakeholders.	<b>Green</b>	<b>Green</b>
<p><b>Current Status:</b> Green – no change</p> <p><b>Forecast status:</b> Green – no change</p> <p>Work is on track.</p> <p>Three pre-consultation external engagement workshops have been successfully delivered in England, Northern Ireland and Scotland during this quarter. We have engaged with midwives, students, women and families and special interest groups. The remaining workshops will be delivered in quarter four, including an event in Wales.</p> <p>The Thought Leadership Group (TLG) and Virtual TLG are established and meetings take place on a regular basis.</p> <p>We have produced the initial midwifery evidence report and this is informing topics that the TLG are considering at their regular meetings.</p>		
<b>(1.c) Nursing and midwifery education programmes:</b> published a new education framework setting out the requirements for institutions seeking to deliver approved programmes, taking into account the views and feedback from the public, patients, the profession and stakeholders.	<b>Green</b>	<b>Amber</b>

2017-2018 Deliverable	Current status	Forecast status
<p><b>Current Status:</b> Green – no change.</p> <p>We are on track with this workstream and are finalising transitional arrangements and necessary communications and engagement plans for dissemination.</p> <p><b>Forecast status:</b> Amber (was Green)</p> <p>This reflects the interdependency with Council's consideration to our approach to QA and new programmes to deliver new standards at the meeting in January 2018.</p>		
<p><b>(1.d) Nursing and midwifery education quality assurance:</b> continued development of our approach to the quality assurance (QA) of education.</p>	<b>Amber</b>	<b>Amber</b>
<p><b>Current Status:</b> Amber – no change</p> <p><b>Forecast status:</b> Amber – no change</p> <p>Council will be asked to discuss and consider our approach to delivering new standards at its January 2018 meeting. At its March 2018 meeting Council will consider the full QA framework, our intention is to implement it from September 2019. The Amber status reflects delayed timescales as the future approach to quality assurance is still being developed.</p> <p>A full communications and engagement plan is due to be prepared following Council's decision.</p>		
<p><b>(1.e) Nursing and midwifery post-registration standards:</b> reviewed prescribing, medicines management, and return to practice standards, taking into account the views from the public, patients and stakeholders, and revised these standards if appropriate.</p>	<b>Green</b>	<b>Amber</b>
<p><b>Current Status:</b> Green - no change</p> <p>Refinements to draft prescribing standards are progressing and on track. Independent evaluation of Specialist Practice Qualification (SPQ) and Specialist Community Public Health Nurses (SCPHN) standards procurement is on track and in line with the education programme plan.</p> <p><b>Forecast status:</b> Amber (was Green)</p> <p>Council will discuss and consider our approach prescribing programmes against the new standards at its January 2018 meeting. At the Council meeting in March 2018 we will present the full QA framework for consideration with the intention to implement it from September 2019. Amber status reflects delayed timescales.</p>		

2017-2018 Deliverable	Current status	Forecast status
A full communications and engagement plan is due to be prepared following Council's decision.		
<b>2. Nursing Associates</b>		
<b>(2)</b> 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.	<b>Green</b>	<b>Green</b>
<p><b>Current Status:</b> Green (was Amber)</p> <p>The current status has changed from amber to green following the resolution of the funding arrangements with the Department of Health. Council will consider our draft skills annexe to accompany the standards of proficiency for nursing associates at its January 2018 meeting.</p> <p>There has been further engagement and work on the proficiencies, taking account of the responses to the consultation on the nursing standards, and the recommendations of Health Education England's working group on medicines. We held a series of events across England and participated in events hosted by others, and with our draft proposals well received to date.</p> <p>We have a detailed communications and engagement plan which includes hearing from key stakeholders including patients and the public during the formative stage and when we move into formal consultation.</p> <p><b>Forecast status:</b> Green – no change</p> <p>The forecast status remains green because we are on track to bring to the Council meeting in March 2018 proposals for consultation on the standards of proficiency and education requirements for nursing associates.</p>		
<b>3. Section 60</b>		
<b>(3)</b> Implemented legislative changes to address fitness to practise concerns proportionately and quickly having taken into account the views of patients, the public, and our stakeholders. Case examiners will have begun to use new powers to give advice, issue warnings and agree undertakings in cases as appropriate.	<b>Green</b>	<b>Green</b>
<p><b>Current Status:</b> Green – no change</p> <p>The first phase of legislative change was successfully implemented on 31 March 2017 and included: removing regulatory supervision for midwives; the power for NMC to select the location of fitness to practise hearings, resulting in more flexibility; removing the need for a three-monthly review of interim orders; and provision for the High Court to vary interim orders on appeal.</p> <p>The second phase of S60 was successfully implemented on 31 July 2017 and included:</p> <ul style="list-style-type: none"> <li>• New powers for Case Examiners to issue warnings and advice to, and agree undertakings with registrants</li> <li>• Removing the need to review substantive orders based only on public interest</li> <li>• Introduction of a single fitness to practise committee capable of hearing both health and conduct cases.</li> </ul>		

