

# Open Council - 22 May 2024

MEETING  
22 May 2024 11:00 BST

PUBLISHED  
21 May 2024

## Meeting of the Council

To be held from **11:00** on Wednesday 22 May 2024  
Council Chamber, 23 Portland Place, London W1B 1PZ

### Agenda

**Sir David Warren**  
Chair of the Council

**Matthew Hayday**  
Council Secretary

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|----------|--|-----------|--------------|
| <b>1</b> | <b>Welcome and Chair's opening remarks</b>                         | NMC/24/34 | <b>11:00</b> |
| <b>2</b> | <b>Apologies for absence</b>                                       | NMC/24/35 |              |
| <b>3</b> | <b>Declarations of interest</b>                                    | NMC/24/36 |              |
| <b>4</b> | <b>Minutes of the previous meeting</b><br><br>Chair of the Council | NMC/24/37 |              |
| <b>5</b> | <b>Summary of actions</b><br><br>Secretary                         | NMC/24/38 |              |

### Matters for discussion

- |          |  |                     |                                 |
|----------|--|---------------------|---------------------------------|
| <b>6</b> | <b>Executive report</b><br><br>Chief Executive and Registrar/Executive   | NMC/24/39           | <b>11:10-12:10</b><br>(60 mins) |
| <b>7</b> | <b>Update on progressing our Fitness to Practise casework</b><br><br>Executive Director, Professional Regulation | NMC/24/40           | <b>12:10-12:50</b><br>(40 mins) |
| <b>8</b> | <b>Questions from observers</b><br><br>Chair   | NMC/24/41<br>(Oral) | <b>12:50-13:05</b><br>(15 mins) |

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## Matters for information

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| 9  | <b>Audit Committee report</b>                       | NMC/24/42 |
|    | Chair of the Audit Committee                        |           |
| 10 | <b>Investment Committee report</b>                  | NMC/24/43 |
|    | Chair of the Investment Committee                   |           |
| 11 | <b>Chair's actions taken since the last meeting</b> | NMC/24/44 |
|    | Chair   |           |

## Lunch (40 mins)

**13:05-13:45**

Meeting of the Council  
Held on Wednesday 27 March 2024 in the Council Chamber, 23 Portland Place.

## Minutes

### Council

David Warren	Chair
Lindsay Foyster	Member
Claire Johnston	Member ( <i>from 12:00</i> )
Margaret McGuire	Member
Eileen McEaney	Member
Derek Pretty	Member
Anna Walker	Member
Ruth Walker	Member
Sue Whelan Tracy	Member
Lynne Wiggins	Member
Navjot Kaur Virk	Associate

### NMC Officers

Andrea Sutcliffe	Chief Executive and Registrar
Helen Herniman	Executive Director, Resources and Technology Services
Lesley Maslen	Executive Director, Professional Regulation
Matthew McClelland	Executive Director, Strategy and Insight
Miles Wallace	Deputy Director, Communications and Engagement
Ruth Bailey	Executive Director, People and Organisational Effectiveness
Sam Foster	Executive Director, Professional Practice
Matthew Hayday	Secretary to the Council
Alice Horsley	Senior Governance Manager

### For item 7 and 8:

Richard Wilkinson	Assistant Director, Finance and Audit
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### For item 8:

Gabriel Gonzato	Programme Director
Paul Johnson	Deputy Director, Professional Regulation

### For item 9:

Kay Fawcett	Independent Chair, Advanced Practice Review Steering Group
Anne Trotter	Assistant Director, Education and Standards
Paula McLaren	Senior Advanced Practice Advisor

### For item 10:

Emma Westcott	Assistant Director, Strategy and Insight
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*A list of observers is at Annexe A.*

## Minutes

### NMC/24/14 Welcome and Chair's opening remarks

1. The Chair welcomed all attendees and observers to the meeting, noting that it was a longer meeting than usual and that there were several critical items for decision on the agenda.
2. The Chair welcomed in particular:
  - a) Kay Fawcett, Independent Chair, Advanced Practice Review Steering Group, who would present in relation to the outcome of phase one of the advanced practice review, alongside the Executive Director, Professional Practice.
  - b) Rhiannon Jones, Lyn Middleton and Richard Desir from the Welsh Government, who were observing the meeting with specific interest in the item on the request to regulate Nursing Associates in Wales. The Chair recalled the Council's visit to Wales and its Open meeting held in Cardiff in September 2023 and noted his thanks for the warm welcome which the Council had received from Welsh government colleagues.
  - c) Tracey MacCormack, a former Council Associate, who was observing the meeting in her capacity as Assistant Director for Midwifery at the NMC, which she started on 25 March 2024.
  - d) Jane Slatter, Chair of the Appointments Board, who was observing the meeting.
  - e) Alan Clamp, Chief Executive, Professional Standards Authority (PSA), who was observing the meeting.
3. The Chair noted that it was the last public meeting for two colleagues who had provided immense service to the NMC: Derek Pretty and Ruth Walker, whose terms as Council members ended on 30 April 2024.

### NMC/24/15 Apologies for absence

1. Apologies were received from Nadine Pemberton Jn Baptiste and Flo Panel-Coates, Council members, Edward Welsh, Executive Director Communications and Engagement, and Alice Hilken, General Counsel.
2. It was noted that Claire Johnston, Council member, would join the meeting at about midday.

### NMC/24/16 Declarations of interest

1. The following declarations of interest were recorded:

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- a) **NMC/24/21: Annual Corporate Plan and Budget 2024-2025, including the annual registration fee and the pay award element of the budget and the Fitness to Practise (FtP) 18 month plan**

All registrant Council members, Associates and Sam Foster declared an interest. All NMC colleagues (Executive and staff) declared an interest in respect of the staff pay award.

- b) **NMC/24/22: Outcome of phase one of the advanced practice review**

All registrant Council members, Associates and Sam Foster declared an interest.

- c) **NMC/24/23: request to regulate Nursing Associates in Wales**

Ruth Walker declared an interest in relation to her role with Health Education and Improvement Wales (HEIW).

- d) **NMC/24/26: Learning and thematic review of inquiries into failings of care**

Claire Johnston had declared an interest in relation to her role in the Liverpool Community Health Independent Investigation.

- 2. The interests were not considered material such as to require the individuals concerned to withdraw from the discussion.

**NMC/24/17 Minutes of the previous meeting**

- 1. The minutes of the meeting on 31 January 2024 were agreed as an accurate record.

**NMC/24/18 Summary of actions**

- 1. The Council noted progress on actions arising from previous meetings.

**NMC/24/19 Executive report**

- 1. The Chief Executive and Registrar introduced the report.
- 2. In discussion, the following points were noted:
  - a) Relating to the NMC culture review and investigations, Nazir Afzal and Rise Associates were engaging with colleagues across the NMC to understand the scale and roots of the issues, including by issuing a survey for all NMC colleagues. Ijeoma Omambala KC was continuing her investigations and involving colleagues as appropriate.

- b) The Executives' commitment to keep partners including the PSA and Department for Health and Social Care informed about work relating to the NMC culture review and investigations.
- c) The People and Culture review was expected to conclude by the end of May 2024 and publish in June 2024.
- d) Ijeoma Omambala KC would review the output of the People and Culture review before issuing the final report concluding her investigations into the concerns raised by the Whistleblower. It was not expected there would be any insight into the conclusions of her investigations ahead of the issue of the final report.
- e) Assurance that in advance of the conclusions of the review and investigations, the NMC was taking action to address the cultural issues raised by colleagues in the Your Voice survey. This work included action to empower colleagues to 'speak up' and clear objectives for Executive colleagues focused on increasing the representation of Black and Minority Ethnic colleagues at Grade 6 and above. The NMC would continue to build upon this work informed by the outcomes and recommendations of the review and investigations once published.
- f) Important updates to the guidance for decision makers on concerns arising outside professional practice were published on 27 February 2024. The updated guidance was clear that the NMC takes very seriously concerns arising outside professional practice, including sexual misconduct, domestic abuse, and neglect, and abuse of children or vulnerable adults.
- g) The NMC continued to co-operate with the Thirlwall inquiry and had submitted its final response to the request for evidence. Learnings from the inquiry would be used to improve the NMC's internal regulatory processes to protect the public.
- h) Relating to evidence of widespread fraud at a Computer Based Testing (CBT) centre in Nigeria, hearings by independent panels related to registrants suspected of obtaining their test result fraudulently were underway.
- i) The campaigns relating to the implementation of the Standards were commended, including a video-led campaign aimed at nursing and midwifery students promoting the NMC Code and Standards.
- j) The Covid-19 temporary emergency register would close on 31 March 2024.
- k) The NMC had communicated regularly in recent months with professionals on the temporary register and the sector about the closure of the temporary register, with guidance about how to move to the permanent register. A number of professionals on

- the temporary register had moved to the permanent register and the NMC would continue to support others who wished to do so.
- l) Thanks to all those who had joined the temporary register at the height of the pandemic and provided much needed support to other nursing and midwifery professionals.
  - m) The discussion relating to midwifery and maternity services at the Council Seminar on 26 March 2024 had been valuable and informative.
  - n) An action plan on the NMC's work relating to midwifery regulation would be presented at Council Seminar in May 2024, which was welcomed.
  - o) There was collaboration on key issues relating to midwifery regulation between the NMC and other health and care regulators, particularly the General Medical Council (GMC) and the Care Quality Commission (CQC), including in respect of issues such as thematic learning on safety incidents and the standards of proficiency for midwives.
  - p) The work to develop a booklet to support the implementation of the standards of proficiency for midwives was commended.
  - q) Relating to the sharing of data with the Office for National Statistics (ONS) regarding workforce and retention issues, the NMC would be able to review and analyse the Office for National Statistics' data and insight, but not as part of a formal or controlled reciprocal arrangement.
  - r) Assurance was provided that a privacy impact assessment and appropriate privacy controls were in place in relation to the data shared with the ONS.
  - s) The NMC's research and insight relating to professionals on the register applying to work abroad had been used externally during the week, demonstrating the importance of the NMC's influencing role.

<b>Action:</b>	<b>Present an action plan on the NMC's work relating to midwifery regulation at Council Seminar in May 2024.</b>
<b>For:</b>	
<b>By:</b>	<b>Executive Director, Strategy and Insight</b>
	<b>21 May 2024</b>

## **NMC/24/20      Review of our Financial Strategy**

1. The Executive Director, Resources and Technology Services (RTS) introduced the Financial Strategy for annual review, with proposed amendments highlighted in track changes.
2. In discussion, the following points were noted:



- a) As set out in the NMC's reserve policy, the lower and upper limits of the target range for free reserves were £0 and £25 million. The NMC had been above this target range in recent years, with good free reserves built up.
- b) The NMC was not proposing to increase the registrant fee for 2024-2025, with investments in its capabilities and systems made from reserves as far as practical.
- c) Factors considered when reviewing the registrant fee level included historic trends and wider changes in the sector affecting the number of professionals on the register.
- d) It was acknowledged that the option for registrants to pay the fee on a monthly rather than quarterly basis would support some registrants, particularly given current pressures associated with the high cost of living. Although monthly payments were not currently possible due to legacy finance systems.
- e) The suggestion that the NMC consider issuing communications about the reason it was unable to offer the option to registrants to pay the fee monthly.

3. **Decision: The Council approved the revised financial strategy.**

#### **NMC/24/21 Annual Corporate Plan and Budget 2024-2025**

1. The Executive Director, RTS introduced the item, which sought approval for the corporate plan for 2024-2026 and the budget for 2024-2025, as well as the FtP Plan. The Council had scrutinised a draft version of the Corporate Plan and Budget and the FtP Plan at its Seminar in February 2024.
2. The Executive Director, RTS highlighted that the NMC had undertaken a thorough and robust prioritisation exercise as part of business planning. Five priority outcomes to shape the NMC's work were identified, with progressing FtP referrals in a safe, timely and sustainable way the top priority for the organisation. The other four priorities identified were to build an inclusive, high performance learning culture, to modernise the NMC's internal systems, tools, policies, and processes, to contribute to the workforce strategies in the four nations, and to strengthen the integrity of the register.

#### ***Fitness to Practise – 18 month plan***

3. The Executive Director, Professional Regulation introduced the FtP 18 month Plan. The following points were highlighted:

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- a) The Plan summarised the proposed interventions the NMC would make to FtP processes over the next 18 months.
  - b) Executive Directors held responsibility and ownership for different workstreams within the Plan and its development and delivery was a collaborative endeavour.
  - c) The Plan was not only focused on improving timeliness but also on the quality of customer experience, patient safety, culture, and embedding sustainable change.
  - d) In recent months there had been several factors compounding the challenge of improving timeliness and reducing the FtP caseload, including a significant increase in the number of FtP referrals, delays by external agencies as well as issues related to the People and Culture review.
  - e) Governance for the Plan would allow for the flexibility to respond rapidly to changed circumstances, such as an increase in referrals.
  - f) The budget for 2024-2025 and the two following years was designed to support investment in the Plan, as well as the other four high priority outcomes identified by the prioritisation exercise.
  - g) Significant additional investment of about £30 million over the next two to three years (to 2026-2027) was required to deliver the Plan.
  - h) The additional funding required would involve a significant reduction of the NMC's free reserves from the expected £36.3 million at 1 April 2024 to £4.0 million at 31 March 2024.
  - i) It was anticipated that there would be a small deficit budget for 2024-2025 and a deficit for the two years thereafter.
  - j) The significant costs associated with delivering the Plan reflected under investment in FtP in recent years and was a 'one-off' outlay required to improve legacy systems.

4.

In discussion, the following points were noted:

- a) The prioritisation exercise was informed by the key risks facing the NMC, which the Chief Executive and Registrar had highlighted.

- b) In particular, the failure to progress FtP cases in a timely manner was a significant risk to the trust and confidence held in the NMC's operation and maintenance of the register.
- c) The Council supported the significant investment in the FtP 18 month plan to improve the service and its efficiency, although it was desirable to return to a small surplus rather than a deficit budget position as soon as possible.
- d) The detrimental impact of the legalistic and adversarial elements of the current FtP process on those interacting with it was acknowledged.
- e) In the longer-term, Regulatory Reform would allow for the FtP process to be less adversarial, but there was also consideration underway about ways this could be reduced in advance of Regulatory Reform, which was welcome.
- f) A new role, Assistant Director, Legal, in Professional Regulation had been established. A key focus for the role was to review whether the legal input in the current process was at an appropriate level and whether the use of legalistic language could be reduced.
- g) The workstream focused on improving stakeholder experience of the FtP process was in the scoping phase, reviewing the cause of poor customer experience and how this could be improved for individuals.
- h) Technological improvements and the move away from legacy systems, as well as the development of a quality assurance approach, were critical to delivering improvements in case management and customer experience.
- i) The most important part of implementing the Plan was that colleagues in FtP were fully supported and involved.
- j) Assurance that focus groups had been held with colleagues working in FtP with regards the Plan and its development, with positive and supportive feedback about the Plan received.
- k) The prospect of the delivery of the Modernisation of Technology Services programme and improved functionality was encouraging for FtP colleagues.
- l) In relation to recruitment and retention challenges in FtP, work was underway with the People team to ensure recruitment was at the right level, factoring in turnover rates. There was also work in progress to review organisational design, and the activities and accountability of job roles, to ensure these were motivating, as well as to covert fixed-term contracts to permanent contracts.
- m) There had also been significant time spent in the last 12 months to create and recruit to leadership roles in FtP.

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- n) Turnover rates across the organisation had fallen, following the implementation of the new pay and reward scheme in the previous year.
  - o) The Plan focused on encouraging a collaborative approach at a senior level to improve the FtP processes.
  - p) Executive Board governance had been restructured accordingly, with meetings focused separately on three distinct areas: FtP, Learning, and Core activities, such as performance management and risk.
  - q) Policies for FtP decision-makers would be reviewed four times a year rather than twice a year.
  - r) It was important that these reviews ensured there was a person-centred approach to the FtP process.
  - s) A risk relating to safeguarding was being added to the Corporate Risk Register. An audit of safeguarding processes at the NMC as well as training needs for colleagues and for the Council was being considered.  
*Secretary's note: Previously, risks relating to safeguarding had been included within the legal corporate risk. This risk had now been assessed in its own right and would be included as a separate entry in future.*
  - t) Relating to the Corporate Plan summary (at Annexe 2), the wording should be reviewed to ensure that the work the NMC does to support the professionals, its person-centred approach and the importance of the work relating to its people and culture were included.

5.

**Decision: The Council approved:**

- the corporate plan summary
- the corporate plan and key deliverables for 2024–2026
- the 18 month plan for Fitness to Practise
- that the values for the lower and upper limits of the target range of free reserves remain at £0 and £25 million respectively, and the value for the minimum combined cash and investments balance remains at £20 million
- that the annual registration fee for all professionals on the register should remain at the current level of £120 for 2024-2025
- the maximum 5.1 percent envelope for pay assumptions included in the budget

6.

Summing up, the Chair noted that the NMC's risk-based approach to prioritisation was reassuring. It was also encouraging that the NMC was committed to remaining an active learning organisation, which was

essential to it achieving the aims in the Corporate Plan and FtP 18 month plan.

7. The Chair thanked all colleagues who had contributed to the work on the Corporate Plan and Budget, particularly the Executive Director, RTS and her team for their professionalism and comprehensive work.
8. The Chair also thanked the Executive Director, Professional Regulation and her team for their careful development of the FtP Plan and the detailed explanation of its content. There was clear commitment across the Executive Board to the changes and improvements in the Plan, which was welcome. The Council would want to scrutinise the implementation of the Plan and looked forward to receiving an update at its next meeting in May.

<b>Action:</b>	<b>Review the wording of the Corporate Plan summary to ensure that the work the NMC does to support the professionals, its person-centred approach and the importance of the work relating to its people and culture were included.</b>
<b>For:</b>	<b>Executive Director, RTS</b>
<b>By:</b>	<b>22 May 2024</b>
<b>Action:</b>	<b>Update the Council on progress against the FtP 18 Month Plan.</b>
<b>For:</b>	<b>Executive Director, Professional Regulation.</b>
<b>By:</b>	<b>22 May 2024.</b>

#### **NMC/24/22 Outcome of phase one of the advanced practice review**

1. The Executive Director, Professional Practice introduced the item.
2. A short video was played which highlighted the key role Advanced Practitioners played in the health and care sector, and the importance of the NMC's work with the public in respect of the review.
3. The Independent Chair, NMC Advanced Practice Steering Group, noted that approval of the recommendations presented would be a defining moment for the nursing and midwifery profession, and would improve public protection and patient safety. A key role for the Steering Group had been to review the evidence and to reach enough consensus for the proposals set out in the paper. She noted thanks to the Professional Practice team and strategic communications colleagues at the NMC, as well as the professional leads in each of the four UK counties, and professional colleagues more widely for their valuable input, which was informed by knowledge and experience.
4. In discussion, the following points were noted:

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- a) The Council fully supported the recommendations and commended the work on phase one of the advanced practice review, particularly the impressive level of engagement with key stakeholders.
  - b) It was reassuring that a full range of options had been considered, particularly given the need for regulation to be proportionate.
  - c) Improved access to services for the public would be a key outcome.
  - d) The standardisation of Advanced Practice and the four-country approach was welcome.
  - e) The additional regulation would also provide clarity to the public about the role of the advanced practitioner, which would be underpinned by the ability to reference the role on the register.
  - f) It would contribute towards the NMC's aim to support the four-nation workforce development plan.
  - g) The proposed options aim to cover the regulation of the role of Advanced Practice as well as work at advanced practitioner level.
  - h) Standards of proficiency would set out what was required to be an Advanced Practitioner, so the professional journey was clear to students.
  - i) Agreement that an advisory group in respect of advanced practice be formed, comprising of Registrant Council members and NMC colleagues.
  - j) The NMC would continue to work with the four country Chief Nursing Officers (CNOs) and on communications with registrants to alleviate concerns about the impact on existing qualifications.
  - k) There was positive learning from the level of engagement achieved with phase one of the review, including with both the public and professionals, which had contributed to and refined the proposals recommended.
  - l) Colleagues would continue to collaborate and coproduce with stakeholders as part of phase two of the review, applying learnings from phase one of the review.

5.

**Decision: The Council agreed:**

- **that additional regulation of advanced practice was needed for both nursing and midwifery professionals**
- **to proceed to phase two of the advanced practice review**
- **to proceed to develop the following approaches:**

- **Option six: develop standards of proficiency for advanced level practice and associated programme standards**
- **Option two: adopt a collaborative approach to develop a UK wide Advanced Practice principles framework incorporating a shared position or definition of advanced level practice**
- **Option four: ensure that advanced level practice requirements were included in the wider review of revalidation and the Code scheduled for 2025-2026.**

<b>Action:</b>	<b>Form an advisory group for advanced practice comprised of Registrant Council members and NMC colleagues.</b>
<b>For:</b>	<b>Executive Director, Professional Practice / Secretary</b>
<b>By:</b>	<b>24 July 2024</b>

**NMC/24/23 Request to regulate Nursing Associates in Wales**

1. The Executive Director, Strategy and Insight introduced the paper, which sought approval to regulate the role of Nursing Associates (NA) in Wales, as requested by the Welsh Minister of State for Health and Social Services.
2. In discussion, the following points were noted:
  - a) Regulating the role of NA in Wales had the Council's full support.
  - b) Benefits associated with the regulation of the role included enhancement of public protection and public confidence, as well as consistency of professional standards.
  - c) It would provide individuals registered as NA in Wales with a progression route through further study to qualify as a registered nurse.
  - d) It would also support Wales to fulfil its workforce ambitions, which would contribute to the NMC's priority to support the four countries meet their respective workforce challenges.
  - e) In terms of the timeframe, the NMC was keen to support the Welsh government's ambition to introduce the regulated NA role from September 2025. Although the timeframe was dependent on the UK government making the necessary legislative changes.
  - f) Assurance was provided that the moderate risk associated with 'grandparenting' (if required) was reduced as the NA standards of proficiency and programme requirements which existed in England would be known to Welsh providers from the outset.



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- g) There were discussions about the regulation of the NA role in Scotland and Northern Ireland, with the NMC committed to continuing to engage with stakeholders in both countries to support these deliberations in the coming months.

3.

**Decision: The Council agreed to:**

- regulate the role of Nursing Associates in Wales, subject to the necessary amendments to the Nursing and Midwifery Order.**

4.

The Chair was delighted to welcome Welsh government colleagues to the meeting to witness the decision to regulate the NA role in Wales, which was another momentous regulatory decision for the NMC.

**NMC/24/24     Panel Member transfers**

1.

The Secretary introduced the paper, which recommended the Council approve the transfer of three Panel Members from the Fitness to Practice Committee to the Investigating Committee.

2.

The Secretary noted that during the training programme, the second and third Panel Members realised the time commitment associated with the Fitness to Practice Committee, with most associated events lasting longer than a week. The individuals requested to transfer to the Investigating Committee, which required a lesser time commitment and was a better fit with their existing professional obligations.

3.

**Decision: The Council accepted the recommendation of the Appointments Board to transfer the Panel Members from the Fitness to Practise Committee to the Investigating Committee.**

**NMC/22/25     Council governance matters**

**Proposed new Council committee structure and cycle of Council meetings**

1.

The Secretary introduced the item, highlighting that the proposals followed the external governance review and recommendations from Campbell Tickell. The paper presented reflected comments raised by the Council when the item was considered previously.

2.

**Decision: The Council approved:**

- the establishment of the Finance and Resources Committee in autumn 2024**



- the revised approach for how the corporate risk register was scrutinised at Committee level
- an update to Standing Orders to reflect the changes to the other Committees' Terms of Reference (Audit Committee, Accommodation Committee and Investment Committee) to reflect the new terms of reference template and incorporate the revised wording on risk management
- extending the scope of the Remuneration Committee and renaming it to the People and Culture Committee from 1 April 2024.
- the proposed cycle of Council meetings and dates for meetings in 2025-2026.

### **Council committee membership/appointments 2024-2025**

3. The Council noted the Council committee membership/appointments for 2024-2025.

### **NMC/24/26 Learning and thematic review of inquiries into failings of care**

1. The Executive Director, Strategy and Insight introduced the paper, which set out the annual update on the learning and progress made on the NMC's response to public inquiries into major failings of care in 2023-2024.
2. In discussion, the following points were noted:
  - a) The review was an important aspect of the NMC's commitment to being a learning organisation.
  - b) Relating to ensuring safe and effective midwifery care, the review set out the work undertaken by the NMC to-date in light of recent independent investigations into maternity and neonatal services.
  - c) An action plan setting out the NMC's intended work relating to midwifery regulation was being presented to Council Seminar in May 2024. The terms of reference for the Midwifery Panel would be shared with Council members.
  - d) The suggestion that consideration be given to how the NMC could share externally the themes identified in the review and the data it gathered more widely.
  - e) Learning and themes from the review would inform amendments to the revalidation process, which was being reviewed next year.
  - f) As part of improvements to FtP processes, there would be consideration about whether the appropriate level of referrals were made through the referrals helpline, the Employer Link

Service and the webform, and whether there was the opportunity to streamline in this respect.

<b>Action:</b>	<b>The Terms of Reference for the Midwifery Panel would be shared with Council.</b>
<b>For:</b>	<b>Executive Director, Strategy and Insight</b>
<b>By:</b>	<b>21 May 2024</b>

**NMC/24/27 Update on progressing our Fitness to Practise casework**

1. The Executive Director, Professional Regulation introduced the update and highlighted two points:
  - a) There had been a positive meeting with the CNOs and their deputies on 20 March 2024 regarding the FtP Plan. The NMC was committed to continuing to work closely with the CNOs in relation to the plan, particularly for the workstream focused on improving stakeholder experience of the FtP process, and to determine how they could support the improvement of the quality and appropriateness of referrals.
  - b) The NMC was committed to appointing a pool of panel members and legal assessors who were reflective of both the UK population and, for registrant panel members, the diversity of the register.
2. In discussion, the following points were noted:
  - a) Consideration would be given to the possibility of presenting a breakdown of cases relating specifically to midwives by FtP stage.
  - b) It was important to be mindful of data protection when providing a breakdown of referrals by country, to ensure it was not possible to identify individuals.
  - c) The data in the update showed caseload by country of registered address as included on the register, which was not necessarily where the registrant lived at the time of the referral.
  - d) There were often referrals with no registrant PIN linked to the case, with significant time required at Screening stage to establish the identity of the individual who was being referred. This issue would be considered as part of the FtP 18 Month Plan.
  - e) In the previous year the Investigations team were asked to work from the office on two days per week, which had facilitated an uplift in productivity, easier access to quality conversations, and more time to focus on development and access to support with

case work. Following this success, colleagues in the wider Professional Regulation directorate had also been asked to return to the office two days per week, although compliance was variable in some areas.

- f) The hybrid policy for colleagues across the organisation was being reviewed, which was taking into account comments in the Peakon Survey and involved engagement with the Employee Forum, as well as discussion at Executive Board.
- g) To increase senior-level visibility, there would be more meetings of the Executive Board and Council at the NMC's offices at One Westfield Avenue.
- h) Ways to improve retention were being considered as part of the current cultural reviews related to FtP.

<b>Action:</b>	<b>Consideration would be given to the possibility of presenting a breakdown of cases relating specifically to midwives by stage of the FtP process.</b>
<b>For:</b>	<b>Executive Director, Professional Regulation</b>
<b>By:</b>	<b>22 May 2024</b>

**NMC/24/28 Questions from observers**

- 1. The Chair invited questions and comments from observers (see **Annexe B**).

**NMC/24/29 Audit Committee report**

- 1. The Council noted the report of the Audit Committee meeting on 28 February 2024.

**NMC/24/30 Appointments Board report**

- 1. The Council noted the report of the Appointments Board meeting on 21 February 2024.

**NMC/24/31 Investment Committee report**

- 1. The Council noted the report of the Investment Committee meeting on 29 January 2024.

**NMC/24/32 Accommodation Committee report**

The Council noted the report of the Accommodation Committee meeting on 12 February 2024.

**NMC/24/33 Chair's actions taken since the last meeting**

- 1
- 2
1. There had been no Chair’s actions since the last meeting.

**Closing remarks**

- 3
- 4
1. On behalf of the Council, the Chair expressed thanks to Derek Pretty and Ruth Walker, who would be coming to the end of their second terms of office at the end of April 2024. Ruth and Derek had both chaired Committees of the Council with great skill and wisdom. The Chair offered personal thanks to the invaluable support they had each provided to him in their roles as Vice Chairs.
- 5
2. On behalf of the Executive, the Chief Executive and Registrar added her significant thanks for the exceptional service, Derek Pretty and Ruth Walker had given to the NMC, noting they would both be much missed.
- 6
3. The Chair thanked all attendees for joining the meeting.

***Confirmed by the Council as a correct record:***

**SIGNATURE:** .....

**DATE:** .....

## Annexe A: Observers

### External Observers

Julian Barratt	Lead for the Centre for Advancing Practice NHS England Workforce, Training and Education
Caroline Bohlender	PhD Researcher, Northumbria University
Alan Clamp	Chief Executive, Professional Standards Authority
Pippa Clark	ANNP/Midwife, UHD
Mark Cooper	Consultant Nurse, NHS Greater Glasgow & Clyde
Katie Cooper	Faculty Lead for Advancing Practice, NHS England
Deborah Copeland	District nurse, Essex partnership University Trust
Dee Davies	Head of Midwifery, NHS England
Richard Desir	Nursing Officer, Welsh Government
Kate Fawcett	Senior Scrutiny Officer, Professional Standards Authority
Kay Fawcett	Independent Chair, Advanced Practice Steering Group NMC
Colette Henderson	Lecturer, University of Dundee
Sophie Jarvis	Student nurse, University of Leicester
Imogen Jones	Student nurse, University of Leicester
Rhiannon Jones	Project Lead, Welsh Government
Edwin Josephs	Member of the public
Harbi Kaur	ANNP, NHS - Retired
Clare Knowles	College Academic Lead for Accreditation, Birmingham City University
Michelle Lyne	Professional Adviser Education, RCM
Sorcha Magee	Lead Midwife for Education, Medway NHS Foundation Trust
Michelle McTiernan	Student nurse, University of Leicester
Carolyn Middleton	Project Lead, Welsh Government
Mary Moore	Staff Nurse (Bank), St Joseph's Hospice, Hackney
James Penry-Davey	Partner Capsticks LLP
Carolyn Romer	Lead Midwife Maternal Medicine SWL and Surrey Heartlands ICS
Paul Salmon	Nurse NHS
Chloe Sams	Community nurse, Essex partnership university foundation trust
Rebecca Sherratt	Corporate Lead ACP, Leeds Teaching Hospitals Trust
Jane Slatter	Chair - Appointments Board NMC
Wilfredo Vitao	Practice Education and Development Facilitator, George Eliot Hospital
Sarah Wood	Advanced Clinical Practice Trust Lead, South Tees NHSFT

### Press

Ella Devereux	Senior Reporter, Nursing Times
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**NMC staff observing**

Tracey MacCormack  
Rebecca Calver  
Sevinj Essien  
Dan Smith  
Pamela Galloway  
Anna Jones  
Sinéad O'Kane  
Romie Rice  
Naomi Wilshire  
Judith Cutter  
Sharon Dawson

Assistant Director for Midwifery  
Head of Corporate Planning, Performance and Risk  
Head of Financial Planning and Analysis  
Head of Procurement  
Advanced Practice Midwifery Advisor  
Advanced Practice Nursing Advisor (Wales)  
Midwifery Advisor for Northern Ireland  
Midwifery advisor  
Screening Case Officer  
Midwifery adviser  
Governance Manager

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## Annexe B

### Observer questions – Council meeting 27 March 2024

#### 1. Impact of Safeguarding and raising concerns

Richard Desir, Nursing Officer, Welsh Government, referred to the government’s plans to introduce a new mandatory duty for professionals to report child sexual abuse following recommendations made by the Independent Inquiry into Child Sexual Abuse. Mr Desir asked whether the NMC envisaged employers making an increased number of referrals as a result and how this would impact on some of the planning assumptions made at the meeting.

In response, the Executive Director, Strategy and Insight noted that there was a risk of increased referrals, and the NMC was concerned about the criminal sanctions for people not reporting such cases and was pleased to see that this did not seem to be the intent at the moment. This position would be monitored.

The Executive Director, Professional Practice added that this issue was linked to the work around conduct in private life. As part of the workforce planning mode, the NMC would see where there was an increased level of referrals, and this would help it to be clear about the resources needed. It would be important to remain flexible in this regard.

#### 2. Registration fees

Rhiannon Jones, Project Lead, Welsh Government, noted she was pleased there would be no increase to the registrant fee in the year. Ms Jones asked whether there was any plan to review the fees for Nursing Associates and whether there should be a differential between the pay for the registered Nurse role and the Nursing Associate role. There had been concerns raised about cost of living and whether individuals should become Nursing Associates or not, given the registration fee.

In response, the Executive Director, Strategy and Insight, noted it was something the NMC would be happy to discuss in the collaboration work that was underway. The conclusion that was made in England was that the suite of regulations was the same for all the professions on the NMC’s register, so it did not feel right to apportion the cost.

#### 3. Advanced practice – outcome of phase one of the review

Mark Cooper, Consultant Nurse, NHS Greater Glasgow & Clyde, thanked the Council for the decision around Advanced Practice, commenting that Advanced Nursing Practitioners would be delighted by this defining moment. Mr Cooper asked what it would mean for advanced practice nurses and midwives working across the UK currently.

In response, the Executive Director, Professional Practice noted that work in collaboration with partners would be undertaken to draft communications to

provide reassurance about what the approval meant for professionals on the register. The Executive Director, Professional Practice would wish to seek Mr Cooper's support in this regard, which he was content to provide.

#### 4. **Recruitment and retention**

Wilfredo Vitao, Practice Education and Development Facilitator, George Eliot Hospital, commented that there had been an increase in internationally educated nurses working in the UK. There were also many Gen Z nurses, and it was important that the perspectives of these demographics were represented at Executive/Council level at the NMC.

In response, the Executive Director, People and Organisational Effectiveness noted that the voice of registrants was represented at Executive Board by the Executive Director, Professional Practice, and at Council by registrant Council Members. There were a number of individuals at the NMC who had experience of working for the NHS or in social care, and it was important to the mix of skills at the NMC. EDI was very important to the NMC and it sought to improve diversity to reflect the professions it regulates and the UK population.

In reference to Gen Z and Gen Alpha, the Executive Director, People and Organisational Effectiveness noted there was more the NMC needed to do to around implications for the workforce and to promote its role. There was a lot to share about what the NMC does, including offering practice placements. The NMC was focused on engagement with registrants and students to promote understanding about its role.



## Council

### Summary of actions

<b>Action requested:</b>	<p>Summarises progress on completing actions from previous Council meetings.</p> <p>The Council is asked to <b>note</b> the report.</p>
<b>Key background and decision trail:</b>	<p>This paper is a standing update to the Council for information on actions agreed at previous meetings.</p>
<b>Key questions:</b>	<p>Has appropriate progress been made in respect of actions agreed at previous meetings?</p>
<b>Annexes:</b>	<p>None.</p>
<b>Further information:</b>	<p>If you require clarification about any point in the paper or would like further information, please contact the author or the director named below.</p>
	<p>Secretary: Matthew Hayday Phone: 020 7681 5516 <a href="mailto:matthew.hayday@nmc-uk.org">matthew.hayday@nmc-uk.org</a></p>

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Minute	Meeting date	Title / theme	Status	Action	Action owner	Update	Due date
<b>NMC/24/06 (supersedes related action NMC/23/76)</b>	31 January 2024	<b>Executive Report: NMC People Plan – Q3 dashboard</b>	Complete	The Council would be updated regarding the NMC 'Speak Up' network at a future meeting.	Executive Director, People and Organisational Effectiveness	The Empowered to speak up network is being led by the Equality, Diversity and Inclusion and People teams and is on track to launch in June 2024. It will be made up of an external, independent freedom to speak up guardian and Ambassadors (volunteer colleagues) in each of our offices. The recruitment drive for Ambassadors went live on 30 April and closes on 3 June. The project has been informed and designed on feedback from colleagues across the NMC and aims to address some of the feedback from the 2023 Your Voice survey and the Workforce Race Equality Survey on raising concerns. It has been supported by Executive Board and the Executive Director, Communications and Engagement is the Executive Board Champion. Colleagues having a confident voice is vital if we are to improve on our culture, as is acting on it. We have maturity to build in this area, and this is an important step.	22 May 2024

<b>NMC/24/09</b>	31 January 2024	<b>Fitness to Practise (FtP) caseload update</b>	Complete	Analysis into patterns in referrals would be presented to the Council at Seminar in May 2024.	Executive Director, Strategy and Insight / Executive Director, Professional Regulation	This is an agenda item for Council Seminar on 21 May 2024.	21 May 2024
<b>NMC/24/19</b>	27 March 2024	<b>Executive Report: Midwifery regulation</b>	Complete	Present an action plan on the NMC's work relating to midwifery regulation at Council Seminar in May 2024.	Executive Director, Strategy and Insight	This is an agenda item for Council Seminar on 21 May 2024.	21 May 2024
<b>NMC/24/21</b>	27 March 2024	<b>Annual Corporate Plan and Budget 2024-2025: the corporate plan summary</b>	Complete	Review the wording of the Corporate Plan summary to ensure that the work the NMC does to support the professionals, its person-centred approach and the importance of the work relating	Executive Director, Resources and Technology Services	The wording used for the corporate plan on a page was updated following the March meeting of the Council, and the detailed corporate plan includes information on how each of the five priority outcomes help us fulfil our role to support professionals on our register as well as the work we are doing to shift our culture to become a learning organisation that is person-centred and fit for the future. In particular, the wording of	22 May 2024

				to its people and culture were included.		priority outcome 4 which previously referred to contributing to workforce strategies, was amended to include supporting professionals in the four countries.	
<b>NMC/24/21</b>	27 March 2024	<b>Annual Corporate Plan and Budget 2024-2025: <i>Fitness to Practise – 18 month plan</i></b>	Complete	Update the Council on progress against the FTP 18 Month Plan.	Executive Director, Professional Regulation	An update on the Plan is provided as part of the report on progressing Fitness to Practise casework, which is an agenda item for this meeting.	22 May 2024
<b>NMC/24/22</b>	27 March 2024	<b>Outcome of phase one of the advanced practice review</b>	In progress	Form an advisory group for advanced practice comprised of Registrant Council members and NMC colleagues.	Executive Director, Professional Practice / Secretary	Planning for this activity is at an early stage as part of planning for phase two of the advanced practice project. Registrant council members will receive invitations to join this advisory group in June/July 2024.	24 July 2024
<b>NMC/24/26</b>	27 March 2024	<b>Learning and thematic review of inquiries</b>	Complete	The Terms of Reference for the Midwifery Panel would be shared with Council.	Executive Director, Strategy and Insight	The Midwifery Panel Terms of Reference are available to the Council on Board Intelligence on the <i>Document Library</i> bookcase, <i>PSA Reports, Other Key Publications and Briefings</i> shelf.	21 May 2024
<b>NMC/24/27</b>	27 March 2024	<b>Update on progressing</b>	Complete	Consideration would be given	Executive Director,	Proportions are provided within the report on progressing Fitness to	22 May 2024

		<b>our Fitness to Practise casework</b>		to the possibility of presenting a breakdown of cases relating specifically to midwives by stage of the FTP process.	Professional Regulation	Practise casework on the agenda for this meeting, with consideration having been made not to include any data which might result in professionals being identifiable.	
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Key	
In progress	For items not yet due
Rescheduled	Where work has been deliberately replanned/rephased
Overdue	Unplanned delay to the work
Complete	Completed actions are reported once as Complete
Closed	Only use once an item is moved to the archive

## Council

### Executive Report

<b>Action requested:</b>	<b>For discussion</b> The Council is asked to <b>discuss</b> the Executive's report on key developments during 2024-2025, up to May 2024.	
<b>Key questions:</b>	<b>Questions this paper addresses:</b> <ol style="list-style-type: none"> <li>1. What key developments have been made in our work to deliver on our priority outcomes?</li> <li>2. How have we responded to key developments in the external environment that have impacted professionals, the public, colleagues, stakeholders and the NMC?</li> </ol>	
<b>Key background and decision trail:</b>	<p>This paper provides an update on key developments since the last report presented to the Council on 27 March 2024.</p> <p>On 24 April 2024 we published our Corporate Plan which was, approved by the Council on 27 March 2024.</p> <p>The Executive Report is now structured around the five agreed priority outcomes in the plan.</p>	
<b>Annexes:</b>	<p>The following annexes are attached to this paper:</p> <ul style="list-style-type: none"> <li>• Annexe 1: Year end performance against our corporate plan for 2023-2024</li> <li>• Annexe 2: Financial monitoring report</li> <li>• Annexe 3: Strategic risk exposure report</li> <li>• Annexe 4: People Plan dashboard.</li> </ul>	
<b>Further information:</b>	If you require clarification about any point in the paper or would like further information, please contact the author or the director named below.	
	Author: Clare Quinlivan Phone: 00 4524 1265 <a href="mailto:clare.quinlivan@nmc-uk.org">clare.quinlivan@nmc-uk.org</a>	Executive Director: Edward Welsh Phone: 020 7766 478473 <a href="mailto:edward.welsh@nmc-uk.org">edward.welsh@nmc-uk.org</a>

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# Executive Report

Discussion
<p><b>Progressing fitness to practise (FtP) referrals in a safe, considerate and timely way</b></p> <p><i>FtP improvement plan</i></p> <p>1 Please see the separate paper (agenda item 7) for an update on the FtP improvement plan.</p> <p><b>Build an inclusive, high-performance learning culture</b></p> <p><i>Culture review and investigations</i></p> <p>2 Nazir Afzal OBE and Rise Associates, who are reviewing our internal culture, have concluded the engagement phase of their work. Between March and early May there were over 1,000 responses to the employee survey, over 200 responses to the panel member survey, 5 focus groups and over 150 hours of 1-to-1s.</p> <p>3 Ijeoma Omambala KC’s investigations into the way we responded to the concerns raised and the fitness to practise cases highlighted in those concerns are progressing.</p> <p><i>Ambitious for change</i></p> <p>4 Building on the Ambitious for Change research published in 2023, we have commissioned the University of Greenwich to review a sample of FtP cases. This is to better understand why certain groups of professionals progress further in our FtP processes and receive more severe outcomes. Our Employer Link Service is also working with employers to understand why there appear to be disparities in referrals of some groups of professionals by employers.</p> <p><i>Thirlwall inquiry</i></p> <p>5 We are identifying areas for learning and improvement in how we regulate through our involvement with external inquiries so we can ensure we are fulfilling our regulatory duties effectively. The Thirlwall inquiry preliminary hearing will take place on 16 May 2024. We are cooperating with the inquiry and will be preparing to give evidence this Autumn.</p>

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**Contribute to the workforce strategies and support professionals in the four nations**

*Advanced practice (AP)*

- 6
- The Executive Board has approved the plan for phase two of the work on the additional regulation of advanced practice. The plan outlines workstreams, milestones, timeline and resources for phase two of the review. There has been no requested additional resource at this time, but it is recognised that this is a programme of work with multiple workstreams meaning that dedicated programme management support will be essential. The Executive Board have reviewed details of the forecast expenditure.
- 7
- The workstreams and key milestones are:
- 7.1
- Workstream 1: develop and finalise a unified UK wide advanced practice framework. We anticipate being able to present a draft framework and recommendations for implementation to the Executive Board and the Council in Q3 2024-2025.
- 7.2
- Workstream 2a: draft standards of proficiency for advanced practice, undertake a public consultation and finalise.
- 7.3
- Workstream 2b: draft associated education programme standards for advanced practice, undertake a public consultation and finalise.
- 7.4
- Workstream 2c: develop and finalise quality assurance processes.
- 7.5
- With the Councils’ agreement we anticipate publicly consulting on the draft standards of proficiency and associated education standards from mid-January to Mid-April 2025 and will seek permission from Council to proceed on this basis prior to these dates. A report will be presented to Council following this activity in Q3 2025-2026.
- 7.6
- Workstream 3: develop a proportionate transitional approach to recognise existing advanced practice professionals and those currently undertaking training. We expect this to take approximately 18 months and will keep the Council updated on progress.
- 7.7
- Workstream 4: ensure that advanced practice is included in the review of revalidation and the Code in 2025-2026. Council will be updated on key milestones of the reviews through their respective project teams.



- 8 The workstream activities will progress through individual task and finish groups and we will continue to engage and collaborate with professional stakeholders and members of the public and people who use services, ensuring public benefit remains central. Our independent steering group, consisting of senior stakeholders from across the UK, will ensure that we adhere to our commitment to co-production and will make recommendations to the Executive Board.
- 9 Over the last month we reached over 1,100 people through a webinar, and our community of interest has grown to more than 2,880 people. The Florence Nightingale Foundation, which we commissioned to explore the implications of advanced practice regulation for internationally educated professionals, have sent a survey which has had 1,583 responses.

#### *Practice learning*

- 10 We are working with our stakeholders to ensure that the independent steering group for our review of nursing and midwifery practice learning is made up of members who will bring a diverse range of perspectives to this project. The group will be independently chaired by Professor Alex McMahon, the outgoing Chief Nursing Officer for Scotland.

#### *Supporting professionals to embed our standards*

- 11 We are encouraging professionals to embed the standards of proficiency in their practice to support safe, kind and effective care. We launched new materials on holistic care, encouraging professionals to think holistically and see the whole person. Our Senior Midwifery Advisors shared advice at four maternity events in April 2024 on how the standards of proficiency support improved listening, partnership working and safety. We also reached over 400 professionals with a webinar about leadership.
- 12 Celebrating International Day of the Midwife and International Nurses Day, we wrote to all professionals thanking them and encouraging them to use our reflective aids to consider how they practice in line with our standards.

#### *Martha's rule*

- 13 Key to safe, effective and person-centred care is ensuring people who use services, their families and carers are at the heart of decision-making. We are supporting the implementation of Martha's rule in England by helping professionals to understand what is expected of them in light of the change. We published a joint statement with the General Medical Council (GMC) and Care Quality Commission

(CQC), and we attended the first Stakeholder Oversight Group meeting on 25 April 2024. We are planning further communication activities to support implementation.

#### *International nursing and midwifery associations (INMA) forum*

- 14 Internationally educated and diaspora professionals make up an increasingly large proportion of the register and it is critical that these professionals can thrive in their roles. To ensure the views and knowledge of these professionals positively influence the NMC's work, we have established the international nursing and midwifery association (INMA) forum. We held the first meeting of this strategic group on 3 April 2024.

### **Strengthen the integrity of the register**

#### *Education quality assurance*

- 15 As part of our ongoing quality assurance work, we have written to Approved Education Institution (AEIs) to highlight some themes currently affecting some AEIs. These include examples of certain simulation activities that are not in line with our standards, and concerns around reflection time being counted towards practice learning hours. We asked AEIs to exceptionally report to us if they have identified any risks to our standards being met in these areas so that we can work together to address them in a safe and fair way. We are in the process of analysing the responses.
- 16 To support our education quality assurance (EdQA) work, we outsource EdQA services to an external provider. Following a rigorous procurement process, we have appointed the Quality Assurance Agency (QAA) as our new EdQA provider. Their contract will begin on 1 September 2024. The contract with our current provider, Mott MacDonald, will end on 31 August 2024. We are preparing for the transition between the providers and will be engaging with education institutions about these arrangements.

#### *Computer based testing update*

- 17 On 20 September 2023, we confirmed the regulatory action we are taking in response to concerns about the Yunnik test centre in Nigeria. This included referring 48 cases to the Investigating Committee, to decide at hearings whether those individuals gained fraudulent entry to the register.
- 18 To date, we have held nine fraudulent entry (FE) hearings. Of those, four have concluded, all with the same outcome – the panels directed the NMC to remove the individuals from the register, having determined that their entries were fraudulently procured. The other five hearings have been adjourned and will

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resume at a later date. We will begin scheduling the next tranche of FE hearings from late June along with registration appeals.

19 Of the 467 registrants who needed to retake the test but for whom we did not have concerns about fraud, 454 have successfully retaken their test and we have closed those cases. The remaining 13 have booked their test but have not yet taken it.