2017-2018 Deliverable	Current status	Forecast status
<b>4. Business As Usual Performance</b>		
<b>(4.a)</b> Maintain strong performance against our key targets for Registration and Fitness to Practise.	<b>Green</b>	<b>Green</b>
<p><b>Current Status:</b> Green – no change</p> <p><b>FtP</b> We continue to maintain strong performance against our interim order KPI. Progress against the 15 month end-to-end KPI has increased during the year in line with our expectations.</p> <p><b>R&amp;R</b> Overall registrations performance has remained above target (performance report at Annexe 1a). The only exception was UK registrations performance, which dipped below target for November 2017. A resourcing gap in the Appeals team exacerbated the effects of the September and October 2017 peak volumes, resulting in the complex applications workload taking longer to process, impacting on overall UK registrations performance in November 2017. By December 2017, performance had recovered and our year to date UK registrations performance remains above targets.</p> <p><b>Forecast status:</b> Green – no change</p> <p>We anticipate that performance across registrations areas will remain consistent for the remainder of the year, particularly now that we have passed the annual peak volume period of September and October. There is usually a smaller annual peak in March but we will review our resourcing to ensure our KPIs are met.</p> <p>We do not yet know the full extent to which our Overseas workload will be impacted as a result of the English language changes that were introduced in November 2017. But we are expecting an increased workload over February and March 2018, as we start to process applications from those who had commenced the process over November and December 2017 and subsequently passed the first stage (the computer based test). We are prepared, with new staff in place to manage the changes to our workload.</p>		
<b>(4.b)</b> Continue to report on our customer service performance and improvements introduced as a result of customer feedback.	<b>Green</b>	<b>Green</b>
<p><b>Current Status:</b> Green – no change</p> <p>Overall performance has improved slightly, year to date customer satisfaction was 75% at the end of December 2017 (up 1%) and for customer effort it was 70%.</p> <p>We continue to regularly analyse customer feedback and use it to make appropriate improvements. We have carried out a more in depth analysis of customer feedback about Registration and Revalidation services and also the reasons for calls. As a result, we have made further changes. These include amendments to the website to improve customers' ability to self-serve and updating our standard correspondence to ensure clarity and consistency of messages. The impact of these will be assessed at the end of the year.</p>		

2017-2018 Deliverable	Current status	Forecast status
<p>Our work to increase the collection of feedback from FtP customer feedback is ongoing and linked to embedding surveys in emails to drive an improvement in response rates.</p> <p><b>Forecast status:</b> Green – no change</p> <p>Performance is expected to remain around the same levels and within target. Whilst we will continue to implement 'quick win' improvements, we are currently reviewing the potential workplan for 2018–2019 to improve the customer experience in Registrations and Revalidation.</p> <p>FtP will continue to encourage responses over the remainder of the year to increase volumes.</p>		
<p><b>Strategic Priorities 2, 3 and 4</b></p>		
<p><b>5. Effective Organisation</b></p>		
<p><b>(5)</b> 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.</p>	<p><b>Amber</b></p>	<p><b>Amber</b></p>
<p><b>Current Status:</b> Amber – no change</p> <p><b>Forecast status:</b> Amber – no change</p> <p>The Council approved the People Strategy at its November 2017 open meeting. The department are restructuring to enable a business partnering service to be launched during 2018. The consultation period for these roles concluded on the 21 December 2017. Three key vacancies are now advertised: HR Business Partner, HR Services Manager and Equality, Diversity and Inclusion Specialist to increase the internal capability of the team. This will support delivery of the People Strategy over the next three years.</p>		