20 The Assistant Registrar has refused 124 applications from people who did their test at the Yunnik test centre, where we considered it was more likely than not that the applicant's test result was obtained fraudulently. The refusals are on the basis that the character requirements are not met. A significant number of these individuals are choosing to appeal or make a new application.

#### *Covid-19 emergency temporary register*

21 We successfully closed the Covid-19 emergency temporary register on 31 March 2024. Please see **annexe 1** for further information.

### **Modernise our internal systems, tools, policies and processes**

#### *Regulatory Reform*

22 Through regulatory reform, we want to see flexibility and modernisation of our processes that enables better, safer regulation for the public. We responded to the Professional Standards Authority (PSA) consultation on its guidance on accepted outcomes and rule-making powers, which aligned with what we want to see.

23 We also responded to the GMC consultation on its rules for the new associate professions. We flagged public support for the flexibility that would be provided by the new legislation, and signalled where we are taking a different approach to the GMC. The new legislation will form the regulatory reform template for the other regulators, including the NMC. It will give us much more flexibility in how we set our rules, enabling us to modernise the register, the way we set and monitor education standards, and how we operate our fitness to practise functions.

24 More information on the progress made this past year can be found in **annexe 1**.

#### *Changes in procurement legislation*

25 The NMC uses a range of suppliers, and it is critical our procurement processes are compliant with procurement legislation. The UK government has announced 28 October 2024 as the "go-live" date for the Procurement Act 2023. We are

preparing to adopt the new legislation to ensure our processes continue to achieve value for money and positive outcomes for professionals and the public.

## Next Steps

- 1 The Council is invited to discuss the updates in the Executive report.

## Implications

The following were considered when preparing this paper:

Implication:		Location if in paper:	Content if not in paper:
Public protection/impact for people.	Yes	How our regulatory activities protect the public and the impact it has on them in terms of supporting nursing and midwifery professionals to provide safe, effective and kind care is captured throughout the paper.	
The four country factors and considerations.	Yes	Except for paragraph 13 (Martha's Rule). the updates are relevant to all four countries.	
Resource implications including information on the actual and expected costs involved.	Not Applicable		None in addition to those within corporate budget.
Risk implications associated with the work and the controls proposed/ in place.	Yes	Annexe 3	Please see annexe 3 – strategic risk exposure report.

Legal considerations.	Not Applicable		No legal implications arising from this paper.
Midwives and/or nursing associates.	Yes	Paragraphs 11-14	
Equality, diversity, and inclusion.	Yes	Paragraphs 2-4, 9, 14, 17-20	
Stakeholder implications and any external stakeholders consulted.	Yes	Indicated throughout the paper.	
Regulatory Reform.	Yes	Paragraphs 22-24.	

# Year-end performance against our corporate plan for 2023-2024

## Section 1 Executive Summary

- 1 This executive summary provides an overview of areas that the Executive would like to highlight to the Council from our year-end performance results and risk exposure report for 2023-2024.

## Progress against our 22 corporate commitments

- 2 We now have a plan for 2024–2026, which builds on the previous plan for 2023–2025 that set out our 22 corporate commitments. This report details the progress made in achieving those commitments.
- 3 Each CC is underpinned by a set of milestones for the year, which we track to make our RAG assessments.
- 4 Overview of RAG ratings:
  - 4.1 Two commitments are closed:
    - 4.1.1 CC1 - Deliver a new set of ambitious post-registration standards focusing on community nursing practice.
    - 4.1.2 CC10 - Continue to ensure objective structured clinical examination (OSCE) capacity meets demand and to explore ways of improving access.
  - 4.2 Four commitments were paused or rescoped:
    - 4.2.1 CC4 - Review revalidation requirements for nursing and midwifery professionals.
    - 4.2.2 CC6 - Evaluate protected learning time for nursing associates.
    - 4.2.3 CC15 - Create a modern and accessible website.
    - 4.2.4 CC18 - Improve the way we are structured so that we can deliver our strategy.
  - 4.3 Nine commitments were rated as green as they met the agreed milestones to the end of 2023-2024. These were:
    - 4.3.1 CC2 - Provide greater flexibility in nursing and midwifery pre-registration education and training by launching new standards for pre-registration education in the UK.
    - 4.3.2 CC3 - Review regulation of advanced practice.

- 4.3.3 CC8 - Work with the Department of Health and Social Care to deliver a substantial programme of regulatory reform to remove legal barriers that limit improvements in the way we regulate.
- 4.3.4 CC11 - Deliver policy and legislative change to enable new approaches to international registrations, including a review of English language guidance, to ensure that it is fair.
- 4.3.5 CC12 - Close the Covid-19 emergency register and remove recovery education standards.
- 4.3.6 CC16 - Improve our insight and use it to enhance our regulatory impact and influence in the sector.
- 4.3.7 CC17 - Deliver our People Plan that supports our colleagues to be engaged, retained, and supported to deliver our strategy.
- 4.3.8 CC19 - Update digital systems that support how we regulate to improve the experience for customers and colleagues.
- 4.3.9 CC22 - Implement an NMC sustainability and environmental plan.
- 4.4 Five commitments were rated as amber. The reason for amber ratings in all cases was because we partially delivered our intended milestones, with work continuing into the following year.
- 4.4.1 CC9 - Tackle discrimination and inequality.
- 4.4.2 CC13 - Build trust in professional regulation through targeted campaigns.
- 4.4.3 CC14 - Expand our national and local outreach.
- 4.4.4 CC20 - Deliver contemporary IT.
- 4.4.5 CC21 - Create modern workspace.
- 4.5 Two commitments ended the year rated as red;
- 4.5.1 CC5 - implement a new data-driven and proportionate approach to education quality assurance (QA). The red rating is because the intended progress was not achieved; which may have been due to resources and competing priorities. This has highlighted the need for continued attention and support in addressing issues to ensure effective QA and delivery. Developing an improved approach to education QA and mitigating actions to support the team in this work is highlighted as a priority within our corporate plan for 2024-2026 and our strategic risk register.
- 4.5.2 CC7 - reduce the fitness to practise (FtP) caseload safely and swiftly. The rating remains red as we did not reach our caseload reduction target. It is important to note that although we have made significant progress in our

decision-making capacity compared to previous periods, progress was outweighed by the escalating number of referrals. An 18-month caseload progression plan is a significant investment to mitigate this regulatory risk and improve the timeliness and quality of our decision-making. We hope to see a sustained impact from the workstreams within the plan, as improvements are embedded across the FtP team.

- 5 Our additional commitment to implement new Welsh Language Standards was successfully completed by December 2023, with comprehensive policies and guidance in place. The project is transitioning to core business to ensure ongoing compliance.
- 6 Our overall assessment is that, despite some delays and uncertainties amongst our commitments, we continue to make good progress in many areas to deliver key initiatives and their desired outcomes. Some of those delays were consciously made so that we can respond to the most critical concerns for professionals, colleagues and people who use services. We keep our plans under continuous review to ensure that they remain robust, prioritised and achievable.
- 7 At **section 2** (below) we have provided more information about the progress of each commitment this year.

### **Progress against corporate Key Performance Indicators (KPIs)**

- 8 We have provided exception comments alongside our KPI tables in **section 3**. Areas where we have not met the target have been discussed in detail by the Executive and with the Council during the year.

### **Financial Management**

- 9 Our financial position remains secure, with free reserves over £42 million. Our liquidity also remains robust with cash and investments totaling over £101 million at the end of March which is consistent with the position at the end of last year.
- 10 Our free reserves remain higher than the target maximum of £25 million set out in our reserves policy, but as set out in our budget and business plan approved by Council in March, we expect this to reduce significantly as we pursue our plans to progress FtP referrals in a timely way and continue to invest in enhancing our regulatory impact over the next two to three years. This also includes capital investment to continue to replace our legacy technology systems, including the case management system, which will enable us to focus on a safe and swift progression of cases in future.
- 11 Our net income for the year, before unrealised movements on our long term investments, is a £1.0 million deficit compared to the planned £8 million deficit. The variance has largely been driven by:

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11.1 Total income being £4.1 million (four percent) higher than expected. This is mostly due to higher than anticipated international applications and registrant numbers. We also benefited from higher than expected interest rates with £2.9 million interest earned on our cash deposits compared to the budgeted £1.3 million.

11.2 Expenditure being £2.9 million (three percent) less than planned overall and after taking into account our investment of £2 million more than originally planned into FtP as we renew our efforts to improve our caseload position.

12 The lower than planned expenditure has been driven by several factors including:

12.1 £2 million of savings owing to staff recruitment being paused or delayed in almost all our directorates, and lower consultancy and technology spend.

12.2 Some more technical underspends including on our contingency budget and on the amount set aside (but not needed) for pension deficit payments.

12.3 The pause to the accommodation project as part of our re-prioritisation exercise and the re-phasing of elements of the Modernisation of Technology Services (MOTS) programme. There were also reported underspends across a range of smaller, non-capital programmes some of which are paused, again as part of our re-prioritising work. Due to the pause in our accommodation programme some initial costs have been expensed.

13 Also at the year-end we have £3.2 million in unrealised gains on our stock market investments. This is positive and compares to a £1.9 million unrealised loss a year before. These are long-term investments currently generating nearly £1 million a year in dividend income. Although we manage our investments with great care, with a balanced approach to risk maximising the likelihood of positive returns in the long term, our policy is not to budget for potential gains or losses, since they are difficult to predict in the short term.

## Corporate risk exposure

14 **Risk exposures 2023-2024:** During this year, our FtP caseload continued to be our highest rated red risk. In addition, we had other significant issues to manage, including:

14.1 Canterbury Christ Church University (CCCU) and concerns around education quality assurance (QA)

14.2 Anomalies within our computer-based testing (CBT) and other potential threats.

14.3 High profile cases, including those now covered by the Thirlwall inquiry.

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14.4 A series of midwifery services concerns since 2022 (Shrewsbury and Telford and East Kent), with the report into Nottingham University Hospitals Trust in progress and due to be finalised in November 2025.

14.5 Articles published in the *Independent* online which raised concerns about our culture and discrimination within our FtP processes.

15 We rescoped our business plans to ensure they included additional activities that can help us recover effectively from some of the issues and apply learnings and preventative measures to avoid repeat events. Our corporate plan for 2024-2026, and the activities chosen within it, were developed in response to key areas of risk and the outcomes we seek to achieve through resolving them.

16 We have also matured our approach to risk, with a revised risk management framework and risk register to reflect strategic areas that require scrutiny from the Executive and other committees. This is to increase oversight and management of significant risks, ensuring that we regularly review and assess concerns to be able to take timely and proportionate actions.

17 At **annexe 3** we have provided our strategic risk exposure report specifically for Q4.

18 Capacity remains at a high level of concern across the organisation, with several teams under pressure due to reactive work being required alongside strategic projects and increased core business demands. We are mindful of upcoming findings from our people and culture investigations and the Thirlwall Inquiry, which will require freeing up capacity to allow us to reflect on results, take on learnings and embed change. Management of our portfolio, and change more broadly, is critical in enabling the change we want to see.

19 We are managing issues that have arisen in our core regulatory functions, including the FtP caseload, critical concerns raised within education QA and fraudulent entries to our register via international registrations. Our ability to remain agile, reprioritise strategic activity to apply resources toward increased core business activity or reactive work, ensures we can respond as required to our changing environment.

20 People and culture continues to be the theme of our compound risk review this quarter. This risk, and the mitigating actions, will be under continuous review as part of our strategic approach to risk. Relevant Boards and committees will discuss and assess the risk and actions to ensure this is managed proportionately. This will also be tackled at a directorate level, as this risk is reflected in operational risk registers, where actions can be tailored to the needs of each team. Our recent annual review of risk effectiveness, shared with Audit Committee in April 2024, also provided some recommendations to address people and culture concerns. These are with directorates to implement.

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Section 2. Progress against our corporate commitments for 2023–2024

Progress against our corporate commitments

<p><b>Commitment 2:</b> Provide greater flexibility in nursing and midwifery pre-registration education and training by launching new standards for pre-registration education in the UK.</p>	<p><b>Green</b></p>
<p><b>What we committed to deliver:</b></p> <ul style="list-style-type: none"> <li>Commissioning independent reviews and reporting on findings on the quality of practice learning in the UK and internationally (<u>Status:</u> Complete)</li> <li>Exploring the feasibility of establishing pilot sites for innovative approaches to practice learning (<u>Status:</u> Complete)</li> <li>Establish a UK wide group to support any future recommendations (<u>Status:</u> Complete)</li> <li>Support the implementation of updated programme standards for pre-registration education in the UK (by January 2025) (<u>Status:</u> Ongoing)</li> </ul>	
<p><b>What we delivered during 2023-2024:</b></p> <p>The external research organisation, Nuffield Trust, has been contracted and a weekly working group established. An Independent Chair for the steering group has also been recruited.</p> <p>Overall, this year has seen substantial strides in advancing the Future Programme Standards and associated initiatives. The engagement of stakeholders, recruitment of key personnel, and collaboration with external research organisations demonstrate a commitment to enhancing nursing and midwifery education and practice. The structured approach to implementing standards and conducting reviews is testament to this systematic and thorough approach.</p> <p><b>Next steps:</b> A second workshop in May 2024 is scheduled to advance the feasibility exercise, to discuss innovative approaches for supporting practice learning, which is crucial for informing case study pilots. A date has been set for the inaugural steering group meeting to finalise the Terms of Reference, future meeting schedules and to provide an overview of the review process. Ongoing support is being provided for the implementation of updated programme standards.</p>	

<b>Commitment 3: Review regulation of advanced practice.</b>	<b>Green</b>
<b>What we committed to deliver:</b> <ul style="list-style-type: none"> <li>Phase one: Use the independent commissioned research to inform, undertake, develop and complete additional key lines of enquiry (KLOEs) to inform the range of regulatory options we will take to Council in March 2024 for decision on their preferred option. This includes the risks and benefits of each option (throughout the year). (<u>Status</u>: Complete)</li> <li>Depending on the outcome and Council decision on their preferred regulatory option in March 2024, initiate phase two of the project (from March 2024). (<u>Status</u>: Commencing in Q1 2024)</li> </ul>	
<b>What we delivered during 2023-2024:</b> <p>Throughout the year, the NMC undertook significant steps towards enhancing the regulation of Advanced Practice within the nursing and midwifery professions. Key activities included the initiation of an independent research report, recruitment of crucial advisory roles and establishment of governance structures. In Phase 1, we completed reports on KLOEs, Equality Impact Assessments (EQIAs), options appraisals for additional regulation approaches, and published key themes from public and professional engagement activities.</p> <p>Following discussions at the March 2024 Council meeting, recommendations were agreed upon, leading to the decision to proceed. This next phase will involve finalising lessons learned from phase one and planning for phase two of the review, which is scheduled to commence in Q1 2024 - 2025.</p>	

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<b>Commitment 5:</b> Implement a new data-driven and proportionate approach to education quality assurance (QA) which enables us to have a more holistic oversight of institutions and their programmes to make appropriate interventions.	<b>Red</b>
<b>What we committed to deliver:</b>  Implement a new data-driven approach to quality assurance (QA), strengthening the ways we capture, and record, and analyse data on our approved education institutions (AEIs) and approved programmes (by November 2023) (project throughout the year). ( <u>Status</u> : ongoing, with some delays)  Procure a new QA service provider for the new contract (from August 2025) ( <u>Status</u> : complete).	
<b>What we delivered during 2023-2024:</b>  The analysis of the National Student Survey data has been completed, and efforts are underway to further analyse student progression and attainment data categorised by protected characteristics. Additionally, the diagnostic phase of the QA review has been finalised, and phase two (focusing on improvements and implementation) is currently in progress. Initial changes to governance have been implemented, with plans for additional enhancements in the coming months.  Procurement activity for the QA Service Provider has been completed and was approved at Council in March 2024. An implementation period is anticipated between April and August 2024, which will require significant resources from the QA team with the new contract date from September 2024 when the new supplier takes over.  Due to demand on the QA team, due to rising concerns regarding Approved Education Institutions, there is a risk to the team's ability to deliver robust reviews amidst competing priorities. To address this, additional resources have been allocated, including the approval of a new Lead Midwife for Education QA position and a Fixed-Term Contract adviser role.  Overall, challenges related to resource allocation and competing priorities have limited progress in mitigating challenges in this area. This has highlighted the need for continued attention and support in addressing these issues, which has been reflected in our strategic risk register for 2024 -2025. Despite efforts, the current demand and associated risks to delivery have resulted in a red rating.	
<b>Commitment 7:</b> Reduce our fitness to practise (FtP) caseload and make improvements to how we regulate to ensure that we process cases in a timely, proportionate, and efficient way.	<b>Red</b>
<b>What we committed to deliver:</b> <ul style="list-style-type: none"> <li>Reduce the overall FtP caseload to 4000 cases (by March 2024). (<u>Status</u>: Delayed)</li> </ul>	
<b>What we delivered during 2023-2024:</b> Despite concerted efforts throughout the year, the FtP caseload has presented ongoing challenges, culminating in a 6.6% increase to 5,922 cases by 31 March 2024, compared to 5,577 the previous year.	

Our lowest caseload during the year was 5,387 cases in August 2023. In the past six months, we have seen an unprecedented rise in the number of referrals - with a peak referral rate in February 2024 at 596 referrals (compared to 396 in February last year). The rise in referrals has put significant pressure on our Screening team.

To address this, our Council approved a comprehensive 18-month FtP plan and investment budget in March 2024, which commenced implementation in April 2024. This strategic initiative aims to enhance the timeliness and quality of casework through targeted interventions.

Throughout the year, decision-making capacity saw significant improvement compared to previous periods, yet this progress was outweighed by the escalating number of referrals. The red rating represents the significant risk within our regulatory functions and that we did not meet our target of 4,000 cases.

**Commitment 8:** Work with the Department of Health and Social Care to deliver a substantial programme of regulatory reform to remove legal barriers that limit improvements in the way we regulate.

**Green**

#### What we committed to deliver:

- Pre-consultation engagement on draft rules and policy positions (Status: complete)
- Pre-consultation engagement-ready rules (Status: complete)
- EqIA engagement ready (Status: complete see CC9)
- Draft rules updated to reflect powers and duties set out in final Anaesthesia Associates and Physicians Associates Order (AAPAO) (Status: ongoing)

#### What we delivered during 2023-2024:

The programme team has successfully transitioned to the new resource model and milestones agreed through the corporate prioritisation exercise. The team have identified outstanding policy areas from each workstream and have developed a plan to sequence this work over the next six months. Activity will focus on the NMC Order and review of equality implications.

Pre-consultation rules were engagement-ready by June 2023. The Department of Health and Social Care (DHSC) is in a planning period, within which they will establish a timeline for NMC's Order development.

In collaboration with General Medical Council (GMC) and Health and Care Professions Council (HCPC) we have reviewed the AAPAO, with a list of concerns sent to DHSC for further discussion.

Legal teams held workshops on proposed changes to FtP charges and staged hearings. Draft rules have been consolidated, and a first rough draft of core rules consultation document is prepared, ready for when we resume consultation planning.

Throughout the year, progress has been made in engaging with stakeholders, refining policies and advancing rule drafting. Collaboration with relevant bodies, and the preparation for consultation phases, reflect a proactive approach towards achieving our regulatory objectives. Despite necessary adjustments in timelines, the programme team has demonstrated adaptability and have managed to maintain a green rating.

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**Commitment 9:** Tackle discrimination and inequality and promote diversity and inclusion to make sure that our processes are fair to everyone.

**Amber**

**What we committed to deliver:**

- Deliver the actions agreed in response to the findings of phases one and two of our Ambitious for Change research and monitor the impact of these actions to determine what further work is needed in future years (by March 2024). (Status: Complete)
- Work with the new people and culture leadership team to embed equality, diversity, and inclusion in the refreshed People Plan, building on pilots of inclusive recruitment training and management essentials (Throughout the year). (Status: ongoing)
- Work with partners, stakeholders, and the public to identify the opportunities to promote fairness and equality through regulatory reform, by considering the equalities implications of the different elements of the programme (through Equality Impact Assessments (EqIAs) produced by March 2024). (Status: Complete)
- Implement a refreshed approach to supporting internal employee networks (delivery by Q4 23/24). (Status: Complete)

**What we delivered during 2023-2024:**

**Improving EDI in Professional Regulation**

To enhance our processes and stakeholder engagement, we have updated the employer referral dashboard and developed a criterion for targeting employers in discussions. Employer Link Service Advisors will start to weave information into conversations from April 2024. We also have additional project management support focused on identified 'amber' areas to support resolving those challenges.

We are supporting colleagues through external EDI training and workshops to identify key actions. A vision and outcomes have been outlined within these workshops, and there will be further consideration on the approach to handling sensitive conversations about the potential for discrimination in future training.

**Improving EDI at the NMC**

The 'EDI Learning' specifications have been agreed, so we are looking to secure a learning partner to design and deliver the organisation learning project. A further EDI Learning project has been born from this work, specifically targeted at Executive Board, Council members and our leadership group. We aim to secure a tender in April 2024.

**Regulatory reform and Equality Impact Assessments (EqIAs)**

We have improved how we communicate our EDI service to the organisation, which includes regular reporting to Executive Board and Remuneration Committee. We have developed a clear project plan around our key EDI deliverables, against the EDI Plan, and aligned this to support the people and culture investigation outcomes.

**Staff networks** The Staff Network Refresh Playbook has been completed and will launch in May or June. A successful recruitment drive in March 2024, resulted in all network Chair positions being filled, all of which will have access to Employee Network Lead training starting June 2024. We are currently investigating if we can create an MS Teams platform for network Chairs and colleagues to collaborate on EDI work, share good practice and discuss cross-network opportunities.



### Empowered to Speak Up (ETSU) initiative

The initiative is progressing as planned, with a communications strategy developed to raise awareness and recruit ETSU ambassadors. Recruited ambassadors will have access to foundation training we have secured via the NHS, and we will have further support from our Freedom to Speak Up Guardian, through the Guardian Service.

The overall amber rating reflects our level of risk and the uncertainty of some of the initiatives within this programme, which may need to be adjusted following the findings of the investigations.

**Commitment 11:** Deliver policy and legislative change to enable new approaches to international registrations, including a review of English language guidance, to ensure that it is fair.

Green

#### What we committed to deliver:

- Prepare a decision for Executive Board on whether to recognise certain international qualifications as comparable to our standards (by Q4). (Status: paused)
- Review the impact of phase one of our English language requirements review and make proposals for a further review of our English language requirements (originally by March 2024, rephased to after May 2024). (Status: on track against revised timeline, scheduled to report to Council July 2024)

#### What we delivered during 2023-2024:

Throughout the year, progress has been made in this area, including the implementation of changes to English language requirements, and deepening our understanding of education and regulation in countries with the largest number of international joiners. While some milestones experienced delays or required deferral during prioritisation, the overall effort has been directed towards ensuring fairness, maintaining high standards, and improving the comparability of qualifications.

We continue to monitor the impact of the changes to our English language requirements, implemented last year. We will present an evaluation of the changes to Council in July 2024 to cover a full year since implementation. It will include data research, equalities considerations and feedback from stakeholders. The outcome of our evaluation will inform any future work to refine our requirements.

**Commitment 12:** Close the Covid-19 emergency register and remove recovery education standards.

Green

#### What we committed to deliver:

- Maintain the emergency register, ensuring that those with temporary registration are capable of safe and effective practice, imposing new conditions of practice if needed (throughout the year). (Status: complete)



**What we delivered during 2023-2024:**

Temporary register was successfully closed on 31 March 2024 marking the milestone complete.

The temporary register reached a peak of 15,457 professionals on 31 March 2021. In total, 2,332 UK professionals moved from temporary registration to the permanent registration in the time that the emergency temporary register was open. 4,945 internationally trained professionals, who joined the temporary register to support the response to the pandemic while they completed their application, have joined the permanent register.

**Commitment 13:** Build trust in professional regulation through targeted campaigns to build an awareness of who we are, what we do, and what we stand for.

**Amber**

**What we committed to deliver:**

- Targeted communications for students launched (by Q4). (Status: complete)
- Targeted communications for professionals launched (by Q4). (Status: going live in April 2024)
- Repeat our audience perceptions research to inform our work. This will be in conjunction with research for the Insight Report 2024 and 2025-2030 strategy development) (by Q4). (Status: rescheduled for September 2024)

**What we delivered during 2023-2024:**

Throughout the year, campaigns were delivered which targeted professionals and the public on collaborative maternity care; encouraged good leadership amongst professionals, and promoted student engagement. While there were delays to the audience perceptions research and campaign launches, the overall trajectory remained on track. Decisions to delay were taken to ensure we achieved the best outcomes from our key messages, by not overwhelming our audiences during pressured times.