**12 month summary of corporate KPI figures**

Corporate KPI		2016-2017 Average	2017-2018									YTD avg	Target
			Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec		
1	% of UK reg applications completed within <b>10</b> days	98.2%	96.8%	96.4%	96.3%	98.3%	99.2%	99.5%	97.4%	90.8%	95.3%	97.8%	95%
2	% of UK reg applications completed within <b>30</b> days	99.2%	99%	97.8%	98.0%	99.7%	99.9%	99.9%	99.9%	98.3%	99.3%	99.6%	99%
3	% of EU/OS reg applications assessed within 60 days	n/a*	85.0%	99.9%	100.0%	99.9%	100.0%	99.7%	99.7%	99.9%	99.9%	98.0%	90%
4	% of interim orders imposed within 28 days of opening the case	91%	91%	90%	90.0%	89.0%	89.0%	90.0%	88.0%	86.0%	88.0%	89.0%	80%
5	Proportion of FtP cases concluded within 15 months of being opened	75%	75%	76%	76%	76%	81%	79%	78%	80%	81%	78.0%	80%



## Corporate risk summary

**Current rating** = a rating of the risk as it currently stands (with mitigation in place).

**Movement** = score movement since last review / meeting

Risk Number	Corporate Risk	Rating	Movement
1	Risk that we may register, or may have registered people who do not meet our requirements or standards	Amber	◀▶
2	Risk that we may fail to take appropriate action to address a regulatory concern	Amber	◀▶
3	Risk that we may have insufficient capacity and resilience to deliver change programmes and business as usual	Red	◀▶
5	Risk that there may be adverse incidents related to business continuity and health and safety	Amber	◀▶
6	Risk of information security and data protection breaches	Amber	◀▶
7	Risk that we may lack the right capability to influence and respond to changes in the external environment	Amber	◀▶
8	Risk that we may not meet external expectations of us (reputation and perceptions)	Amber	◀▶

*[Please note that Green-rated risks are dealt with at the Business Unit level and therefore not included within the Corporate Risk Register]*

Corporate risks	Current rating	Movement	Status - mitigations in place and planned
1 Risk that we may register, or may have registered people who do not meet our requirements or standards	Amber	No change	<p><b>In place:</b></p> <ul style="list-style-type: none"> <li>Registration and revalidation processes to ensure only individuals who meet requirements join the register or revalidate.</li> <li>Random sample of revalidation applications are verified on a risk based approach.</li> <li>Quality assurance framework to assure education providers.</li> <li>Strengthened staff induction, training and communication.</li> <li>Strengthened reconciliation process.</li> <li>Stronger links between Serious Event Reviews and complaints and assurance controls.</li> </ul> <p><b>Planned:</b></p> <ul style="list-style-type: none"> <li>Data and systems work to improve robustness.</li> <li>Review processes for early identification of failures and risks.</li> <li>Automation with inbuilt verification and e-documents.</li> <li>Strengthened contract management for OCSE (objective structured clinical examination).</li> <li>Strengthened links with GMC (General Medical Council) to look at controls against fraudulent documentation.</li> <li>Legal compliance review covering all areas of the business.</li> </ul>

Corporate risks	Current rating	Movement	Status - mitigations in place and planned
2 Risk that we may fail to take appropriate action to address a regulatory concern	Amber	No change	<p><b>In place:</b></p> <ul style="list-style-type: none"> <li>Existing Fitness to Practise (FtP), Registrations and Education processes and controls.</li> <li>Employer Link Service and engagement with employers and other stakeholders improves knowledge of FtP processes supporting early engagement.</li> <li>New Section 60 powers to manage FtP cases quickly and effectively.</li> <li>Staff induction, training and Learning and Development.</li> <li>Information sharing regarding processes and risk.</li> </ul> <p><b>Planned:</b></p> <ul style="list-style-type: none"> <li>FtP and Registration and Revalidation staff education programme to inform them of new powers.</li> <li>Business unit restructures and recruitment within FtP.</li> <li>Focused approach to providing intelligence to stakeholders.</li> <li>Actions arising from Professional Standards Authority Lessons Learned Review.</li> <li>Implementation of People Strategy.</li> <li>Insight and Intelligence programme to deliver enhanced regulatory capability.</li> </ul>
3 Risk that we may have insufficient capacity, resilience and capability to deliver change activities (service improvements, projects and programmes) and business as usual	Red	No change	<p><b>In place:</b></p> <ul style="list-style-type: none"> <li>Limit placed on commitments in corporate plan 2017–2018.</li> <li>Department of Health regarding Nursing Associate funding.</li> <li>Corporate portfolio management office (PMO) and related processes strengthened.</li> <li>Recruitment processes (staff/ contractors).</li> <li>Training plans.</li> <li>New internal structure for People management.</li> </ul> <p><b>Planned:</b></p> <ul style="list-style-type: none"> <li>Strengthened governance processes for managing workload and determining what is realistically achievable.</li> <li>2018-2019 Business Planning will review capacity to deliver.</li> <li>Implementation of People Strategy to improve workforce management.</li> <li>Options reviewed and agreed to mitigate capacity issues in specific business areas.</li> <li>Improvement of business systems and processes.</li> <li>Improvements in supplier relationship management.</li> </ul>
5 Risk that there may be adverse incidents related to business continuity and health and safety	Amber	No change	<p><b>In place:</b></p> <ul style="list-style-type: none"> <li>Business Impact Assessments.</li> <li>Business continuity and disaster recovery plans.</li> <li>IT infrastructure disaster recovery arrangements.</li> <li>Business Continuity Working Group.</li> <li>Training and desktop exercises.</li> <li>Fire Risk Assessments across all premises.</li> </ul> <p><b>Planned:</b></p> <ul style="list-style-type: none"> <li>Business continuity testing.</li> </ul>
6 Risk of information	Amber	No change	<p><b>In place:</b></p>

Corporate risks	Current rating	Movement	Status - mitigations in place and planned
security and data protection breaches			<ul style="list-style-type: none"> <li>Information security risk register and treatment plan.</li> <li>Technical controls e.g. updating patches, IT security measures, encrypted email.</li> <li>Staff awareness.</li> <li>Oversight by information Governance and Security Board.</li> <li>GDPR project.</li> </ul> <p><b>Planned:</b></p> <ul style="list-style-type: none"> <li>Implement action plans from audits.</li> <li>Planned longer term technical improvements.</li> </ul>
7 Risk that we may lack the right capability to influence and respond to changes in the external environment	Amber	No change	<p><b>A. Mitigations for external risks:</b> We have some influence over likelihood but remains on controlling the impact of external changes by anticipating and planning for possible eventualities.</p> <p><b>In place:</b></p> <ul style="list-style-type: none"> <li>External monitoring.</li> <li>Brexit lead.</li> <li>New structure for managing external affairs.</li> </ul> <p><b>B. Mitigations for internal risks</b> <b>In place:</b></p> <ul style="list-style-type: none"> <li>A Regulatory Intelligence unit providing critical regulatory intelligence for internal and external stakeholders.</li> </ul> <p><b>Planned:</b></p> <ul style="list-style-type: none"> <li>Detailed stakeholder mapping.</li> </ul>
8 Risk that we may not meet external expectations of us (reputation and perceptions)	Amber	No change	<p><b>In place:</b></p> <ul style="list-style-type: none"> <li>Ongoing engagement with key stakeholders.</li> </ul> <p><b>Planned:</b></p> <ul style="list-style-type: none"> <li>Delivery of commitments we have publically made.</li> </ul>

## 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.

### Risk movement

- **No change:** Risk rating has experienced no movement since previous Council meeting.
- **Increased:** Risk rating has increased (either likelihood or impact or both) since previous Council meeting.
- **Reduced:** Risk rating (either likelihood or impact or both) 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



## Council

### Financial Monitoring Report to 31 December 2017

**Action:** For information.

**Issue:** Provides the financial monitoring report for the nine months to 31 December 2017 with a forecast to the year ending 31 March 2018.