In March 2024, 'Our Code' initiative was launched, targeting students to reflect on the Code and standards guiding their future practice, alongside promoting a student resources hub. Communications for professionals on holistic nursing are scheduled for April 2024, including a collaborative piece on multidisciplinary care with the General Medical Council (GMC).

The current rating remains amber due to the ongoing campaigns extending into 2024 – 2025; partially delivered audience perceptions research (stakeholder insight rescheduled for September 2024); and reflects risks associated with future delays due to internal and external environment changes.

<b>Commitment 14:</b> Expand our national and local outreach to embed regulation, support, and influence at local level (evolving our employer link service into a broader outreach and in-reach service).	<b>Amber</b>
<p><b>What we committed to deliver:</b></p> <ul style="list-style-type: none"> <li>• Complete the recruitment for the expansion of the advisory capacity to support national and local outreach (by March 2024). (<u>Status</u>: postponed)</li> <li>• Launch the 'Welcome to the UK programme' for nurses and midwives joining our register from outside the UK (by March 2024). (<u>Status</u>: complete)</li> <li>• Develop and implement a strategic approach to extend our reach and engagement with social care and the agency nursing sector to provide information and support related to NMC regulatory activities (by March 2024). (<u>Status</u>: in progress)</li> <li>• Jointly deliver with the NMC midwifery advisors 'Midwifery Matters' sessions. Deliver a minimum of 1 per region/Devolved Administration per quarter in 2023-2024 (by March 2024). (<u>Status</u>: in progress).</li> </ul>	
<p><b>What we delivered during 2023-2024:</b></p> <p>Within 2023, this programme of work has been rephased within the corporate prioritisation exercise, which has caused some delays or rescoping of activity, hence the amber score.</p> <p>The recruitment of 10 advisor roles has been delayed and reduced (to 6.25 FTE) initially due to developing the new team structure, and more recently, due to the repurposing of funds for new FTP plan. The first two roles will be recruited in November 2024 with the following four spread across the remainder of the financial year. Social care and agency sector reach is impacted by the delay in recruitment to advisor roles, however one regulation advisor is now focussed on developing relationships with large independent providers and across social care stakeholders. The team work closely with Integrated Care Boards in England and social care and agency sectors in all four countries to support regulatory activities.</p> <p>The Welcome to the UK programme has been fully launched and is being delivered across all four countries including online and face to face sessions.</p> <p>Midwifery matters sessions are in progress and have received positive feedback from maternity teams. Delivery slowed due to systems pressures during winter.</p>	

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<b>Commitment 16:</b> Improve our insight and use it to enhance our regulatory impact and influence in the sector.	<b>Green</b>
<b>What we committed to deliver:</b> <ul style="list-style-type: none"> <li>Implement a consistent corporate approach to collecting data about employer settings (Q2). (<u>Status</u>: complete)</li> <li>Further develop our shared data platform and collaborative analysis with the GMC and Care Quality Commission (CQC) to better understand regulatory risks (throughout the year). (<u>Status</u>: on track with some challenges on capacity)</li> </ul>	
<b>What we delivered during 2023-2024:</b> <p>Throughout the year, progress was made in key areas such as data collection for revalidation, modifications to diversity monitoring and the initiation of the shared data platform project. Despite encountering challenges such as delays, persistent bugs and resource constraints, the organisation demonstrated resilience in addressing these issues and moving forward with strategic initiatives. Collaboration with external stakeholders also highlights a commitment to enhancing regulatory processes and organisational capabilities.</p> <b>Coded data settings update:</b> <p>The Coded Data Settings project (CDS) has been launched successfully, with corrective measures to address ongoing bugs underway. The Insight Programme associated with this project has concluded, marking a significant step towards enhancing data integrity and application within processes.</p> <b>Shared data platform development (SDP):</b> <p>Due to competing IT priorities, there are some challenges in securing development resources for 2024, with projected availability anticipated by 2025.</p> <p>Collaboration between the GMC, and Care Quality Commission (CQC) is underway to lead the scoping phase for the SDP, which is crucial for understanding organisational readiness and capabilities. Current focus is on understanding data security in collaboration with their information governance teams.</p> <p>The next joint analysis project will explore the drivers behind regulatory referrals, independent of the SDP development status.</p>	

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<b>Commitment 17:</b> Deliver our People Plan that supports our colleagues to be engaged, retained, and supported to deliver our strategy.	<b>Green</b>
<p><b>What we committed to deliver:</b></p> <ul style="list-style-type: none"> <li>• From April 2023, implement new proposals on pay and total reward to support employee retention and attraction by effectively communicating the benefits that colleagues can expect beyond pay (throughout the year). (<u>Status</u>: ongoing)</li> <li>• Implement online appraisals to improve performance discussions with colleagues throughout the year on an ongoing basis (ambitious appraisals project) (Pilot in Q1, embed throughout the year). (<u>Status</u>: ongoing, transitioning to core business)</li> <li>• Implement a management programme (Management Essentials) for all colleagues who manage colleagues to better support people. This will include EDI awareness and unconscious bias training to support career progression goals. (Pilot in Q1, embed throughout the year). (<u>Status</u>: ongoing, transitioning to core business)</li> </ul>	
<p><b>What we delivered during 2023-2024</b></p> <p>In terms of progress made this year, several initiatives have been able to be implemented successfully, despite additional pressures from unplanned activity concerning our people and culture. Looking ahead, we will need to revisit key deliverables in the context of the investigations, because while we are progressing well against the new People Plan published in July 2023, we will need to be agile in responding to the investigation, learn from it and reset our priorities as needed.</p> <p>Our Total Reward scheme implementation has gone well, with changes as part of 2023/24 pay award, a new pay policy and 2024/25 pay round agreed following constructive engagement with UNISON, Employee Forum, and Remuneration Committee.</p> <p>In January and February 2024, we supported the People and Culture Review by sharing significant data and information with them covering the last five years. This has included ad-hoc analysis of exit interviews, Your Voice data, casework insight and improvement plans, policies and People Plan updates.</p> <p>The first round of Ambitious Appraisals launched in October 2023, with 68 percent of colleagues having successfully gone through the process. The completion rate since has soared to 89 percent in Q4. While this is a massive positive step, our goal is 100 percent participation. We want to ensure all colleagues have objectives of a consistent standard set for 2024-25, as they are crucial for performance management and will impact future pay awards.</p> <p>As previously noted, Management Essentials completed phase one and is now core training for new managers following colleague feedback. We have also focused on supporting the Leadership Group with coaching, which has received good feedback.</p> <p>Our refreshed People Plan for year two is currently focused on Growth and Empowerment and we have engaged with colleagues on its development. We had our first two apprentices in February 2024, one for HR and one for Coaching, with a further nine signed up for coaching.</p>	

We have made significant progress on the Leadership and Management training (level 6/7 – degree and masters equivalent) which will launch in Q3 2024 – 2025.

The Competency Framework engagement has now completed. Drafts are being completed in April 2024, with a plan to launch it in Q1 2024 - 2025 when it will be linked to new roles only, before being more widely adopted.

**Commitment 19:** Update digital systems that support how we regulate to improve the experience for customers and colleagues.

**Green**

**What we committed to deliver:**

- Complete the move of the Register from our legacy system (Wiser) to Microsoft Dynamics 365 (D365) (by Dec 2023). (Status: Complete)
- Complete functional enhancements for education quality assurance (QA) system (by Oct 2023) (Status: Complete)
- Complete the high-level design phase of the case management system replacement, which includes delivering prototypes to support the best practice hub (from Oct 2023) (Status: Complete)
- Deliver change requests to meet business process improvements and legislative requirements (as per business needs). (Status: Ongoing)
- Create a business case for approval of funds by Council to replace the case management system used by Fitness to Practise (March 2024). (Status: complete)

**What we delivered during 2023-2024:**

Throughout the year, substantial progress has been made across key projects. The Wiser Decoupling Project successfully concluded its final release, marking a milestone in the transition to D365. Education QA achieved functional enhancements in January 2024, while the NMC Online project expanded to incorporate a payment solution replacement. As a result, the completion date has been extended to March 2025.

MoTS Phase 3c saw approval for a new case management system at Council in March 2024, and a robust change management process was established. The accompanying narrative provided clarity on the implementation approach and the anticipated benefits for Professional Regulation.

Recruitment efforts in March 2024 have bolstered leadership capabilities, enhancing our capacity to effectively manage risks and delays, and drive key initiatives forward.

**Commitment 20:** Deliver contemporary IT through our technology improvement programme and core business to improve our efficiency.

**Amber**

**What we committed to deliver:**

- Migrate current NMC systems to cloud-based computing, safeguarding, and future-proofing our systems and data storage (by Q3). (Status: ongoing, rephased)

### What we delivered during 2023-2024:

Migration to Azure continues, with progress on 13 applications and 24 Virtual Machines (VMs) migrated so far, with a further 4 applications and 12 VMs pending. Following the re-baselined project plan with Telefonica Tech in Q2, the migration has been rephased to complete in October 2024. Though there have been challenges with some services and applications not being compatible with Azure, these will now be managed through individual projects. WISER cannot be moved to the cloud and will remain on premise until decommissioned as a part of the MoTS programme.

Despite initial delays, migrations of servers and applications have continued steadily this year. The project has been effectively managed despite resource constraints from simultaneous involvement in the MoTS programme. The amber rating reflects the conscious rephasing of this work.

### Commitment 21: Create modern workspaces that support wellbeing and collaboration

Amber

#### What we committed to deliver:

- Undertake the design and seek necessary planning and other approvals and permissions for refurbishment of our office at 23 Portland Place (23PP) throughout the year, creating a safe, accessible and modern environment. (Status: Paused)
- Negotiate short term extension of existing 2 Stratford Place (2SP) lease or seek alternative premises/solutions to undertake in-person hearings (in place by Q4 2024) to ensure we provide the service needed by the public and professionals on our register (by Q4). (Status: Complete)
- Start tender process for the right building contractors to deliver a good quality and value for money service for the refurbishment of our office at 23 Portland Place (from Q3 2023-2024), linked with our organisation values and sustainability goals. (Status: Paused)

<p><b>What we delivered during 2023-2024:</b></p> <p><b>23 PP:</b> Following the corporate prioritisation exercise the decision was taken to pause the refurbishment of 23 PP, to release funds to support the new FtP 18-month plan. Plans for refurbishing the second floor to enhance collaboration space, and the ground floor for a more welcoming entrance, are being explored, with work potentially commencing in Q3 2024-2025. In light of a pause for at least two years, the Accommodation Committee intends to review the strategic Accommodation Plan at the end of the year (Q3 2024 - 2025).</p> <p><b>2SP:</b> Positive responses have been received from the landlord regarding the extension of the existing lease to accommodate in-person hearings. Negotiations on heads of terms are underway, with a specialist property lawyer engaged to review the lease extension documentation.</p> <p><b>OWA:</b> After discussions at the Accommodation Committee in February 2024, a final agreement on the rent review and associated costs has been negotiated with the landlord for the remainder of the lease term until February 2029. The negotiated figure has been budgeted and accrued for.</p> <p>Overall, while adjustments to planned renovations were necessary, progress remains steady, with a focus on optimisation of our accommodation to support wider organisational objectives.</p>	
<p><b>Commitment 22: Implement an NMC sustainability and environmental plan.</b></p>	<p><b>Green</b></p>
<p><b>What we committed to deliver:</b></p> <ul style="list-style-type: none"> <li>Publish the sustainability plan which will support current and future colleagues and professionals on our register to build sustainability into their working practices (Q2). (<u>Status</u>: Complete)</li> </ul>	
<p><b>What we delivered during 2023-2024:</b> The NMC demonstrated commitment to our sustainability objectives, as outlined in our comprehensive plan, published in March 2024. Key highlights include the integration of sustainability principles into procurement processes and the alignment of our investment portfolio with environmental goals. Our first annual update on our carbon impact is almost complete, ensuring we are transparent in reporting our progress. This data will be presented within our annual report and accounts.</p>	
<p><b>Implementation of Welsh Language Standards</b></p>	<p><b>Green</b></p>
<p><b>What we committed to deliver:</b></p> <ul style="list-style-type: none"> <li>Implement the new regulations (by Nov 2023). (<u>Status</u>: complete)</li> </ul>	
<p><b>What we delivered during 2023-2024:</b></p> <p>The implementation of new Standards was successfully completed by December 2023, with comprehensive communication internally. Colleagues have access to policies and guidance to ensure ongoing compliance. The project is transitioning to core business, with a Welsh language operational group meeting quarterly to review data and address emerging issues. Additionally, the group will prepare for the first annual report under the new Standards in Autumn 2024.</p>	

**\* Commitment 1:** Deliver a new set of ambitious post-registration standards focusing on community nursing practice - completed in 2022-23.

**Commitment 4:** Review revalidation requirements for nursing and midwifery professionals - moved to our next strategy period from 2025.

**Commitment 6:** Evaluate protected learning time for nursing associates - will be delivered within core business with a reduced scope.

**Commitment 10:** Continue to ensure objective structured clinical examination (OSCE) capacity meets demand and to explore ways of improving access. – Closed


**Commitment 15:** Create a modern and accessible website – paused in Q3 2023-24


**Commitment 18:** Improve the way we are structured so that we can deliver our strategy - paused until 2024.

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### Section 3 Detailed progress against our Key Performance Indicators (KPIs)

 KPIs	Target	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
<b>Fitness to Practise</b>													
Volume of the overall fitness to practise caseload (closing caseload) (month actual)	Reduce	5,589	5,563	5,534	5,454	5,339	5,500	5,519	5,606	5,711	5,778	5,921	5,994
Percentage of Interim orders imposed within 28 days of opening the case (month actual)	80%	62.7%	66.7%	73.3%	66.7%	71.7%	76.9%	63.0%	71.7%	68.1%	54.3%	66.7%	55.9%
Percentage of fitness to practise cases concluded within 15 months of being opened (month actual)	Monitor	56.5%	60.8%	64%	57.1%	63.5%	58.2%	62.6%	63.4%	56.4%	60%	63.2%	65.4%
<p><b>Exception comment</b></p> <p>We have been forecasting that our fitness to practise KPI for cases concluded within 15 months would be below target throughout 2023-2024 whilst we work to restore the caseload to optimum levels. Our caseload was reducing during the first half of the year but has been rising since September 2023, and affected our ability to progress cases in a timely way. At March 2024, the caseload stood at 5,994, an increase of 8.9 percent since September 2023. In the same period since September, we received higher numbers of referrals than forecasted, which impacted workload and performance. Our timeliness performance against the 15 month KPI was 65.4 percent for March 2024 with a 12 month rolling rate of 61.1 percent, compared to 60.8 percent in April 2023. There is further work to do to improve timeliness and our FtP Plan will enable us to achieve this.</p> <p>Interim Order (IO) performance remains significantly below target at 55.9 percent for March (target: 80 percent). This continues to be an area of focus within Screening and we are taking several actions to restore performance against this KPI. Immediate actions include closer working between Screening and Listings colleagues to improve the efficiency of scheduling IO hearings and we are also reviewing cases which have missed the KPI to understand learning and share feedback with relevant colleagues. We recently updated our IO guidance and colleagues are receiving training and a review of how revised guidance is being applied is scheduled for later in the year. Medium term actions include improving the size and structure of the IO team to be able to manage the caseload.</p>													

 KPIs	Target	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
<b>Registrations, OCSE and contact centre KPIs</b>													
<b>Registrations:</b> Percentage of UK initial registration applications completed with no concern within 1 day	97%	98.6%	98.6%	99.5%	99.9%	99.6%	98.9%	99.7%	99.9%	99.8%	99.5%	99.8%	99.4%
Percentage of UK initial registration applications completed where concerns are raised within 60 days	90%	100%	95.8%	90.5%	100.0%	100.0%	98.7%	98.9%	95.0%	91.7%	95.6%	91.3%	92.1%
Percentage of overseas registrations applications assessed within 30 days	95%	98.1%	99.7%	99.9%	99.9%	99.6%	99.8%	99.0%	99.5%	99.3%	97.8%	99.2%	97.1%
<b>Readmissions:</b> Percentage of readmissions applications completed within 21 days	90%	98.1%	98.4%	98.8%	98.6%	97.8%	96.1%	99.6%	98.4%	99.4%	98%	98.5%	98.5%
<b>OSCE:</b> Percentage of customers who agreed that the objective structure clinical examination (OSCE) test centre treated them with 'respect and dignity' throughout the examination process	95%	98.9%	98.5%	99.6%	98.0%	98.6%	98.9%	97.0%	98.9%	99.0%	98.8%	99.3%	99.8%
Number of OSCE tests offered per month across our 5 test centres	>3000	4,184	4,481	4,946	4,790	4,951	4,775	4,956	4,928	3,433	4,607	4,202	3,917
Number of test takers	Monitor only	4,008	4,262	4,511	4,610	4,581	4,220	4,471	4,394	3,310	4,218	3,895	3,647
<b>Contact centre:</b> Percentage of call attempts handled	90%	89.6%	82%	90.4%	96.0%	97.7%	95.8%	93.0%	90.7%	88.4%	81%	86.9%	82.7%
Total number of Calls into the Contact Centre	Monitor only	14,869	18,835	17,009	16,007	18,288	20,159	20,899	19,159	15,555	22,077	19,038	21,010
Total number of calls answered by the Contact Centre	Monitor only	13,326	15,436	15,377	15,366	17,863	19,304	19,437	17,370	13,748	17,886	16,541	17,366


Percentage of customers reporting that the contact centre handled their call with kindness	96%	96.4%	96.2%	93.1%	95.4%	95.7%	94.8%	94.8%	94.9%	94.8%	93.8%	95.4%	93.4%
Number of emails handled	Monitor only	3,006	3,590	3,598	4,185	5,094	5,058	4,610	3,818	3,178	4,295	3,766	4,428

#### Exception comments

**Contact Centre:** performance for the contact centre concerning call attempts handled was below target for 6 months in a full year, with an average of 89.5 percent (was 94.9 percent in 2022-2023). The total number of calls increased by 17 percent for the year when compared to the previous year (a total of 209,352 calls verses 179,239 calls in 2022-2023). Calls offered for the year were 22,000 above forecast, and although the team did not meet their monthly target, the overall annual KPI target of 90 percent was still being met up until the end of February 2024. On the first day of March 2024 there was an NMC Online system outage, increasing calls by almost 90 percent for the following four days, leading to the yearly KPI being missed.

**Calls handled with kindness score:** this KPI was below target for 10 months in a full year with an average of 94.9 percent. Throughout the year we have investigated calls receiving negative scores, with managers reviewing recordings. The main cause for a low score was not due to being treated unkindly, but in not meeting other expectations, such as quickness in resolving queries. Due to the influence of other factors on this KPI and this year's performance, we have reduced the target to 95 percent in the upcoming year.


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 KPIs	Target	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Customer enquiries, complaints and feedback													
Percentage of complaints handled within 20 working days	90%	89.7%	89.5%	92.1%	95.0%	88.0%	94.0%	95%	90%	97%	93%	95%	89.8%
Number of complaints handled	Monitor only	96/107	111/124	118/128	125/131	119/135	116/124	142/150	138/153	124/128	153/165	155/163	115/128
Percentage of information requests responded to within their statutory timeframes	90%	95.0%	91.0%	98.0%	96.0%	93.0%	96.0%	94%	95%	96%	94%	97%	94%
Number of information requests handled	Monitor only	188	156	182	161	176	149	142	158	149	127	172	208
Percentage of MP enquiries responded to in 20 days	90%	80.0%	33.3%	100%	100%	100%	100%	88%	50%	100%	100%	100%	50%
Number of MP enquiries handled out of the total	Monitor only	4/5	1/3	6/6	5/5	8/8	1/1	6/7	1/2	2/2	2/2	9/9	1/2
Percentage of enquiries responded to in 20 days	90%	100%	100%	100%	100%	100%	85.7%	100%	100%	100%	100%	100%	81.8%
Percentage of customers highly satisfied/satisfied with the service received	85%	92.0%	90.0%	86.0%	92.0%	88.0%	86.0%	85%	87%	87%	86%	89%	85%
Number of feedback surveys completed	Monitor only	524	651	665	720	733	770	829	719	626	786	708	727

### Exception comments - Customer enquiries, complaints, and feedback

**Complaints:** performance for complaints handling was above target for 8 months in a full year. The total number of complaints increased by 27.8 percent for the year when compared to the previous year (a total of 1,636 complaints verses 1,280 complaints in 2022-2023). Causes for not meeting the KPI on those remaining months include that a notable portion of cases necessitated approval from multiple team managers and capacity constraints.

**MP Enquiries:** performance for MP enquiries was above target for 7 out of 12 months in a full year. There were delays in Feb and March this year due to sickness absence, and we are reviewing our handover process for MP complaints to bring it in line with our corporate complaint handover. Of the cases that missed the KPI in 2023, delays were partly caused by follow ups with PR colleagues for responses, or the fact that colleagues responsible for reviewing the responses were on a period of leave.

 KPIs - Fit for the Future organisation	Target	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Our People													
Number of full time equivalent (FTE) NMC employees (month actual)	1,217 (annual av.)	1,120	1,131	1,149	1,138	1,139	1,152	1,147	1,151	1,154	1,160	1,178	1,176
Percentage of agency and contractors (as a percentage of total FTE) (month actual)	Monitor only	6.2%	7.2%	6.3%	5.7%	5.6%	5.2%	5.1%	4.7%	4.6%	4.1%	4.2%	4.3%
Percentage of all NMC turnover (permanent employees only) (12 months rolling)	0-12.5%*	12.2%	12.3%	11.8%	10.5%	10.1%	9.6%	9.9%	9.6%	9.3%	8.8%	8.5%	8.6%
Total number of new starters (permanent) (month actual)	Monitor only	10	6	18	7	5	15	13	17	10	13	8	3
Total number of leavers (permanent) (month actual)	Monitor only	5	10	7	5	5	11	13	7	4	5	9	11
Percentage of new starters leaving within 6 months of joining (12 month rolling)	12.5%	9%	10.5%	10.5%	11.7%	11.6%	13.6%	14.7%	12.3%	14.1%	11.8%	13.2%	13.2%
Number of new starters leaving within 6 months of joining (month actual)	Monitor only	0	0	0	1	0	1	3	2	0	0	1	1
Average number of days of sickness per employee (days)	6.5	7.6	8.3	7.7	7.8	7.8	8	8.1	8.3	8.6	8.9	8.9	8.9
Employee engagement score (out of 10) (annually)**	7.5						7.3	Next survey due in 2024-25 (annually).					
Employee net promoter score (annually)***	Positive score						15						
Employee perception of internal communications effectiveness score (out of 10) (annually)**	7						7.7						

### Exception comments – Fit for the Future Organisation

\*\*We have tailored how we apply traffic lights for our *percentage of all NMC turnover* KPI. Traffic lights are now applied as: 12.5% or below = green, 12.5% to 15% = amber, above 15% = red. This is to provide more nuance when interpreting the data.

\*\*Takes account of various factors from our colleague engagement survey to assess their overall opinion of the organisation. Scores are either plus (positive opinion) or minus (negative opinion)

\*\*\*As per the last survey in September 2023:

- Employee engagement score (out of 10) was rated 7.3
- Employee net promoter score was rated at positive score 15
- Employee perception of internal communications effectiveness score (out of 10) was rated at 7.7

**Full Time Equivalent (FTE):** FTE remained below target for an entire year due to budgeted roles not being recruited for throughout the year. The average vacancy rate was 11.1 percent with only 20 percent per month having been actively recruited to. This was due to budget being used in other areas and limited manager capacity to recruit.

**Sickness absence:** was above target for the entire year with an average of 8.2 days sickness per person per year. The top reasons for absence were cold, flu and mental wellbeing (stress related, depression and anxiety). We will continue to monitor this to draw out key trends so that we can support colleagues and their wellbeing, as well as manage capacity across the organisation.