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

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

**Decision required:** None.

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

- Annex 1: Summary financial results to 31 December 2017.
- Annex 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 The Council receives a financial monitoring report of spend against the budget at each meeting.
  - 2 We are continuing to manage actively our finances, reflecting a challenging external environment, a forecast fall in registrant numbers and a number of strategic projects within the organisation.

- Four country factors:**
- 3 None relevant to this paper.

**Discussion Overall picture and year to date (YTD)**

- 4 This paper has been written in the context of the financial position as at 31 December 2017.
- 5 The headline messages are:
  - 5.1 We are forecasting an underspend of £0.8 million on our Business As Usual (BAU) and planned programmes. This follows action in response to our income shortfall. We are continuing to challenge our plans with the aim of further reducing expenditure by year end if at all possible;
  - 5.2 We continue to forecast a significant shortfall in our income from registrants for this financial year of around £1.0 million which we could not have reasonably foreseen at the point when we set the budget in March 2017;
  - 5.3 The overall effect of the above is a forecast overspend against our budgeted net position, excluding transformation, of around £0.2 million;
  - 5.4 In addition, we are forecasting a small overspend of £0.2 million on our planned capital expenditure.
- 6 Outside our BAU and planned programmes, Council agreed an allocation of £2.5 million for transformation which we continue to forecast we will spend in full.
- 7 There are some pressures, not anticipated at the time we set the budget, which are emerging and are reflected in actual costs and forecasts. These have been highlighted to Council and are primarily the new Overseas programme and the Fitness to Practise (FtP) Change Strategy. Whilst significant costs are likely to fall into next year (subject to budget discussions), some initial elements of cost have been incurred as set out in the detailed commentary below.
- 8 Overall, this represents an improvement in our financial position from the forecast presented to Council in November 2017. The detail behind this is outlined in the later sections of this report and in

Annexes 1 and 2. We will be looking to drive out further savings where practicable for the remainder of this financial year giving careful consideration to our priorities and performance requirements.

### Income

- 9 There has been a recent downturn in the number of nurses and midwives registered to practise in the UK. As register volumes are the primary driver of income, reductions in register volume will lead to income reductions for the NMC. Based on our latest information, we anticipate that in the current year the NMC will receive around £1.0 million less income than projected in the budget. We are keeping this forecast under careful review.

### Expenditure

- 10 The year to date spend, including transformation, is £2.1 million below budget, but is expected to be £0.8 million below budget by year end, due to the range of variances discussed below.

### Directorate Expenditure

- 10.1 **Office of the Chair and Chief Executive:** Which currently includes External Affairs and the Communications teams, is £0.6 million adverse to budget year to date. This is expected to be maintained to the end of the year.
- 10.2 **People and Organisational Development:** is £0.1 million favourable to budget year to date but is expected to be in line with budget by year end.
- 10.3 **Registration and Revalidation:** is £0.7 million favourable to budget YTD due to efficiency savings. These savings are expected to continue through to year end. However, additional pressures relating to the introduction of new English Language requirements mean that this underspend is expected to reduce to £0.6 million by year end.
- 10.4 **FtP:** is £0.4 million adverse to budget YTD with a forecast overspend for the year of £0.6 million or 1 percent of total budgeted cost. As previously reported, a number of mitigating cost reduction measures have been introduced. The overspend is due to a number of factors including some costs being higher than anticipated when the budget was set, and additional costs relating to prior years being identified. The latter followed a detailed review where we identified that when some costs, such as certain legal costs, are being billed very late they are not always being recorded in the correct period. Changes to address the underlying issues on budgeted costs and where billing is very late, such as improving record keeping, have been introduced. We have independently

reviewed our revised approach to ensure it is robust.

- 10.5 **Education Standards and Policy:** is £0.3 million favourable to budget YTD due to lower business as usual quality assurance activity and costs than budgeted. It is expected to maintain this underspend through to year end.
- 10.6 **Technology Business Innovation:** is £0.3 million favourable to budget YTD due to lower than planned spend on core technology services and project support. TBI is forecast to be £0.1 million above budget by year-end due to expenditure trends for the remainder of the year.
- 10.7 **Estates, Finance and Procurement:** is forecast to be £0.6 million favourable to budget by year end. This is due to revisions to the planned maintenance work to the NMC estate and, following a tender process, a reduction in budgeted security costs at the hearing venues.

### Programmes and Projects

- 11 The portfolio of projects and programmes, excluding Nursing Associates (NAs) and transformation, is now expecting to spend £4.4 million by year end, in line with budget. This is a higher forecast than reported to Council in November 2017. The increase in forecast is mainly due to the new FtP Change Strategy and Overseas Programme that have each since incurred some limited spend.
- 12 Current and forecast spend on programmes and projects is as follows:
  - 12.1 **People Strategy:** Work is progressing within the People and Organisational Development directorate and the full budget is forecast to be spent by year end.
  - 12.2 **Registration and Revalidation improvement projects:** The full year budget on the originally planned projects is expected to be underspent by £0.3 million based on work on the following projects: test of competency, EU Compensation Measures, and Digital Initiatives and Enhancements. This is matched by the Overseas Registration Programme which was not anticipated at the beginning of the year but is forecast to spend £0.3 million this year.
  - 12.3 **FtP Projects:** as previously reported, the Section 60 project is expected to be £0.4 million adverse to budget by year end. In addition, costs of £0.1 million which were not originally budgeted for have been included to cover the launch of the FtP Change Strategy, following the shift in focus of our transformation programme.
  - 12.4 **Education Programme:** spend to the end of December is

£0.8 million below the profiled budget however a re-profiling of work, including work on the new QA framework, means that this underspend is planned to reduce to £0.5 million by year end. Some initial preparatory costs on the new QA framework have already been incurred with the forecast assuming the project is taken forward in full. Timescales are very tight, so it is possible that there is some slippage of costs into next year.

12.5 **TBI projects:** is in line with budget YTD and this spend is not expected to increase substantially with only lower cost projects expected to be undertaken prior to year end.

12.6 **NAs:** Our cost neutral full year forecast is based on full expenditure recovery from the Department of Health (DH). DH has reimbursed us for the initial tranche of costs incurred and we plan to invoice for the next tranche of costs to the end of December shortly, in line with our funding agreement with DH. YTD cost shown in Annexe 1 represents costs not yet invoiced to DH.

### Corporate Expenditure

13 Current and forecast spend on corporate expenditure is:

13.1 **Depreciation:** is £0.1 million higher than budget, year to date, due to the capitalisation, and subsequent depreciation, of two NMC assets, Digital Audio Recording and NMC Online not anticipated at the time of budget setting. By year end, depreciation is expected to be in line with budget due to some capital projects taking longer to finish than planned and, therefore, depreciated less.

13.2 **Contingency and other:** the £0.5 million contingency has not been allocated to specific projects at the year end and is, therefore, being used to offset against pressures across all areas.

### Capital

14 The full year capital expenditure budget of £0.3 million has already been spent and is expected to be £0.2 million over budget by year end. This is due to work on the core registration system £0.2 million and to purchasing additional digital audio recording equipment for FtP hearing rooms, £0.3 million. Both of these investments are anticipated to deliver cost and efficiency savings into the business in subsequent years.

### Transformation

15 At the end of December, transformation has spent £2.2 million of the £2.5 million approved. We are forecasting to spend the full £2.5

million by year end.

### **Cash**

- 16 Cash is in line with that planned in the budget.
- 17 Cash holdings of £82 million are detailed in Annexe 2 along with available free reserves. Cash holdings meet the requirement of the agreed investment strategy that no more than 40% of cash should be held with one institution.
- 18 NMC funds are held in current and deposit accounts spread across four UK high street banks and a building society.