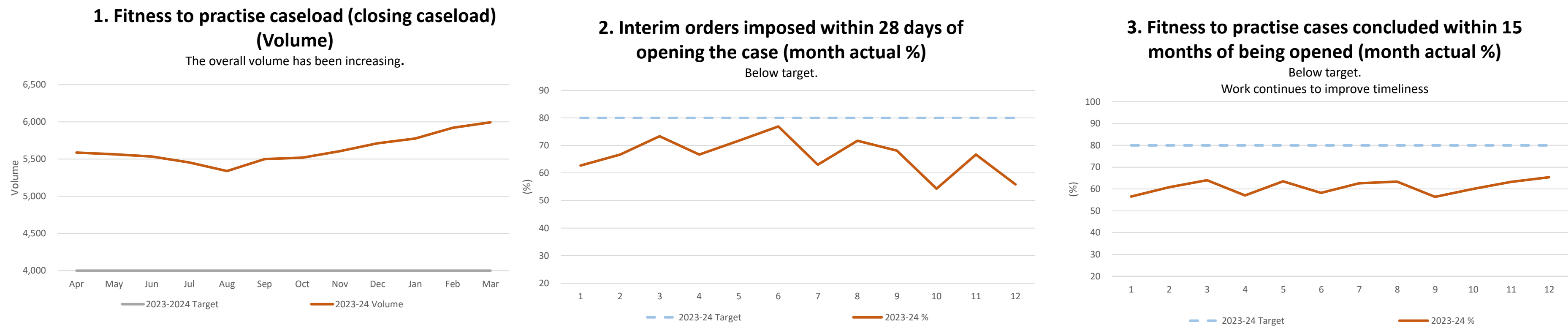
## Traffic light definitions

	RED	AMBER	GREEN
<b>v</b>	<b>Significant concerns</b> <ul style="list-style-type: none"> <li>Expected to fail to deliver against its milestones</li> <li>Actions are needed immediately to help the commitment to be delivered.</li> </ul>	<b>Some concerns</b> <ul style="list-style-type: none"> <li>Expected to partially deliver against its milestones – some delays</li> <li>Will make significant progress towards benefits/outcomes, but some aspects are delayed</li> <li>Or actions are being taken to bring the commitment back on track</li> <li>Or there are some uncertainties or risks that we need to monitor and managed</li> </ul>	<b>No concerns - on track</b> <ul style="list-style-type: none"> <li>Expected to deliver against its milestones and realise benefits</li> </ul>
<b>KPIs</b>	<b>Significantly below target</b> More than 8 percent below target	<b>Off target</b> Below target between 1 to 8 percent	<b>Within range</b> On or above target



Annexe 1 section 4. KPI Trend Dashboards

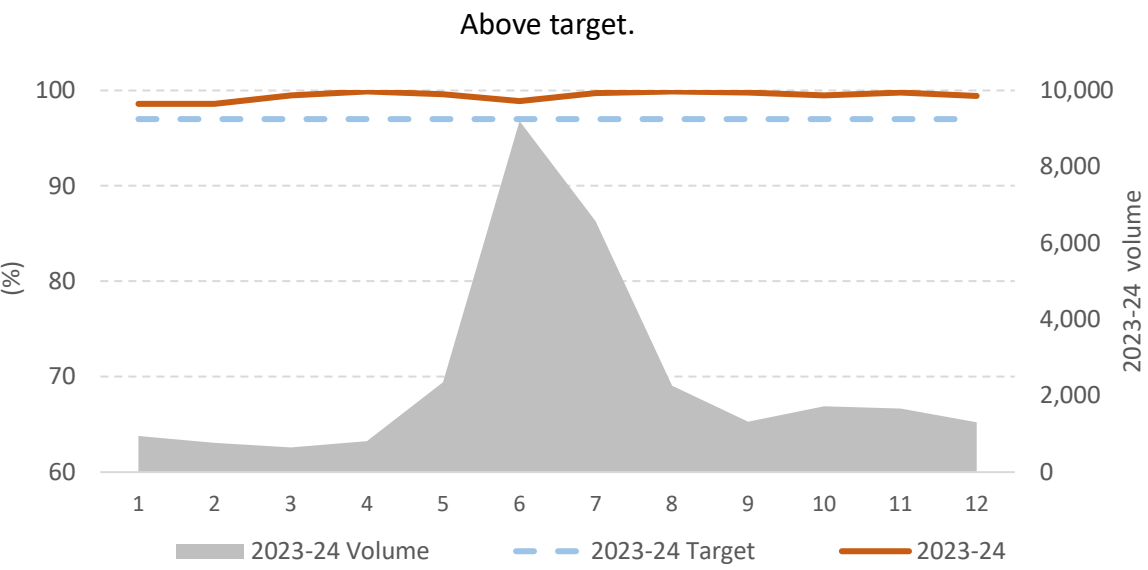
Professional Regulation - Fitness to Practise



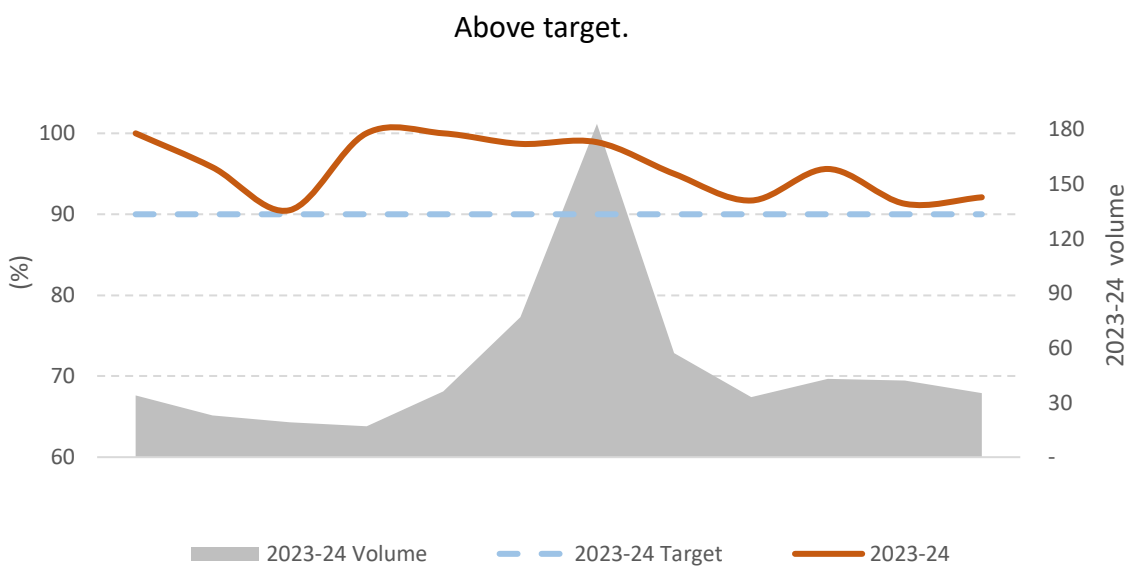
Professional Regulation - Registrations

Registrations

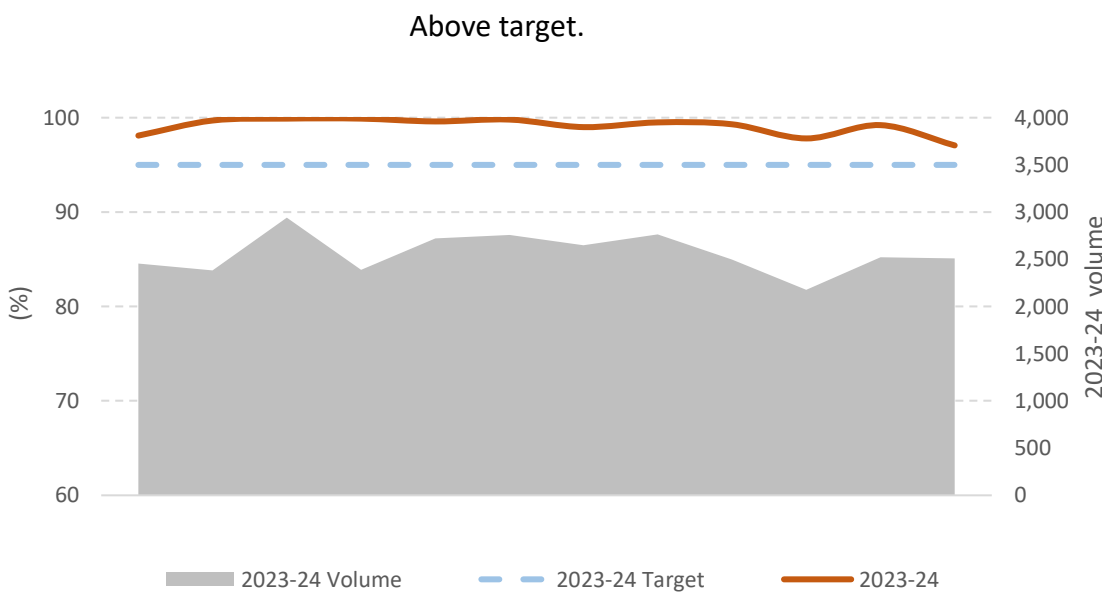
4. UK registration completed with no concern within 1 day (% and volume)



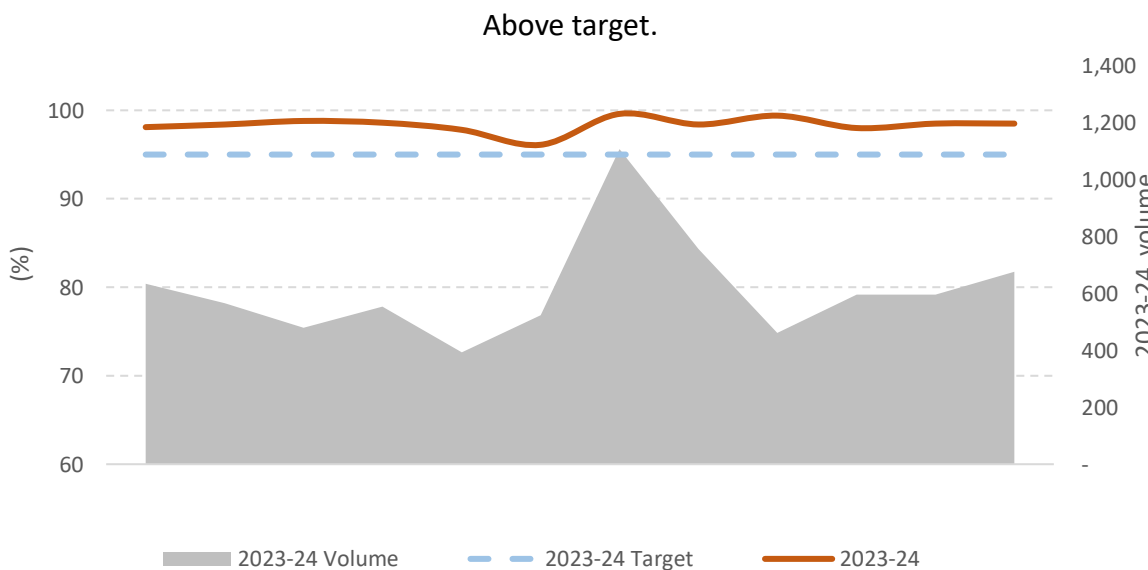
5. UK registrations requiring additional scrutiny within 60 days (% and volume)



6. Overseas registration assessed within 30 days (% and volume)

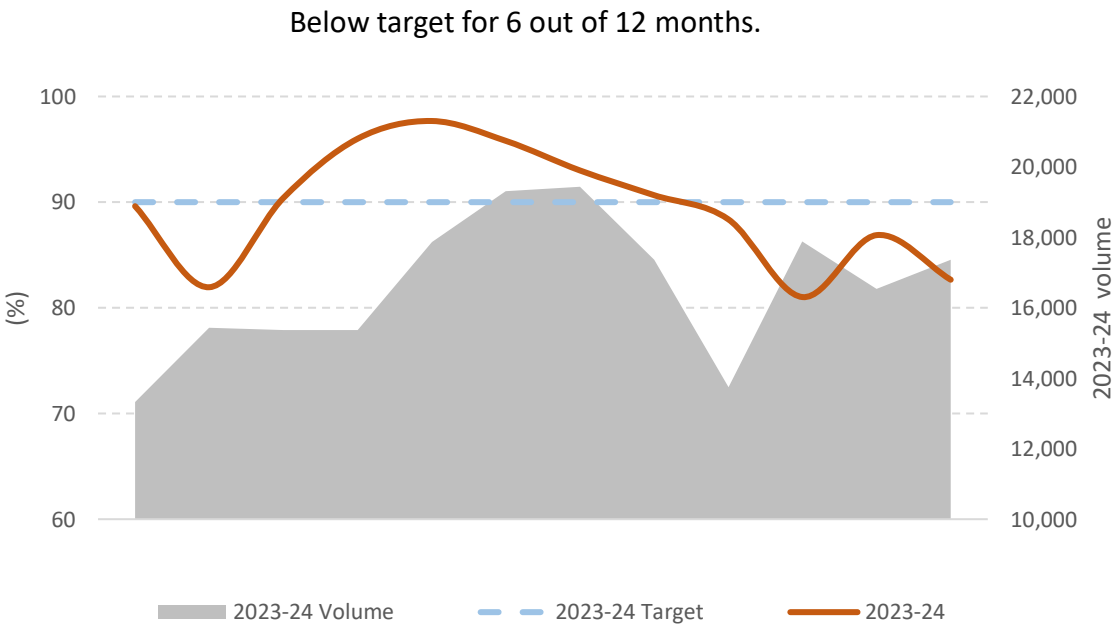


7. Readmission applications completed within 21 days (% and volume)



Contact Centre

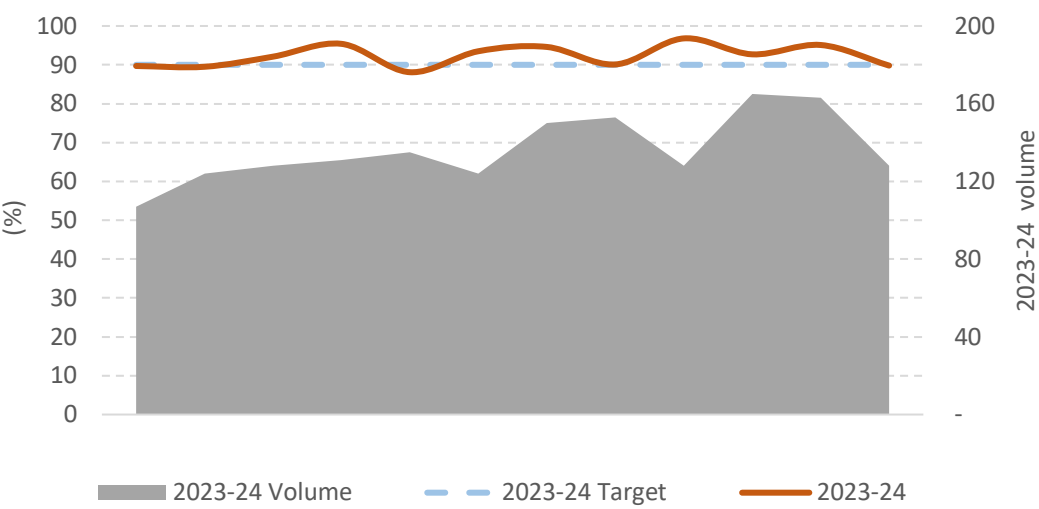
8. Call attempts handled (% and volume)



Customer enquiries, complaints and feedback

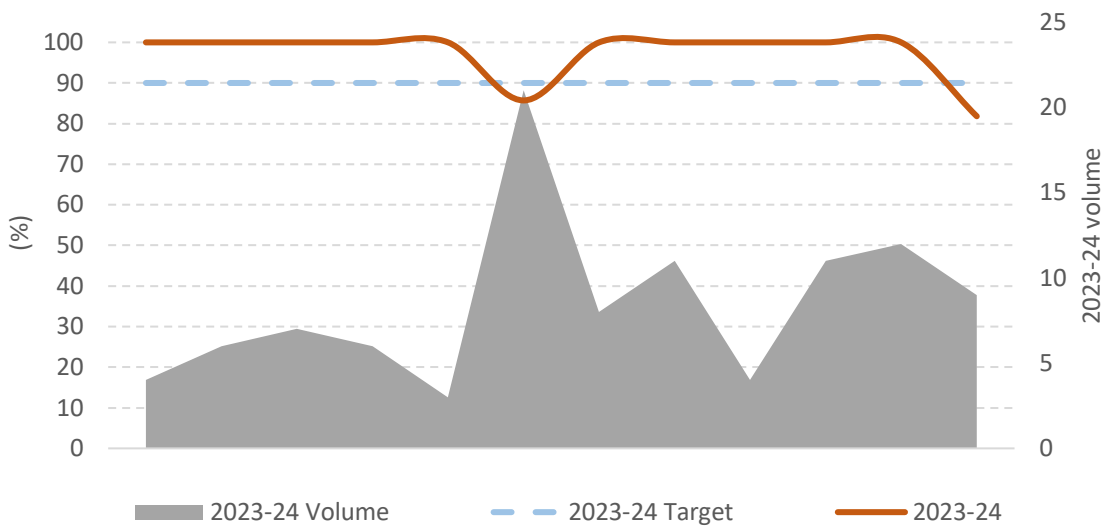
9. Customer complaints responded to within in 20 days

Below target for April, May, August and March in the entire year.



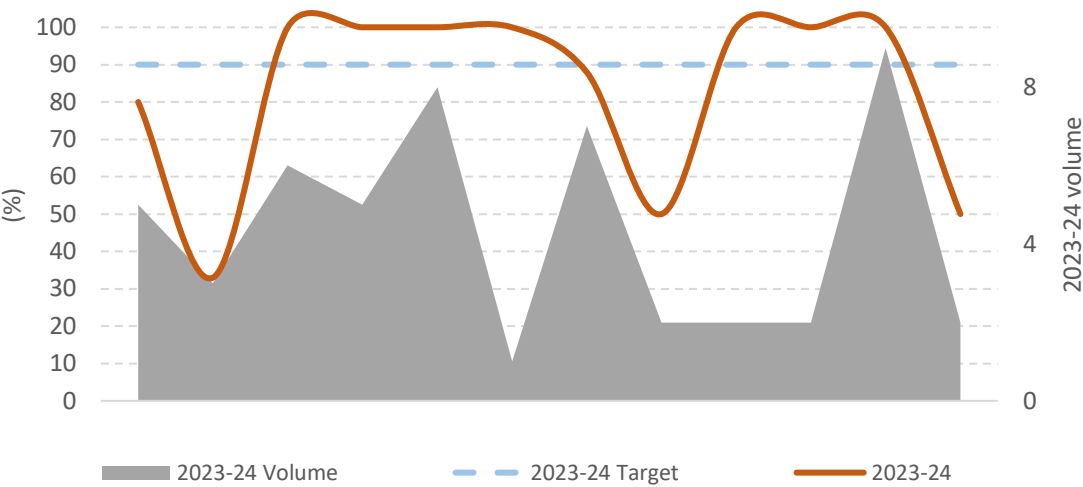
10. Enquiries responded to in 20 days

Below target for September and March in the entire year.



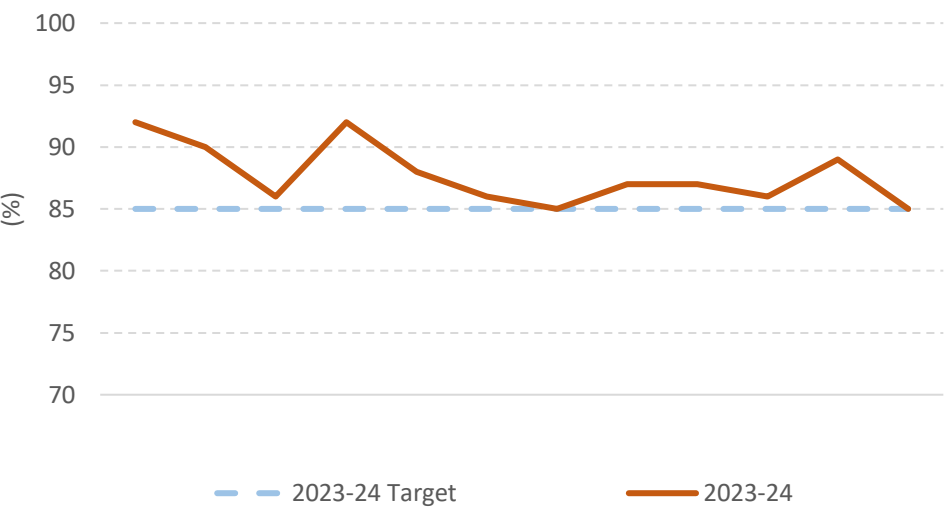
11. MP Enquiries responded to in 20 days

Below target for April, May, October, November. and March in the entire year.



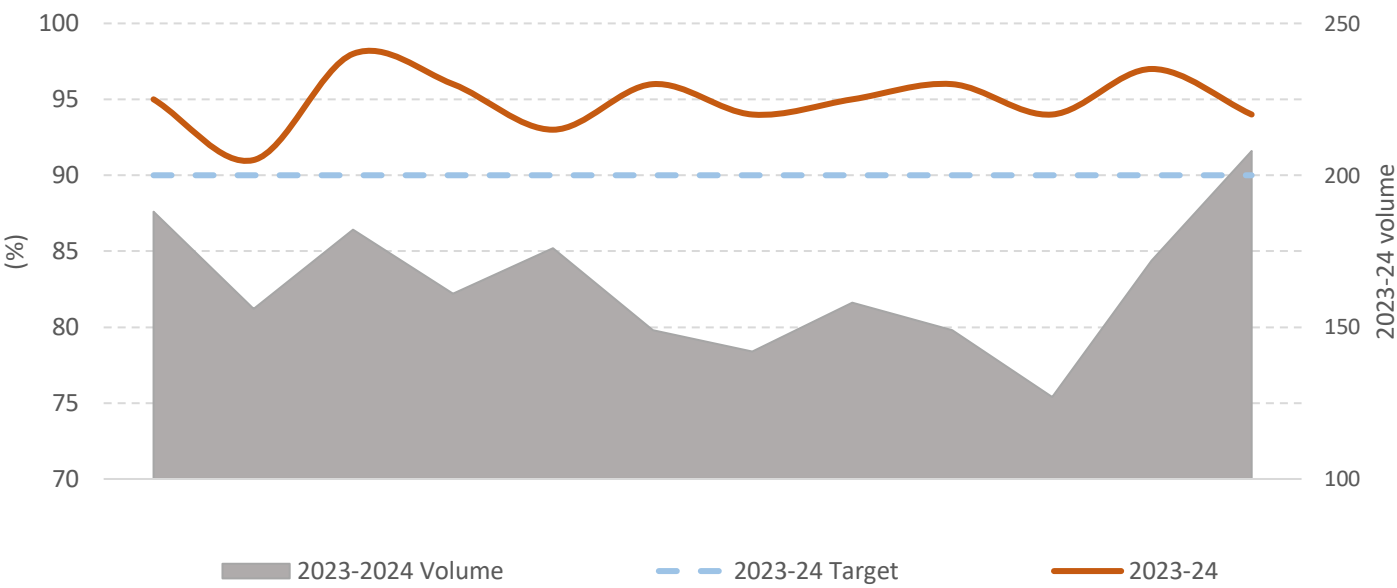
12. Customers rating our service as good or very good

Above target.