### **Further mitigating actions**

- 19 We are continuing actions to manage and mitigate pressures, which are clearly making a difference, particularly:
  - 19.1 income tracking and modelling across the NMC is reported to the Executive on a regular basis and reflected in this paper to each Council meeting;
  - 19.2 monitoring in detail cost pressures and mitigations at Director level;
  - 19.3 reviewing both live and planned projects to identify projects and programmes that may reasonably be stopped or scaled down in order to manage overall spend rates;
  - 19.4 looking at how we can better manage pressures on our capacity and capability that are causing challenges to the organisation.

**Resource implications:** 20 Any budget overspends will impact on available free reserves and impact on budget available for future years. In particular, the 2018–2021 corporate planning and budget process began in September 2017 and will be submitted to Council for decision in March 2018.

**Equality and diversity implications:** 21 None.

**Stakeholder engagement:** 22 None.

**Risk implications:** 23 Risks to achieving budgeted spend are discussed in the main body of this paper.

**Legal implications:** 24 None.



**Actual, budget & forecast 2017-2018**  
£000

INCOME AND EXPENDITURE (£'000s)	YTD Dec17 v Budget				Full Year v Budget				
	2017/2018	Actual	Budget	Variance	% of budget	Oct 17 Forecast	Latest Forecast	Budget	Variance
<b>NMC Income</b>	<b>63,899</b>	<b>64,528</b>	<b>(630)</b>	<b>99%</b>	<b>84,922</b>	<b>85,082</b>	<b>86,038</b>	<b>(956)</b>	<b>99%</b>
<b>Directorates - BAU</b>									
OCCE	2,962	2,354	(608)	(126%)	4,123	4,049	3,416	(633)	(119%)
People and Organisational Development	1,657	1,718	61	96%	2,423	2,373	2,418	45	98%
Registration & Revalidation	3,842	4,547	704	85%	5,474	5,444	6,002	558	91%
Fitness to Practise	32,320	31,886	(434)	(101%)	42,487	42,765	42,175	(591)	(101%)
Education Standards & Policy	2,474	2,726	252	91%	3,526	3,527	3,836	309	92%
<b>Resources</b>									
Technology Business Innovation	5,150	5,448	298	95%	7,581	7,364	7,277	(87)	(101%)
Estates Finance & Procurement	7,006	7,611	605	92%	10,050	9,568	10,201	632	94%
<b>Total Directorates - BAU</b>	<b>55,412</b>	<b>56,291</b>	<b>878</b>	<b>98%</b>	<b>75,663</b>	<b>75,091</b>	<b>75,324</b>	<b>233</b>	<b>100%</b>
<b>Programmes &amp; Projects*</b>									
People Strategy	146	376	230	39%	502	502	502	0	100%
Registration & Revalidation Projects	133	576	443	23%	452	422	736	314	57%
Overseas Programme	14	0	(14)	(100%)	0	277	0	(277)	(100%)
Section 60	1,197	849	(348)	(141%)	1,264	1,263	849	(414)	(149%)
FtP Change Strategy	21	0	(21)	(100%)	0	116	0	(116)	(100%)
Education Programme	779	1,532	753	51%	1,736	1,510	2,031	521	74%
TBI Projects	204	225	21	91%	150	300	300	0	100%
Nursing Associates	392	0	(392)	(100%)	0	0	0	0	(100%)
<b>Total Programmes &amp; Projects</b>	<b>2,886</b>	<b>3,559</b>	<b>673</b>	<b>81%</b>	<b>4,104</b>	<b>4,391</b>	<b>4,418</b>	<b>29</b>	<b>99%</b>
<b>Corporate expenditure</b>									
Depreciation	2,567	2,455	(111)	(105%)	3,268	3,284	3,274	(10)	(100%)
PSA Fee	1,313	1,313	0	100%	1,750	1,750	1,750	0	100%
Contingency & Other	249	645	396	39%	520	465	986	521	47%
<b>Total BAU &amp; Programme Expenditure</b>	<b>62,427</b>	<b>64,263</b>	<b>1,835</b>	<b>97%</b>	<b>85,306</b>	<b>84,980</b>	<b>85,752</b>	<b>772</b>	<b>99%</b>
<b>Income less Expenditure</b>	<b>1,471</b>	<b>266</b>	<b>1,206</b>	<b>554%</b>	<b>(384)</b>	<b>102</b>	<b>286</b>	<b>(184)</b>	<b>36%</b>
Transformation	2,201	2,500	299	88%	2,500	2,500	2,500	0	100%
<b>Income less Expenditure (Including Transformation)</b>	<b>(730)</b>	<b>(2,234)</b>	<b>1,504</b>	<b>33%</b>	<b>(2,883)</b>	<b>(2,398)</b>	<b>(2,214)</b>	<b>(184)</b>	<b>(108%)</b>
Less payments towards pension deficit**	616	616	0	0%	1,056	1,056	1,056	0	0%
<b>Income less Expenditure (after pension payment)</b>	<b>(1,346)</b>	<b>(2,850)</b>	<b>1,504</b>	<b>47%</b>	<b>(3,939)</b>	<b>(3,454)</b>	<b>(3,270)</b>	<b>(184)</b>	<b>(106%)</b>
<b>Capital Projects</b>	<b>458</b>	<b>250</b>	<b>(208)</b>	<b>(183%)</b>	<b>486</b>	<b>473</b>	<b>300</b>	<b>(173)</b>	<b>(158%)</b>

\*\*Excludes any potential actuarial adjustments made at year end

Staff v non-staff expenditure	YTD Dec17 v Budget				Full Year v Budget				
	2017/2018	Actual	Budget	Variance	% of budget	Oct 17 Forecast	Latest Forecast	Budget	Variance
Staff Sals & Other Staff	32,368	31,716	(653)	(102%)	42,869	43,301	42,007	(1,294)	(103%)
Non staff expenditure	32,260	35,047	2,787	92%	45,329	44,179	46,245	2,066	96%
<b>Total Expenditure</b>	<b>64,629</b>	<b>66,763</b>	<b>2,134</b>	<b>97%</b>	<b>88,199</b>	<b>87,480</b>	<b>88,252</b>	<b>772</b>	<b>99%</b>

**Colour Key:**

In line with or favourable to budget  
Up to 5% adverse to budget  
More than 5% adverse to budget



**Actual, budget & forecast 2017-2018**

BALANCE SHEET INDICATORS		YTD Dec17 v Budget				Year End v Budget				
		Actual	Budget	Variance	% vs budget	Oct 17 Forecast	Latest Forecast	Budget	Variance	% vs budget
<b>Available free reserves</b>										
A	Net assets	51,840	50,337	1,504	3%	49,031	49,909	50,093	(184)	(0%)
B	less: Fixed assets	19,634	19,590	44	0%	18,960	18,931	18,771	160	1%
C = A - B	Total free reserves before pensions deficit	32,207	30,747	1,460	5%	30,071	30,977	31,322	(344)	(1%)
D	less: Pension deficit (latest actuarial basis)	11,396	11,396	0	0%	11,132	11,132	11,132	0	0%
E = C - D	Available free reserves (latest actuarial basis)	20,811	19,351	1,460	8%	18,939	19,845	20,190	(344)	(2%)
F	less: Pension deficit (cash committed basis)	10,163	10,163	0	0%	9,900	9,900	9,900	0	0%
G = C - F	Available free reserves (cash committed basis)	22,043	20,583	1,460	7%	20,171	21,078	21,422	(344)	(2%)

Colour Key:

In line with or favourable to budget
Up to 5% adverse to budget
More than 5% adverse to budget

Cash summary (£'000s)	Dec 2017	Lloyds	Barclays	HSBC	Nationwide	Santander
Less than 12 month deposits	65,397	16,026	15,996		17,852	15,523
<b>Total Investments</b>	<b>65,397</b>	<b>16,026</b>	<b>15,996</b>	<b>0</b>	<b>17,852</b>	<b>15,523</b>
<b>Current Account</b>	16,229			16,229		
<b>Total Cash</b>	<b>81,626</b>	<b>16,026</b>	<b>15,996</b>	<b>16,229</b>	<b>17,852</b>	<b>15,523</b>
<b>% Split</b>		20%	20%	20%	22%	19%