13. Information requests responded to in statutory timeframes

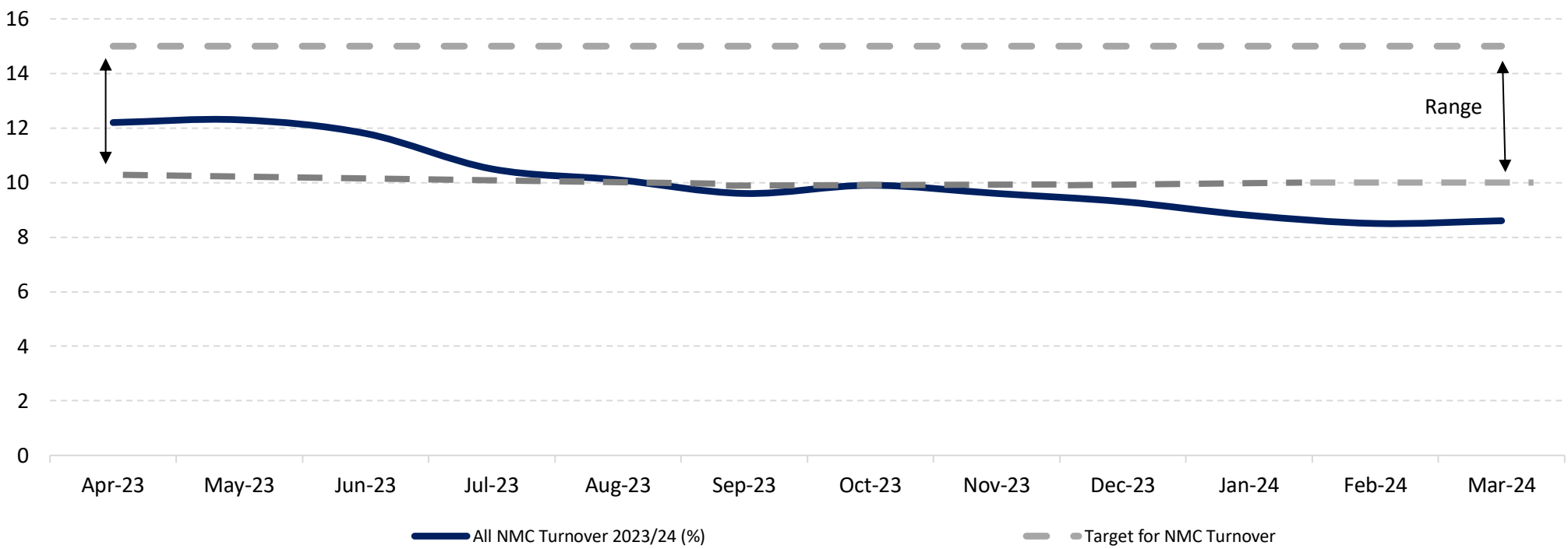
Above target.



Our people

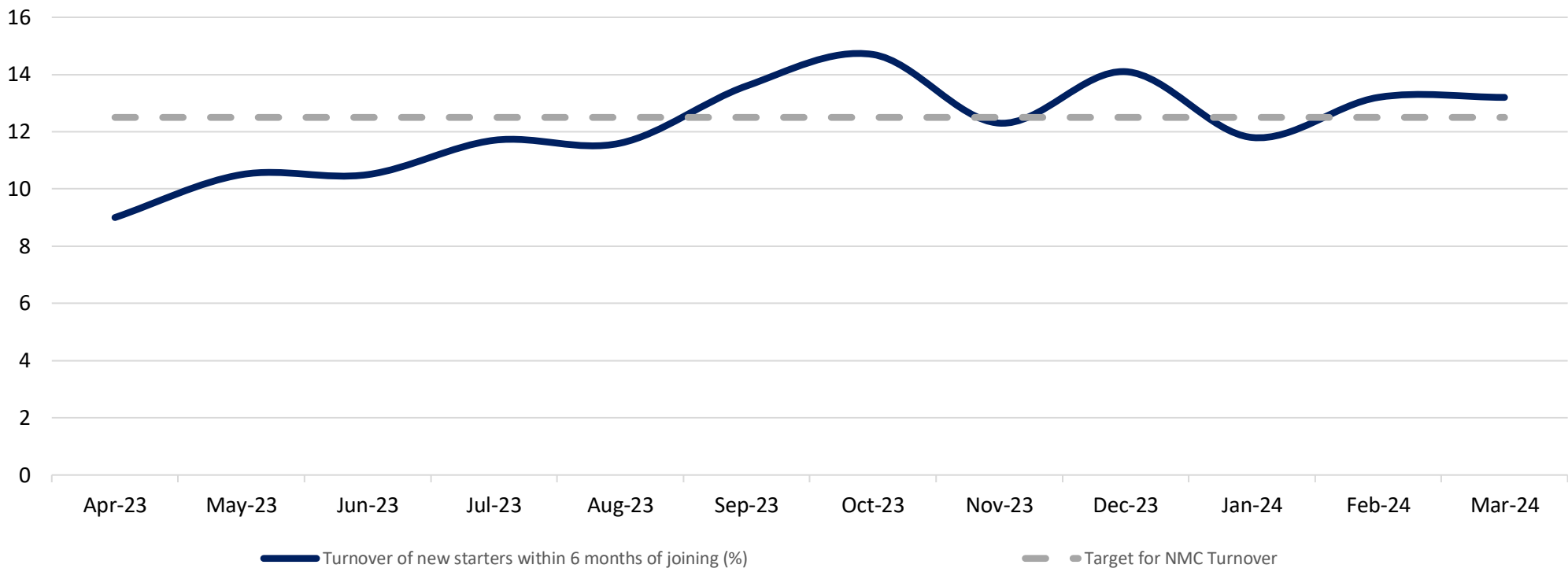
14. Total NMC employee turnover (%)

Within the acceptable range for the entire year.



15. Turnover of new starters within 6 months of joining (%)

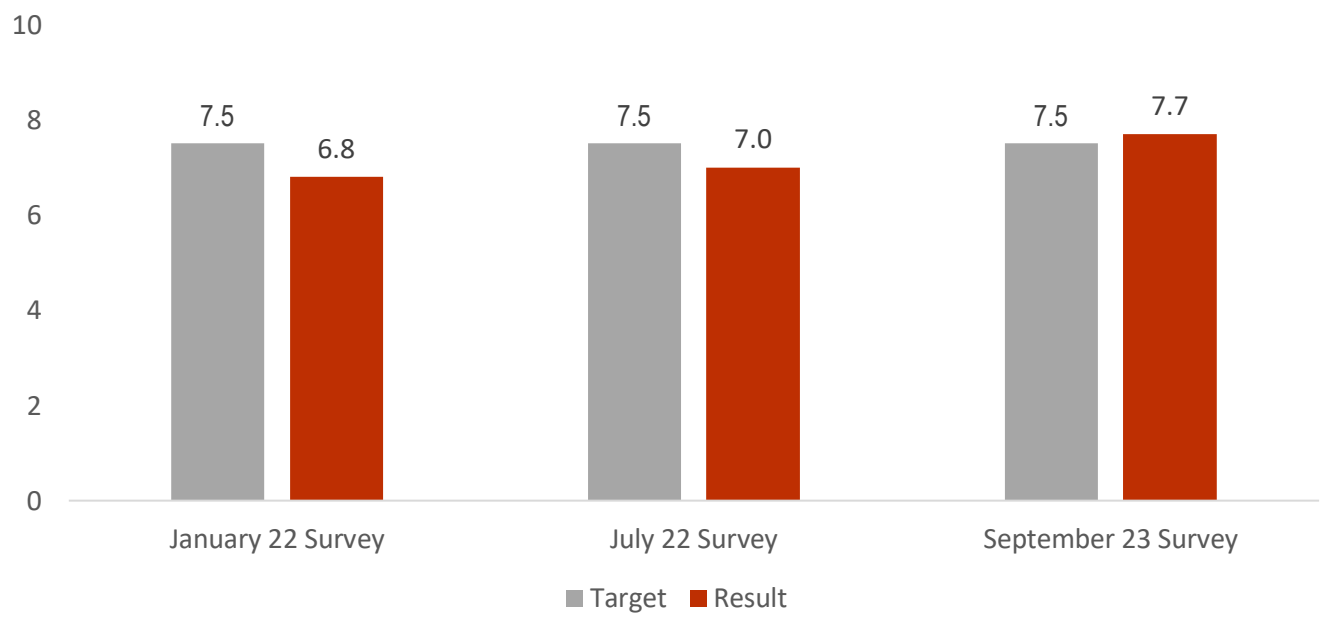
Below target for 6 months in the entire year.



16: Employee engagement score (out of 10)

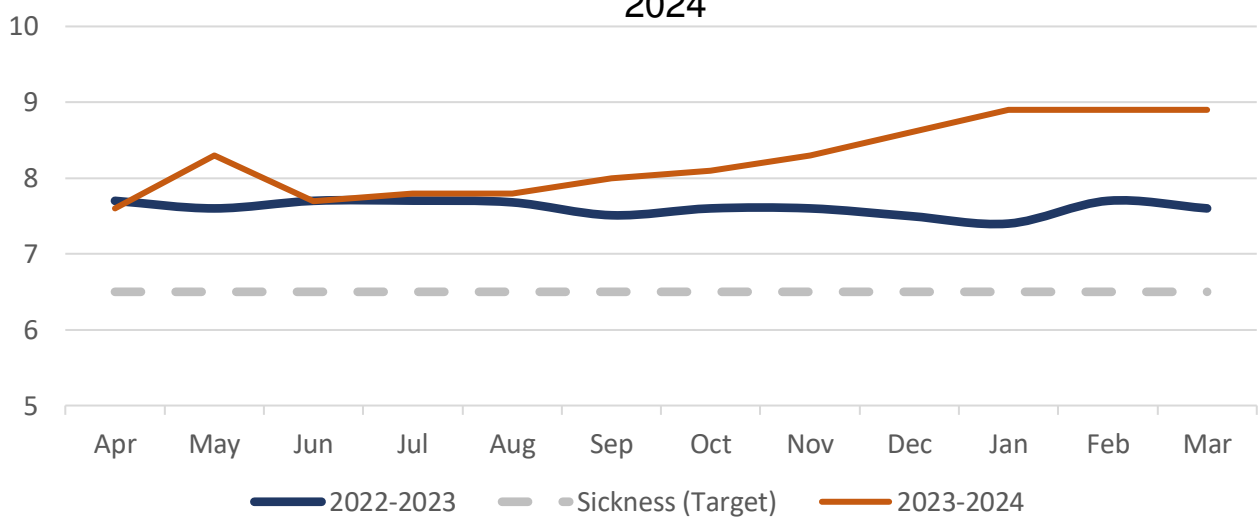
Above target.

Next survey will be due in September 2024



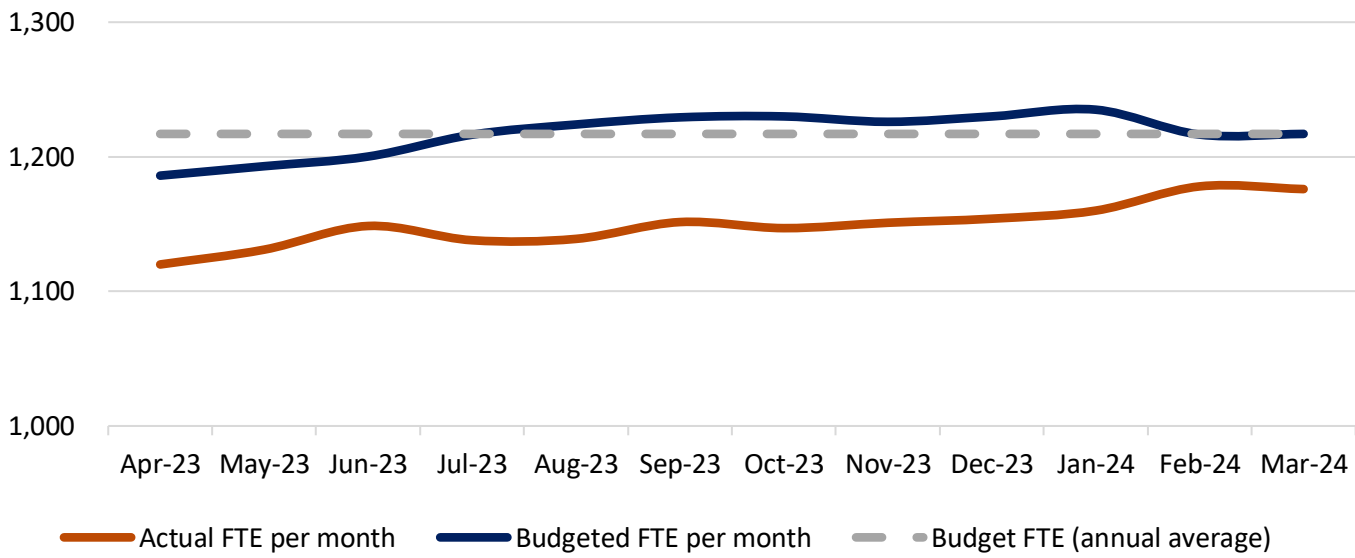
17. Sickness absence average days

Higher than desired level for over a year peaking in January 2024



18. Total Full Time Equivalent

Below target for the entire year.



## Annexe 1, section 5: Enquiries and Complaints Dashboard

### Enquiries and Complaints Performance dashboard Q4 2023-2024

Q4 performance		
Corporate Complaints	Complaints responded to	456
	Performance against KPI	92.7%
Enquiries	Enquiries responded to	33
	Performance against KPI	93.3%
MP complaints	MP complaints responded to	13
	Performance against KPI	92.3%
Information requests	Information requests (volume)	507
	Information requests responded to on time (%)	95%
Customer feedback	Feedback surveys	2221
	Rated service as good/ very good (%)	87%

Hot topics in Q4	
Complaints, MPs and Enquiries	We received two enquiries about a nurse's requirement to register with other authorities such as the CQC to carry out certain tasks. We also escalated an enquiry with the Regulatory Intelligence Unit about the format and content of the information that they share with the CQC under our MOU.
Information requests	We received several FOIs from NHS Trusts asking for data about the number of FTP referrals they had made to us. The Trusts were approached for the information and they either did not record it or, were not confident about the accuracy of their records hence, submitting FOIs to us.

Learning points in date range (46 in total across the business)	
Complaints, MPs and Enquiries	We worked with Screening colleagues to implement two improvements to communication with people going through the fitness to practise process. Namely, to include information about how we will contact people in our introductory letters. Secondly, for the team to provide more clarity when closing cases in which we cannot identify someone on our register.
	One of our investigations found that a former colleague's name continued to appear on payment reminder emails. We have escalated this to UK Registration Managers to be correct.
Information requests	We have worked with International Registration colleagues to improve our collaboration in logging and responding to complaints from applicants seeking an update on their application.
	No new learning points for Q4.

Year to date performance													
		April	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Corporate Complaints	Complaints responded to	107	124	128	131	135	124	150	151	128	165	163	128
	Performance against KPI	90%	89.5%	92.1%	95.4%	88.1%	93.5%	94.6%	90.1%	96.8%	92.7%	95.1%	89.8%
Enquiries	Enquiries responded to	4	6	7	6	3	21	8	11	4	10	12	11
	Performance against KPI	100%	100%	100%	100%	100%	87.5%	100%	100%	100%	100%	100%	81.8%
MP complaints	MP complaints responded to	5	3	6	5	8	1	4	2	2	2	9	2
	Performance against KPI	80%	33%	100%	100%	100%	100%	75%	50%	100%	100%	100%	50%
Information requests	Information requests (volume)	188	156	182	162	176	149	142	158	149	127	172	208
	Information requests responded to on time (%)	95%	91%	98%	98%	92%	96%	94%	95%	96%	94%	97%	94%
Customer feedback	Surveys sent	524	651	665	720	733	770	829	704	626	786	708	727
	Rated service as good/ very good	92%	90%	86%	92%	88%	86%	85%	87%	87%	86%	89%	86%

Nursing and Midwifery Council Financial Monitoring Report							
£'m	Year to 31 March 2024				Year to 31 March 2024		
Income	NB Actual	Budget	Var	(%)	NB Actual	Forecast	Var
Registration fees	96.1	94.8	1.2	1%	96.1	97.0	(0.9)
Other	11.1	8.2	2.9	35%	11.1	10.6	0.5
<b>Total Income</b>	<b>107.2</b>	<b>103.0</b>	<b>4.1</b>	<b>4%</b>	<b>107.2</b>	<b>107.6</b>	<b>(0.4)</b>
<b>Expenditure</b>							
<u>Core Business</u>							
Professional Regulation	54.0	52.0	(2.0)	(4%)	54.0	55.0	1.0
Resources & Technology Services	18.4	19.3	0.9	4%	18.4	18.9	0.5
People & Organisational Effectiveness	11.9	12.1	0.2	2%	11.9	11.8	(0.1)
Professional Practice	5.7	6.6	0.9	14%	5.7	5.8	0.1
Strategy & Insight	4.1	4.5	0.4	9%	4.1	4.0	(0.1)
Communications & Engagement	3.3	3.5	0.2	6%	3.3	3.4	0.1
Directorate - Core Business	97.4	98.0	0.6	0.6%	97.4	98.9	1.5
<u>Corporate</u>							
Depreciation	3.8	4.0	0.2	5%	3.8	3.5	(0.3)
PSA Fee	2.1	2.1	-	-	2.1	2.1	-
Apprenticeship Levy*	0.3	0.3	-	-	0.3	0.3	-
Contingency	0.5	1.0	0.5	50%	0.5	1.0	0.5
Panel Holiday Pay	0.5	1.1	0.6	55%	0.5	1.1	0.6
FTP contingency pot	2.2	2.4	0.3	12%	2.2	1.8	(0.4)
Other costs (pension deficit liability payments)	0.0	0.6	0.6	95%	-	0.1	0.1
Total Corporate	9.3	11.0	1.7	15%	9.3	9.9	0.6
<b>Total Core Business</b>	<b>106.7</b>	<b>109.0</b>	<b>2.3</b>	<b>2%</b>	<b>106.7</b>	<b>108.8</b>	<b>2.1</b>
<b>Surplus/(Deficit) excluding Programmes</b>	<b>0.5</b>	<b>(6.0)</b>	<b>6.5</b>	<b>&gt;100%</b>	<b>0.5</b>	<b>(1.2)</b>	<b>1.7</b>
<b>Programmes &amp; Projects</b>							
Accommodation Project	0.5	1.7	1.2	70%	0.5	0.7	0.2
Modernisation of Technology Services	7.6	8.2	0.6	7%	7.6	7.7	0.1
Technology Improvements	0.3	0.4	0.1	33%	0.3	0.3	-
Modern Workplace for Me	0.2	0.4	0.2	50%	0.2	0.3	0.1
Website Redevelopment Programme	-	0.2	0.2	100%	-	0.04	0.04
Regulatory Reform	1.0	1.2	0.2	17%	1.0	1.0	-
Insight Programme	0.1	0.3	0.2	78%	0.1	0.1	-
People & Culture Investigation	0.1	-	(0.1)	0%	0.1	0.3	0.2
Thirlwall Inquiry	-	-	-	0%	-	0.04	0.04
<b>Total Programmes/Projects</b>	<b>9.8</b>	<b>12.4</b>	<b>2.6</b>	<b>21%</b>	<b>9.8</b>	<b>10.4</b>	<b>0.6</b>
<b>Total Expenditure including capex</b>	<b>116.5</b>	<b>121.4</b>	<b>4.9</b>	<b>4%</b>	<b>116.5</b>	<b>119.2</b>	<b>2.7</b>
Capital Expenditure	8.3	10.4	2.1	20%	8.3	9.0	0.7
<b>Total Expenditure excluding capex</b>	<b>108.2</b>	<b>111.1</b>	<b>2.9</b>	<b>3%</b>	<b>108.2</b>	<b>110.2</b>	<b>2.0</b>
<b>Net income</b>	<b>(1.0)</b>	<b>(8.0)</b>	7.0	>100%	<b>(1.0)</b>	<b>(2.6)</b>	<b>(1.6)</b>
Unrealised Gains/(Losses)	3.2	-	3.2	-	3.2		3.2
<b>Net Surplus/(Deficit) excluding capex</b>	<b>2.2</b>	<b>(8.0)</b>	<b>10.2</b>	<b>&gt;100%</b>	<b>2.2</b>	<b>(2.6)</b>	<b>(4.8)</b>
<b>Free Reserves</b>	<b>42.1</b>	<b>29.8</b>	<b>12.3</b>	<b>41%</b>	<b>42.1</b>	<b>36.3</b>	<b>(5.8)</b>

\*Apprenticeship Levy is a tax paid to HMRC

NB In particular the statutory accounts may include an adjustment for the accounting valuation applied to our defined benefit pension scheme that is not shown here. The forecast shown reflects a review of expected outturn in late 2023. Variances largely relate to slippage or technical accounting adjustments.

Balance Sheet (£'m)	Mar-23	Mar-24	Change	Change %
<b>Fixed Assets</b>				
Tangible and Intangible Fixed Assets	32.3	36.8	4.5	12%
Investments	34.7	38.6	3.9	10%
<b>Total Fixed Assets</b>	<b>67.0</b>	<b>75.4</b>	<b>8.4</b>	<b>11%</b>
<b>Current Assets</b>				
Debtors	3.8	4.5	0.7	17%
Cash and Cash Equivalents	67.2	62.7	(4.5)	(7%)
<b>Total Current Assets</b>	<b>71.0</b>	<b>67.2</b>	<b>(3.8)</b>	<b>(6%)</b>
<b>Total Assets</b>	<b>138.0</b>	<b>142.6</b>	<b>4.6</b>	<b>3%</b>
<b>Liabilities</b>				
Creditors	(58.0)	(59.9)	(1.9)	3%
Provisions	(3.2)	(3.8)	(0.6)	16%
<b>Total Liabilities</b>	<b>(61.2)</b>	<b>(63.7)</b>	<b>(2.5)</b>	<b>4%</b>
<b>Net Assets</b>	<b>76.7</b>	<b>78.9</b>	<b>2.2</b>	<b>3%</b>
<b>Total Reserves</b>	<b>76.7</b>	<b>78.9</b>	<b>2.2</b>	<b>3%</b>
<b>Free Reserves</b>	<b>44.5</b>	<b>42.1</b>	<b>2.4</b>	<b>6%</b>

Statement of Cash Flows (£'m)	Mar-23	Mar-24
<b>Cashflow from operating activities</b>		
Surplus/(Deficit) (YTD)	0.4	2.2
Adjustment for Depreciation (Non-cash)	3.1	3.8
(Gains)/Losses on Investments	1.8	(3.2)
Investment/Dividend income	(0.9)	(0.8)
(Increase)/Decrease in current assets	-	(0.7)
Increase/(Decrease) in liabilities	2.6	2.5
<b>Net Cash inflow/(outflow) from operating activities</b>	<b>6.9</b>	<b>3.8</b>
<b>Cashflow from investing activities</b>		
Capital Expenditure (YTD)	(6.8)	(8.3)
<b>Net Cash inflow/(outflow) from investing activities</b>	<b>(6.8)</b>	<b>(8.3)</b>
<b>Cashflow from financing activities</b>		
Short term deposit investments	(3.0)	-
<b>Net Cash inflow/(outflow) from financing activities</b>	<b>(3.0)</b>	
<b>Cumulative net increase/(decrease) in cash and cash equivalent at month end</b>	<b>(2.8)</b>	<b>(4.5)</b>
Cash & Cash Equivalent at the beginning of the year	70.0	67.2
<b>Cash &amp; Cash Equivalent at the end of the month</b>	<b>67.2</b>	<b>62.7</b>



**Annexe 3: Strategic risk exposure report (up to 31 March 2024)**

**1. Overview of strategic risks** – this section has been updated to reflect our new strategic risk register.

Highlighted are the most significant issues, reporting by exception only.

Risk ref	Current rating			Strategic risk description (L = Likelihood. I = Impact)
	L	I	L x I	
REG24/01	5	4	20	We fail to meet our statutory safeguarding responsibilities to protect people, who come into contact with the NMC through our work, from abuse or mistreatment (Risk factors: not acting upon intelligence that we may receive resulting in harm to a person)
REG18/02	4	5	20	We fail to take appropriate action to address a regulatory concern about a professional on our register in a timely or person-centred way (Risk factors: not taking timely action [aging cases], not processing cases effectively [high caseload], not delivering a sustainable improvement to how we manage cases, capacity to deliver improvements, not using or escalating insights)
REG22/04	4	4	16	We fail to take appropriate or timely action to address a regulatory concern regarding the quality of nursing or midwifery education. (Risk factors: education impacted by external pressures, binary approval options, assurance driven by approved education institutions (AEIs), weak data capture or use of insights)
GOV24/01	4	4	16	We may not effectively prioritise, monitor, and manage our portfolio activity and keep pace with the high level of change (and resources required) to achieve our five priority outcomes. (Risk factors: unfinished projects, additional work meaning that we have to stop something, pressure resulting from external factors)
STR18/01	4	4	16	Risk that we fail to meet internal and external expectations about delivering our regulatory functions. (Risk factors: not learning from adverse events, fail to deliver regulatory change, do not maintain trust, we cannot engage

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Risk ref	Current rating			Strategic risk description (L = Likelihood. I = Impact)
	L	I	L x I	
				with stakeholders due to competing demands, ineffective collaboration, England centric, ability to respond to sector issues)
PEO24/01			TBC	<b>Risk that our organisational culture impacts on the productivity, performance, learning and morale of the organisation</b> ( <i>Risk factors:</i> fairness, wellbeing, lack of improvement or progression, equality, and diversity)
TECH21/04	5	3	15	<b>Unauthorised access to sensitive information and records or the failure of key business technologies, leading to the loss of confidentiality, integrity, or availability of our information, data, or information systems</b> ( <i>Risk factors:</i> legacy systems and unsupported hardware and software, cyber vulnerabilities)
REG18/01	3	5	15	<b>We fail to maintain an accurate register of people who meet our standards (including timeliness of registrations)</b> ( <i>Risk factors:</i> effective operation of registration/revalidation processes, fraudulent applications, variability of international midwifery education)
STR22/04	4	3	12	<b>The risk that external impacts such as climate change, natural disasters, pandemic, and national security will have an impact on our ability to be an effective regulator, or to deliver our core regulatory functions</b> ( <i>Risk factors:</i> Disruption to our functions, delays to registration and FtP processes, loss of trust and confidence)
STR24/01	3	4	12	<b>In the longer term, people's safety, and their confidence in the NMC may be compromised if external factors negatively affect our plans for reform or our independence as a regulator.</b> ( <i>Risk factors:</i> change of government meaning that regulatory reform plans may change, limited ability to improve our regulatory process, wasted resources)
FIN21/02	3	4	12	<b>We do not achieve a sustainable budget or the planned financial benefits from our strategy.</b> ( <i>Risk factors:</i> external factors destabilise our budget, fail to spend as planned on our strategy, not managing costs effectively, not realising benefits, pension liability)

Risk ref	Current rating			Strategic risk description (L = Likelihood. I = Impact)
	L	I	L x I	
REG19/03	2	4	8	We do not make sure that educational standards are fit for purpose (including processes to ensure compliance with standards are met). (Risk factors: keeping pace with changes in legislation, healthcare and practice, speed of programme approvals, meeting the standards of good regulation)

## 2 Risk exposures: areas of uncertainty and those that we are actively managing with new mitigations and planned actions.

2.1 **Concerns around our capacity:** At the monthly risk and performance meeting, stakeholders from across the business, raised concerns over capacity from each area. This emerging risk is of particular concern as our strategic risk **GOV24/01** (We may not effectively prioritise, monitor, and manage our portfolio activity) is already rated red; and we are mindful of the subsequent impact on risk **PEO24/01** (Our organisational culture impacts on the productivity, performance, learning and morale of the organisation).

2.1.1 **Culture review:** Colleagues in Professional Regulation (PR) are considering how they will manage recommendations from the independent People and Culture review, but other teams need to be mindful that there may be additional work resulting from the review for them too. Areas of the business may have to release capacity to focus on new ways of working, processes and policies. We may also need to revisit our business plans to see what needs to be slowed down or rescope, and to be aware of where activity may overlap. Overall, this could result in a significant period of change for our colleagues and potentially delays for some of our work.

2.1.1.1 Executive Board plan to discuss preparations for the reviews closing, which will help towards mitigating this risk.

2.1.2 **Statutory and external inquiries:** There are several inquiries happening simultaneously which have unpredictable demands and strict deadlines. This includes the Thirlwall, Lampard and Nottingham maternity inquiries, all of which require data and responses from senior leaders quickly, to ensure they proceed at pace. This impacts the capacity of our leadership group and progression of competing strategic priorities.

2.1.3 **Policy and Professional Practice:** A lot of planned work (i.e. regulation of nursing associates in Wales, advanced practice and practice hours review) will require input from these teams, whether this is to write a new policy or to make amends, or to develop consultations to expand our regulatory functions. This puts pressure on capacity, and also in identifying priorities, particularly when faced with urgent responses to more reactive works and education QA. Pacing and scoping of these key initiatives will be critical in managing workload and quality of work.

2.1.4 **Consultations:** The Communications team are seeking to understand the consultation requirements over the next year to appropriately pace our external engagement. The teams will also adjust plans as required, once the outcome of the Thirlwall and people and culture investigations are received. Updates will be included in their regular reporting to Executive and Council.

2.2 **REG22/04:** (Addressing a regulatory concern regarding the quality of nursing or midwifery education) (red): The review of education QA scope is

expanding as this area of work is fully explored. We are also aware of an increase in interest in this area following recent events, with students and the media highlighting concerns. In our previous report we noted a concern over the volume of 'critical concerns' raised for investigation. It is worth noting that one practice concern can trigger multiple approved education institution (AEI) concerns, which may skew the statistics on volume. Additional resource has been allocated to respond to critical concerns and further investigation into the reasons they are raised. If concerns impact the integrity of the register, these will be shared with colleagues in Professional Regulation. We will continue to report on this once further information is available.

2.3 **REG18/02:** (managing regulatory concerns) (red): Work continues on the new 18-month FtP improvement plan to improve timeliness, case progression and experiences of those involved in the process. Regular updates are provided specifically via Professional Regulation.

2.4 **Fraud:** We are investigating an emerging fraud issue that may affect the integrity of the register.

2.4.1 The computer-based test (CBT) issue is currently being managed as previously reported.

2.4.2 Our new strategic risk register includes registration, education, and technical fraud. Further actions and mitigations need to be considered across the organisation.

3 **Compound risk review:** We have looked across all operational and strategic risks and we have found that the capacity of our people is echoed across most areas. We have split the original corporate people risk into two parts, culture (managed on our strategic risk register) and capability (managed on our operational risk register). This is to ensure that there are focussed mitigations for both risks. Both risks have been revised and we are currently waiting for the scores to be reviewed by the risk owners. We may see an increase in activity for the strategic culture risk once the results of the independent People and Culture review is complete and at that point, we will ensure that improvements and recommendations are added to all linked operational and strategic risks.

Item 6: **Annexe 4**

NMC/24/39

22 May 2024

# NMC People Plan – Q4 dashboard

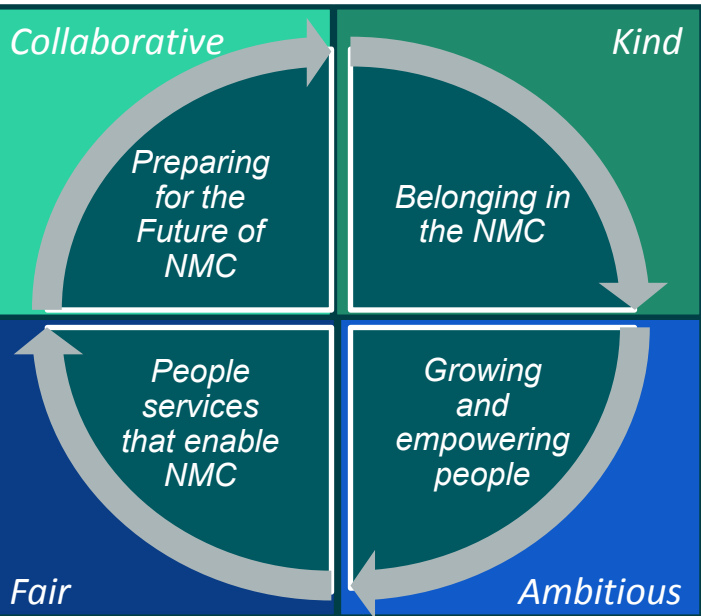
*Based on February 2024 data*

People and Culture Team



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# Reminder: People Plan Structure



## **2023/24: Stabilise core services and foundations**

The first year of the new People Plan focuses on stabilising our core people services and laying the foundation for the future and better enabling our managers and leaders.

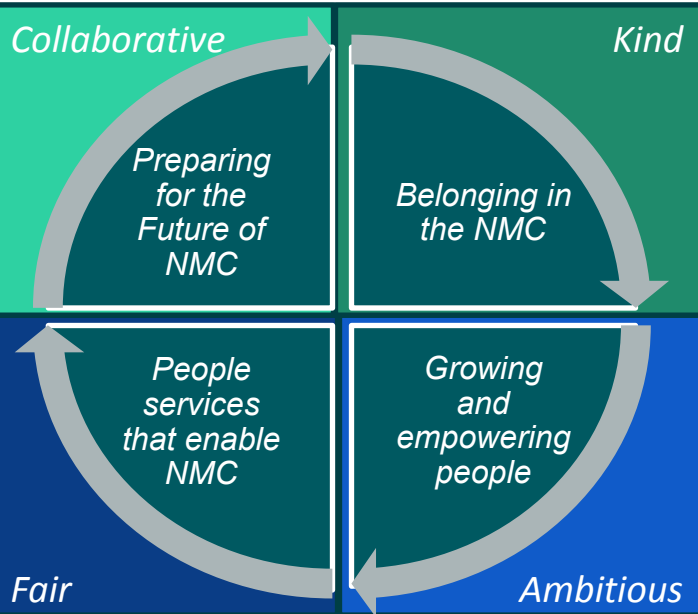
## **2024/25: Raise ambitions and focus on learning**

The second year of the People Plan will see further improvements and accessibility of our HR policies and processes, but raise the ambition with a stronger focus on learning and development across the NMC.

## **2025/26: Ready for our new strategy**

The final year of the People Plan will further mature our approach to building the capacity, capability and agility of our workforce. Our focus will be on implementing the right structures and building people systems that empower colleagues.

# Reminder: Year 1 – high level measures



## 2023/24: Stabilise core services and foundations

The first year of the new People Plan focuses on stabilising our core people services and laying the foundation for the future and better enabling our managers and leaders.

This pack summarises year one measures. Overall colleagues should feel that investment in them and support available has improved. They should also feel there is better engagement and consistency in the work and delivery of the People and Culture Team.

Practically the measures in this plan cover 12 months from September to September. The reason for this is to align with Your Voice and other surveys.

# Outcome and Measure – Grow/Empower

- Positive progress / Indicator
- Negative progress / Indicator
- Too early to tell / ongoing

## Outcome we are aiming for

*The consistency of management has improved compared with 2022-2023. Colleagues feel like their line management is fair, and they are being supported to be ambitious in their role and in the skills, they develop to grow. Our managers and leaders feel more trusted, autonomous and confident.*

## Quantitative /Project Measures

300 colleagues have now completed **Management Essentials**. ME has moved to business as usual becoming a key part of managers induction with the first cohort taking place, and the dates in the diary for the rest of 2024. Improvements have been made on feedback.

Continuing with programme of regular **HR workshops for managers** and the full programme for 2024-2025 will shortly be available for booking.

Year to date we have sponsored **133 individual learning and development** cases and have **31** colleagues supported with professional **coaching**

Commenced workshops with colleagues on the development of a **competency framework** on track for Q1 2024-2025 completion. Engagement with colleagues is pivotal and to date 56 colleagues have attended workshops, and further engagement sessions are planned (ends mid-March).

**Ambitious Appraisals quarterly check-in** completion rate increased to 89% in January. This is up significantly from 62% for the October check-in and 69% for End of Year 2023. The **Objectives** completion rate is lower at **66%**, this is slightly lower than the October objective completion rate of 68% so further work to address is ongoing.

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# Outcome and Measure – Belong

## Outcome we are aiming for

*When people join the NMC, they have an excellent onboarding journey and induction. We want colleagues to feel they are listened to and who understand our commitment to equality, diversity and inclusion (EDI), our values, purpose and priorities. They will feel as though their views on reward are listened to and reward is reasonable and fair for their job.*

## Quantitative /Project Measures

- Positive progress / Indicator
- Negative progress / Indicator
- Too early to tell / ongoing

**Turnover** is down to **8.5%** percent compared to 12.9% percent this time last year. Turnover at this level is okay but if it approaches 5% it may be a drag on innovation and productivity

Our percentage of **agency workers and contractors** has further decreased to **5.1%** (against 5% target).

The percentage of **new starters leaving within 6 months is currently 11.8%** against our target of 10%. This is down though from 14.1% in December as this figure fluctuates considerably.

The proportion of formal HR **casework involving black and minority colleagues** remains higher than for white colleagues.

**80%** of external new starters are on Step A and 91% of external new starters started below Step B of the pay range **reducing pay disparities between internal and external candidates.**

Our **ethnicity pay gaps** are 26.9% and 43.1% (mean and median), 1.7% and 14.3% wider than this time last year. We have however seen small narrowing since December, 0.9% and 0.6% due to some senior appointments at 8+

**Gender pay gap** continues narrow, mean is currently **6.6%** mean and median of **11.4%** compared to 7.5% and 16% this time last year.

Roll of out of **recruitment and selection training** is going well with 82 colleagues now trained and a further 34 booked on for upcoming sessions. Feedback is good to date.

The Business Disability Forum have completed a review our Reasonable Adjustments policy and guidance providing positive feedback and some helpful practical suggestions<sup>5</sup>

# Outcome and Measure – People Services

- Positive progress / Indicator
- Negative progress / Indicator
- Too early to tell / ongoing

## Outcome we are aiming for

*People experience improved and more consistent people services that are always seeking to learn and are driving improved outcomes for colleagues. We are seen as more directive in achieving EDI outcomes, including closing pay gaps. Overall, we want to be recognised as the best People Team NMC colleagues have worked with in their careers.*

## Quantitative /Project Measures

We are progressing well with tranche 2 of the **policy review** and have had engagement from UNISON, Employee Forum and our Staff Networks.

Formal Employee Relations **casework** is a concern due to EDI make up or cases, volume and workload. There has been a year-on-year increase (22 vs 11 this time last year) which likely reflects proactive efforts to address concerns and not allowing cases to drag on 'informally' without resolution.

**Sickness absence** is an average of 8.9 days per head against a target of 6.5. This is slightly up from 8.6 days in December and up from 7.7 days this time last year. This is a national post pandemic trend, and we are improving support for colleagues particularly related to wellbeing and mental health

36 colleagues from across the organisation now **trained to lead HR investigations** increasing available and trained colleagues who understand our updated approach on improved people centred casework. This is aimed at faster outcomes that are understood and communicated well. We are planning a further training session for the summer.

We transitioned to a **new supplier for onboarding** and early indications are that this is succeeding in reducing steps, speeding up references and improving our data and information available to managers although time to recruit (see *Future*) remains an area of concern.

We are also ready to start increased DBS checks from 1 April and have been supporting the Safeguarding lead in the project.

# Outcome and Measure – Future

- Positive progress / Indicator
- Negative progress / Indicator
- Too early to tell / ongoing

## Outcome we are aiming for

*Professional Regulation experience improved collaboration from HR and joint projects on workforce, agile and responsive recruitment, consistency in teams resources, and reducing the caseload are in place and seen as successful.*

## Quantitative /Project Measures

New workforce model to support evidence-based recruitment and skills plans is in place in PR and being extended to cover new teams (Registration).

Based on the evidence 80 new roles have been agreed for PR. Good progress has been made on recruitment with over 50 recruited to date.

We have commissioned an external Organisational Design Contractor to support improved structures and productivity in PR. This is a key part of the FtP Improvement Plan.

**Time to recruit** has increased to **49 days** from 47 days in December and up from 35 days this time last year. This is largely driven by longer notice periods. The new system has improved available data and the volume of campaigns is slowing some of the shortlisting as colleagues struggle to shortlist in good time. The team are helping with shortlisting for some roles too.

## Open Council meeting

### Update on progressing our Fitness to Practise casework

<b>Action requested:</b>	<p>To update the Council on our work to make decisions in progressing cases within Fitness to Practise (FtP) as safely, quickly and fairly as possible. It is our number one corporate priority to do this to protect the public and improve the experience of everyone involved in our FtP service and minimise the impact of the length of our investigations on those involved.</p> <p>The Council is asked to <b>discuss</b> the report.</p>
<b>Key background and decision trail:</b>	<ul style="list-style-type: none"> <li>• Strategic risk REG18/02 is the risk that we fail to take appropriate action to address a regulatory concern about a professional on our register in a timely or person-centred way.</li> <li>• The Council approved our 18 month FtP Plan in March 2024 and the activity of this Plan addresses the high and aged caseload that we have, which is affecting our ability to progress and resolve cases in a timely way. The FtP Plan can be read in the March 2024 Council papers.</li> <li>• This report is a regular update item, providing the Council with an update on our FtP performance, FtP Plan and our efforts to make quicker and safe decisions in FtP, which protect the public and minimise distress for professionals who are referred to us.</li> </ul>
<b>Key questions:</b>	<ol style="list-style-type: none"> <li>1. What progress have we made to make quicker and safe decisions in FtP?</li> <li>2. Is our FtP performance improving?</li> </ol>
<b>Annexes:</b>	<p>The following annexe is attached to this paper:</p> <ul style="list-style-type: none"> <li>• Annexe 1: FtP performance dashboard for March 2024.</li> </ul>

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Further information:	If you require clarification about any point in the paper or would like further information, please contact the author or the director named below.	
	Author: Janice Cheong Phone: 020 7681 5765 <a href="mailto:janice.cheong@nmc-uk.org">janice.cheong@nmc-uk.org</a>	Executive Director: Lesley Maslen Phone: 020 7681 5641 <a href="mailto:lesley.maslen@nmc-uk.org">lesley.maslen@nmc-uk.org</a>

## Update on progressing our Fitness to Practise casework

### Discussion

#### Summary of our current position

- 1 Our caseload was 5,577 at the start of April 2023 and despite our best efforts, we ended the financial year with a higher caseload of 5,994 cases at 31 March 2024. As seen in **Annexe 1**, the caseload was decreasing April to August 2023, with a 3.4 percent decrease during that period. It then started to rise from September 2023 and we saw a 9 percent increase between then and March 2024. An increase in the caseload affects our ability to progress cases in a timely way and this can adversely impact on people involved in our process. This has been driven by an increase in new concerns (referrals) above our forecast – referrals were up 14 percent in 2023–2024 from 2022–2023. Other healthcare regulators have seen similar uplifts in new referrals.
- 2 The caseload as at 31 March is provided here by registration type per FtP stage. The proportion of professionals on our register as at 30 September 2023 was 92.6 percent nurses, 5.3 percent midwives, 0.8 percent dual-registered and 1.3 percent nursing associates.

Caseload by registration type, as of March 2024 caseload (5,994)	Screening stage	Investigations stage	Case Examiners stage	Adjudication stage	Total caseload
Nurse	60.2%	94.2%	96.0%	94.7%	77.9%
Midwife	5.3%	5.1%	3.6%	5.2%	5.1%
Dual	0.1%	0.1%			0.1%
Nursing Associate	0.6%	0.6%	0.4%	0.2%	0.5%
No Registrant PIN linked to case	33.8%				16.4%
Grand Total	100%	100%	100%	100%	100%

- 3 The number of cases for each of the four nations are broadly in proportion to the number of professionals who are registered there:

Caseload by country of registered address, as of March 2024	Screening stage	Investigations stage	Case Examiners stage	Adjudication stage	Total caseload
England	1541	1,388	197	860	3,986
Scotland	177	183	28	99	487
Wales	95	75	10	67	247
Northern Ireland	59	88	10	27	184
Overseas	44	32	4	32	112
No Registrant PIN linked to case	978				978
Grand Total	2,894	1,766	249	1,085	5,994

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- 4 With regard to timeliness, on average for 2023–2024, 61 percent of cases were closed within 15 months of them being opened (around the same as for the previous year) and our FtP Plan aims to improve this.
- 5 More positively and as can be seen in **Annexe 1**, we have seen the median age of our caseloads at the earlier stages of FtP decrease in age over the last year, a reflection of our focus on progressing and concluding the oldest cases. However, we still have a number of older cases in our caseloads which we are continuing to focus on concluding in line with a strategy under our FtP Plan, and we want to see the median age of these caseloads reduce even more.
- 6 **Annexe 1** shows that the number of referrals being received has been on an upward trend in the latter part of this year and has often exceeded our monthly forecast levels. On average we received 493 referrals a month since April 2023, compared to 424 a month for the same period in the previous year.
- 7 This increase in referrals and also recruitment challenges were the key challenges to us improving timeliness and reducing the FtP caseload, particularly at the Screening and Investigations stages of the process, which combined, hold 78 percent of the overall caseload. Our FtP Plan workstreams focusing on the early stages of the FtP process have taken into account a higher referral rate for this year and the resourcing we need to make swifter and safe Screening decisions.
- 8 During the year, the increase in referrals above our forecast put particular pressure on the Screening stage and we faced a challenge in keeping pace with the concerns coming in. We have been undertaking recruitment for additional roles since the autumn to boost our Screening case officer and decision-making capacity to help address this and also prepare for delivery of further work under the new Plan. We encountered some difficulty in recruiting to and retaining people in the case officer (CO) role but have worked with the Resourcing team and currently now have all CO roles filled.

**Our improvement plan for the next 18 months**

- 9 As reported at the Council meeting in March 2024, we recognise that we have more to do to ensure cases are concluded in a more timely manner and not keep case parties waiting a long period for an outcome.
- 10 In March 2024 the Council approved our FtP plan, which is based on workforce modelling work and brings together all the interventions we aim to make to FtP processes over the next 18 months. This is with the purpose of improving timeliness, the quality of customer experience, patient safety, culture, and embedding sustainable change in our FtP processes. Significant additional investment of about £30 million to 2026–2027 was also approved for us to be able to deliver the Plan.

**Progress on the Plan**

- 11 The Plan was launched in April 2024 and delivery is now underway. Our governance structure is in place, with the FtP Executive Board playing a key overarching role in scrutinising our progress and spend. Project boards for each of the eight workstreams

have been established and are meeting now to shape and work towards our milestones. All FtP teams have work in progress, with further new initiatives to start during the year.

### Measuring progress

- 12 We have conducted an extensive exercise to clearly articulate the impact that the activities in the Plan will have and how we will measure success. This has enabled us to demonstrate the impact that the plan will have on timeliness, quality, person-centred services and efficiencies – and when the people who interact with our services will start to experience positive changes.

- 13 The headline success measures are:

- 13.1 Progressing cases in a timely way at each stage of our processes, with an average **caseload age** of:

2 months at Screening by March 2025
7 months at Investigations by March 2026
8 months at Case Examiners by March 2026
15 months at Adjudications in 2027

- 13.2 Meeting the PSA's Standard 15 by financial year 2025–2026.

- 14 There are a range of metrics and measures which sit beneath these headline measures, some of which we are working out how to robustly measure. A selection of these metrics are set out in the table below as an example. These are not just about timeliness and case progression but also quality and customer and colleague experience – in line with the four objectives of the FtP Plan.



Metric	FtP plan objective	Current status	Initial improvement by	Impact
Percentage of hearings which conclude each month	Improved timeliness and reduction of our oldest cases Person centred, proportionate service	65% (average over last 12 months)	Increase by January 2025	Fewer people will have to experience a delay in conclusion of their case and the impact this can have on emotional and physical wellbeing.
Average length of Fitness to Practise Committee hearings	Improved timeliness and reduction of our oldest cases Person centred, proportionate service	8.1 days	Reduction by October 2025 (reduce to 7 days by this point, and to 6 days by July 2026)	
Proportion of screening cases allocated within 4 weeks	Improved timeliness and reduction of our oldest cases Improved quality and safety Person centred, proportionate service	949 cases (as of April 2024)	Reduction of unallocated cases by May 2024 (cases over 4 weeks eliminated by April 2025)	While these are low risk cases, the residual risk of unprocessed cases and the negative impact on those involved in the case is reduced.
Volume of cases listed for High Court Interim Order extensions	Improved timeliness and reduction of our oldest cases Improved quality and safety Person centred, proportionate service	200 cases per quarter (based on Q4 FY 23/24 data)	Start to see reduction from Q4 24/25	Cases progress in a safe and timely way, reducing the risk of an interim order falling away that would create risk to the public, and reducing the negative impact on those who have their practice restricted for a significant period of time without a substantive decision on their case.
Turnover in Fitness to Practise teams	Person centred, proportionate service	11%	Reduction by January 2025	Employees are engaged, happy and proud to work for the NMC.
Employee engagement score	Person centred, proportionate service	6.8 for FtP teams (Sept 2023 Your Voice survey)	Improvement by September 2024 (initial improvement)	

*Note: these are initial forecasts of when tangible improvements will start to manifest. However, we expect to see some improvements materialise earlier.*

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- 15 We will launch a new tool in July to track a wider suite of metrics against the Plan. This will be used by the FtP Executive Board (our oversight and decision-making board) to take key decisions about the Plan.
- 16 For the Council, this report will continue to report on casework performance at every Council meeting and it will also include:
- 16.1 our usual dashboard annexe which shows casework progression, referral volumes, age of caseload and decision, and proportion of casework on hold with third parties.
- 16.2 In addition, we will provide discussion points about the achievement of milestones, areas of concern, or key decisions that the FtP Executive Board have discussed or agreed about the Plan. We will supplement this information with metrics outside of the core dataset by exception.
- 16.3 Three Council members are members of the FtP Executive Board and provide oversight and assurance on behalf of the Council. We encourage the Council to invite reflections from these members at each meeting alongside this report.

**Engagement**

- 17 The implementation of the eight workstreams of our Plan depends on our people and also on collaborative working with stakeholders. We undertook engagement activities during March and April 2024 to share the Plan and seek views on how to best implement it.
- 17.1 We are committed to continuing to work closely with the Chief Nursing Officers and Chief Midwifery Officers of the four UK nations and are establishing a task and finish group, with a particular focus around workstream one. This workstream aims to help employers and the public understand when a referral to us is appropriate, enabling us to focus on safe and swift progression of cases that are for us as the regulator. The task and finish group will also help us to better understand data on FtP across the UK.
- 17.2 We have been building in agenda items about the Plan into our existing engagement channels, for example in our regular meetings with the representative bodies.
- 17.3 Colleagues across the NMC participated in focus groups to discuss the Plan and develop the steps for progressing the workstreams. Some colleagues have gone on to volunteer and be part of the group designing our new end to end case management system.

**Latest progress on workstreams**

- 18 We have continued to undertake significant recruitment activity over March and April to give us the capacity to be able to deliver the work and have recruited to 63 out of 83 additional roles agreed since the autumn. These cover roles across our FtP teams

and also within the leadership team for the Professional Regulation directorate, in which we have recruited an Assistant Director, Legal and an interim Chief of Staff.

- 19 We've taken steps to strengthen our risk assessment approach. On 25 March, our new interim order (IO) guidance was [published](#), which moved away from the two-stage risk assessment approach, adopting a more holistic approach instead and which enables us to risk assess more robustly. A directorate-wide approach was taken for training on the guidance changes and refresher sessions emphasising the key points around risk assessment and interim orders. For example, ensuring we are identifying at any stage of a case and at the earliest opportunity when the risk in a case has increased or decreased. All case workers will be required to attend training at least once a year as a refresher.
- 20 The investment of time on policy and process-related training is vital but it can impact on our casework when combined with other factors. In March, Screening decision-making was impacted by planned and unplanned staff absence, IT issues and also time spent in training on the IO guidance and new guidance around behaviours outside of professional practice. We will consider suitable training methods as we roll out the Plan. However, Screening have been making progress – we have seen an 18 percent reduction in cases not actively being worked on (unallocated cases) in the last month. We have also decided to enhance the member of the public referral team to maximise the benefits of more efficient and customer focused early concerns management.
- 21 We've now completed our extensive onboarding programme to embed the new legal services contract – we and the external legal firms are now settling into a business as usual rhythm, with our Investigations team allocating the maximum number of investigations to the firms in April, in line with the contract. This extra capacity helps with the progression of cases.
- 22 We've established and recruited to an enhanced new management structure for our Case Preparation and Presentation (CPP) team, with two new senior manager roles and four new manager roles. This will ease line management pressures and greatly assist with staff support, casework governance and progression. There have been successful engagement events for the team about the changes and the new structure launches in May.
- 23 The CPP and Adjudications teams are collaborating more effectively, for example, with tangible benefits from our new Case Readiness and Outcomes meeting which kicked off in April, focusing on progressing cases in these areas. This is facilitating stronger collaboration between the two teams, and is an improved forum to monitor and make key decisions on our cases so they can be listed and are agreed as being ready to be adjudicated.
- 24 The Adjudications team has recently focused on its people and governance. We've made leadership changes to help shape the team to be in the best possible structure to embrace the FtP plan. The new leadership led on several engagement events over March and April, bringing Adjudications colleagues together to discuss the FtP plan, identify vulnerabilities and agree enablers to stabilise. For example a managers' away day investing in leadership and setting the foundation for change and transformation,

and a Hearings Coordinator Learning day to socialise and empower engagement and their involvement in the Plan.

- 25 We have previously had varied success in recruiting Hearings Coordinators and have now changed our recruitment approach e.g. strengthening advert content and holding Recruitment Experience Days in May. We are seeing signs of improvement, for example a higher number of applications for our latest campaign compared to previous campaigns.
- 26 Progress has been made in the development of a new panel allocations tool. We're at the final stages of testing and aim to launch the new tool this summer. This will transform how we allocate cases to panel members and legal assessors and save time when preparing for hearings.

### Risks

- 27 There is a risk around the continued capacity of operational teams to receive and manage change over the year. We are undertaking impact assessments and using our workforce model to anticipate pinch points and therefore help us determine any steps to take around resourcing and supporting our people.
- 28 Another possible risk to the timely delivery of the Plan is whether there might be a substantial impact on our work following the publication of the two independent reviews of the NMC – on our people and culture and on our previous handling of FtP cases and whistleblowing concerns. It is important that we support our colleagues following the publication of these reports which is expected in June or July 2024, and carefully consider what the reports say and what steps the organisation might need to take to make improvements. We will update the Council if we consider that our casework will be impacted.

### Next Steps

- 29 The next update will be provided at the July 2024 Open Council meeting.

### Implications

The following were considered when preparing this paper:

Implication:		Location if in paper:	Content if not in paper:
Public protection/impact for people.	Yes	Para 10	
Safeguarding considerations	Yes	Para 10	

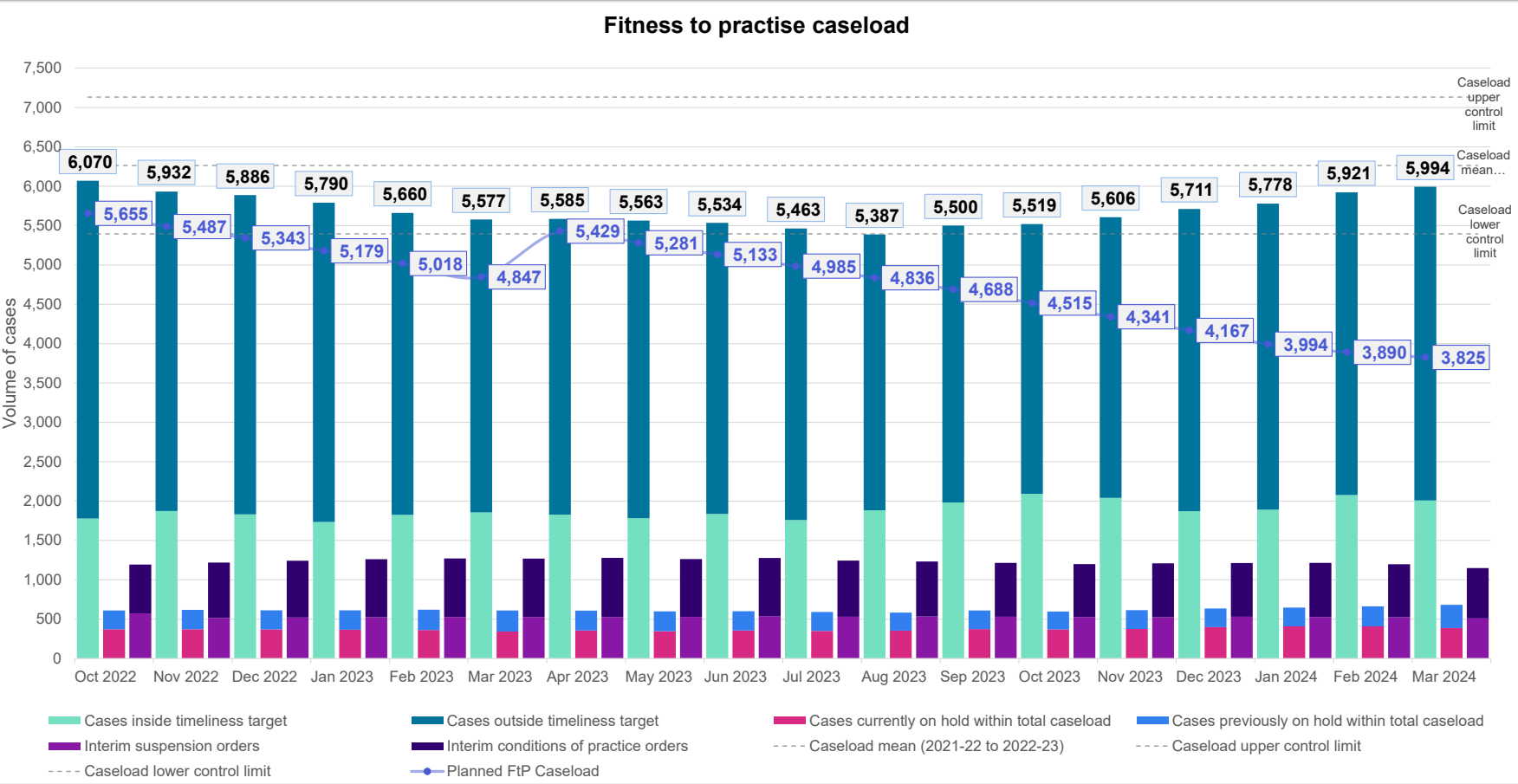
The four country factors and considerations.	Yes	Para 17	
Resource implications including information on the actual and expected costs involved.	Yes	Para 10	
Risk implications associated with the work and the controls proposed/ in place.	Yes	Para 27 & 28	The Plan addresses strategic risk REG18/02.
Legal considerations.	Yes		Swift and fair decisions in FtP cases are critical to the fulfilment of our statutory public protection function. Ensuring that we manage our FtP caseload effectively and in line with our NMC values, reduces the risk of legal challenge.
Midwives and/or nursing associates.	Not Applicable		See para 2 for the breakdown of cases by registration type.
Equality, diversity, and inclusion.	Yes		We are aware that certain groups are over-represented in the referrals we receive and therefore taking too long to progress cases will further impact those groups disproportionately. However, we have not identified any adverse implications of our approach which is to manage the caseload by progressing our highest risk and oldest cases as a priority.
Stakeholder implications and any external stakeholders consulted.	Yes	Para 17	
Regulatory Reform.	Yes		Swift and fair decisions in FtP are a prerequisite for effective delivery

			of regulatory reform and will ensure the teams are well placed to adjust to significant changes in ways of working.
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Fitness to Practise Council performance dashboard March 2024

The chart below shows the total fitness to practise caseload broken down into the cases that are within and outside our timeliness targets. The chart also shows within that caseload the cases that are currently on hold for a third party investigation and those that have previously been on hold but are now active. It also shows the number of interim suspension orders and interim conditions of practise orders for the cases that are still open without a final outcome. We have also provided our planned total FfP caseload based on operating assumptions for the current and previous financial year.

A1



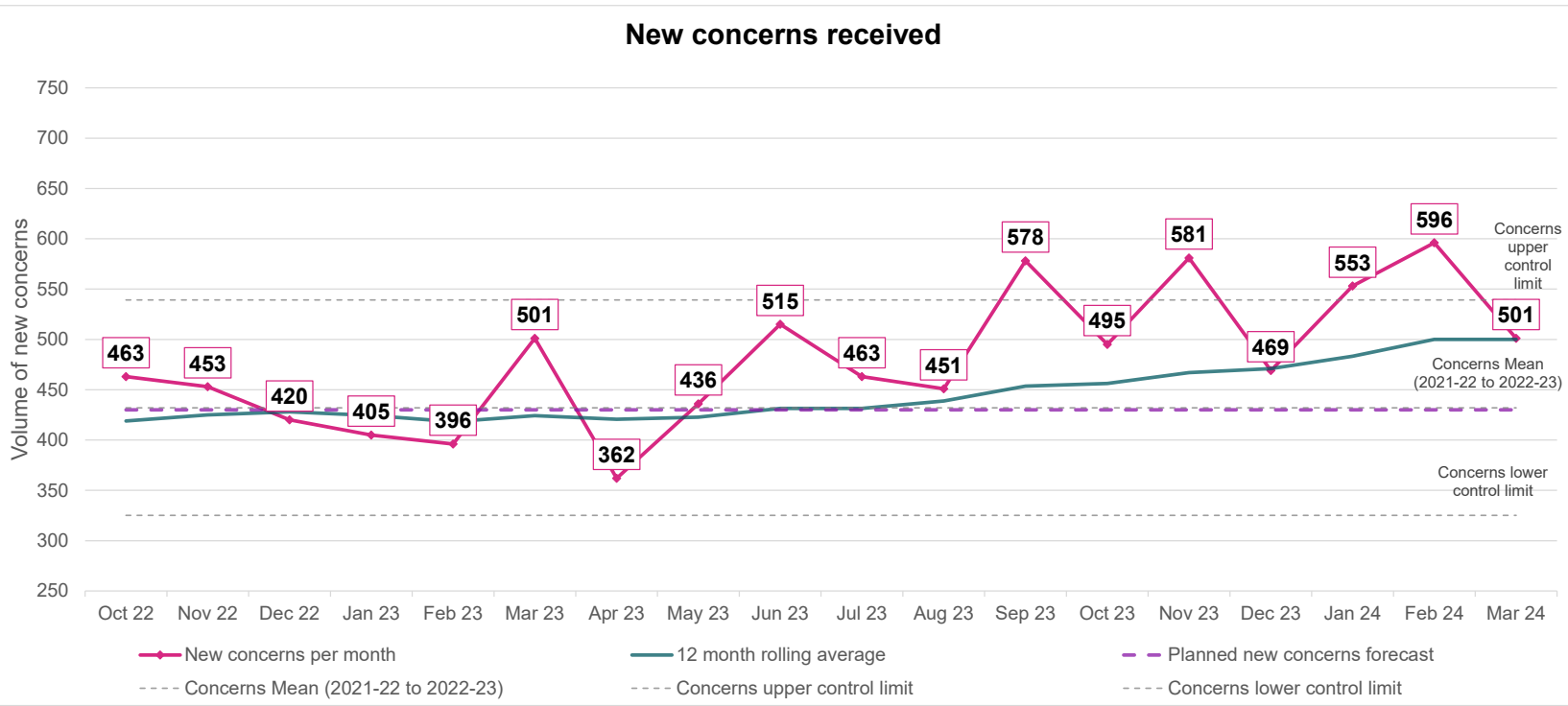
**Commentary March 2024**

Our caseload continued on an upward trend and we continue to prioritise our efforts to reduce this. Our Fitness to Practise Plan brings together all of the interventions we are making, to reduce the number of cases safely by making safe decisions in a timely and considerate way.

# Fitness to Practise Council performance dashboard March 2024

B1

The chart below shows the total number of new concerns we have received into fitness to practise on a monthly basis, and also our rolling 12 month average for the concerns we have received. The chart also includes our planned forecast for referrals for the financial year.



## Commentary March 2024

Referrals continue to be above our assumptions. The average number of referrals per month April 2023 - March 2024 was 493, an increase of 16 percent from the same period last year.

## C1 Monitoring and Compliance

Substantive order review caseload: 429

Undertakings caseload: 124

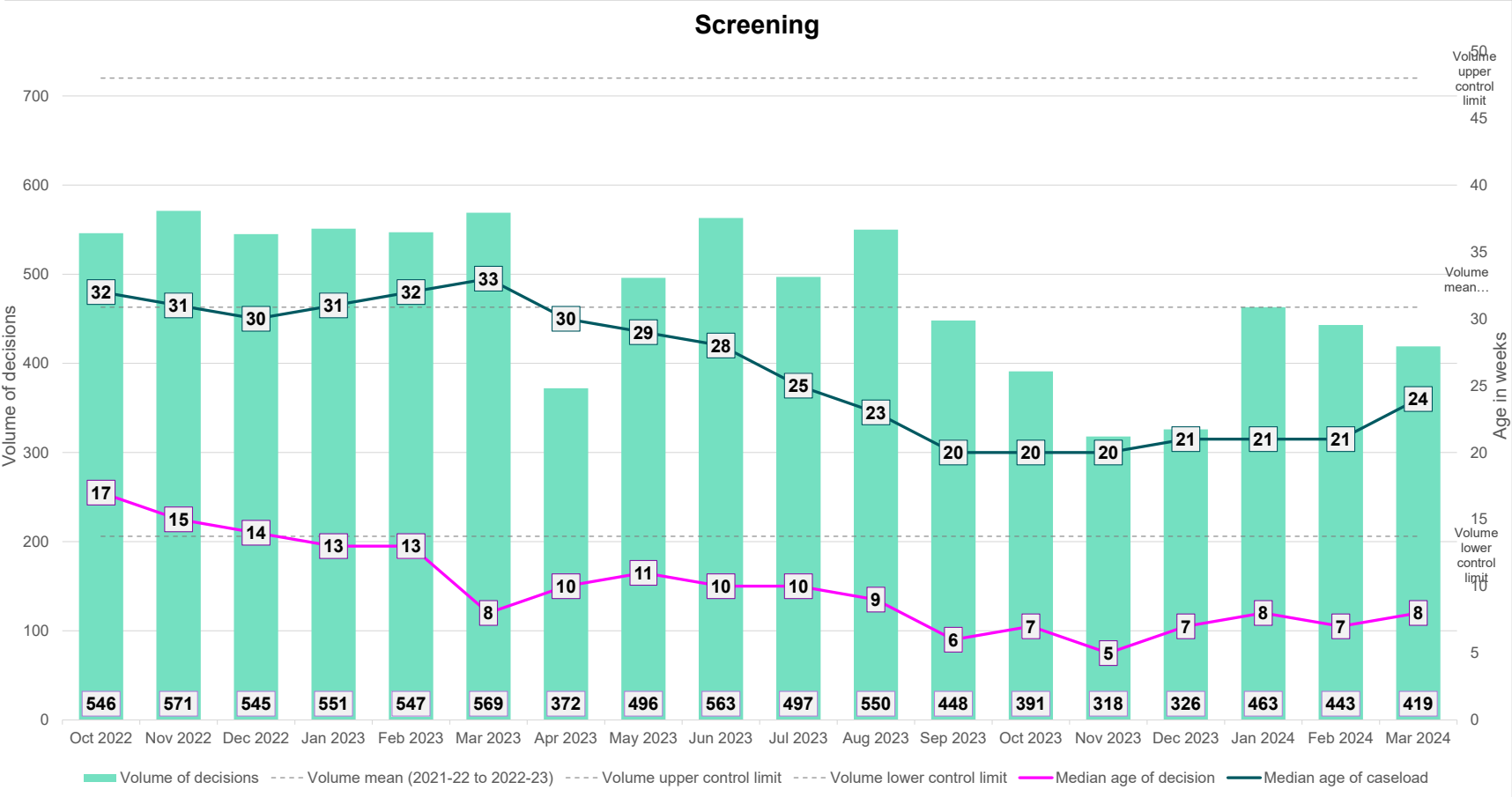
The figures above shows the total number of substantive orders that are subject to review following a decision by a Fitness to Practise Committee Panel at a hearing or meeting. It also shows the total number of undertakings offered by Case Examiners that were accepted, were still active and being reviewed.



Fitness to Practise Council performance dashboard March 2024

The charts below provide a performance summary for the Screening stage of our fitness to practise process. The bar charts provide the total number of decisions or completed cases within the month, and the line charts show both the median age of decisions/completed cases in weeks and the other shows the median age of the open caseload at that stage. From 30 October 2023 onwards, the decisions also includes the closure made by our Future Ways of Working when triaging concerns received from our member of the public online referral form.

D1



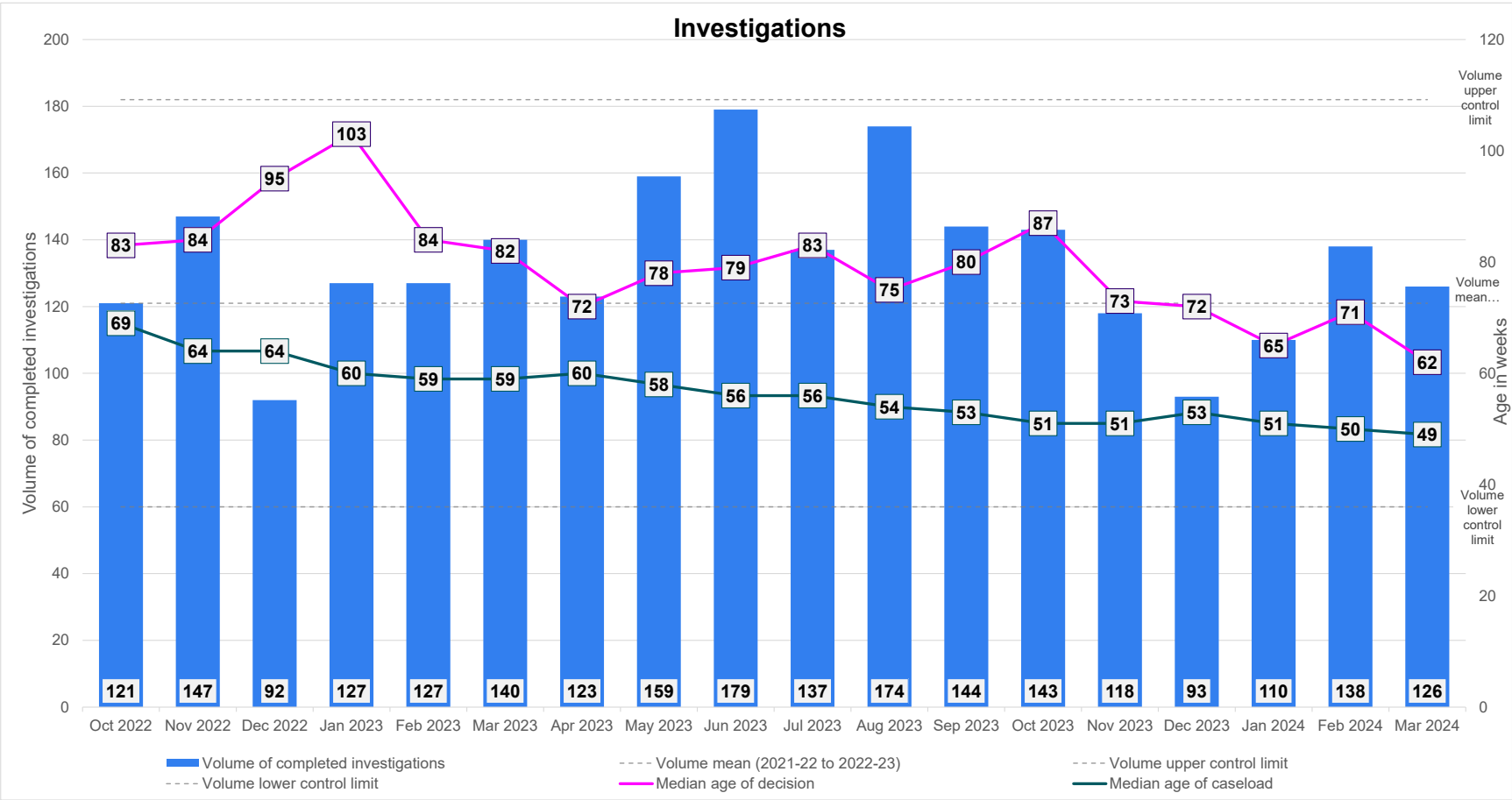
Commentary March 2024

We saw a dip in decision volumes in March compared to previous month. We were impacted by a combination of factors - the ongoing high referral rate, planned and unplanned staff absence, IT issues and staff taking time to undertake training on our new IO guidance and new guidance on behaviours outside of professional practice. We've made good progress with our decision-making recruitment.

Fitness to Practise Council performance dashboard March 2024

The charts below provide a performance summary for the Investigations stage of our fitness to practise process. The bar charts provide the total number of decisions or completed cases within the month, and the line charts show both the median age of decisions/completed cases in weeks and the other shows the median age of the open caseload at that stage.

D2



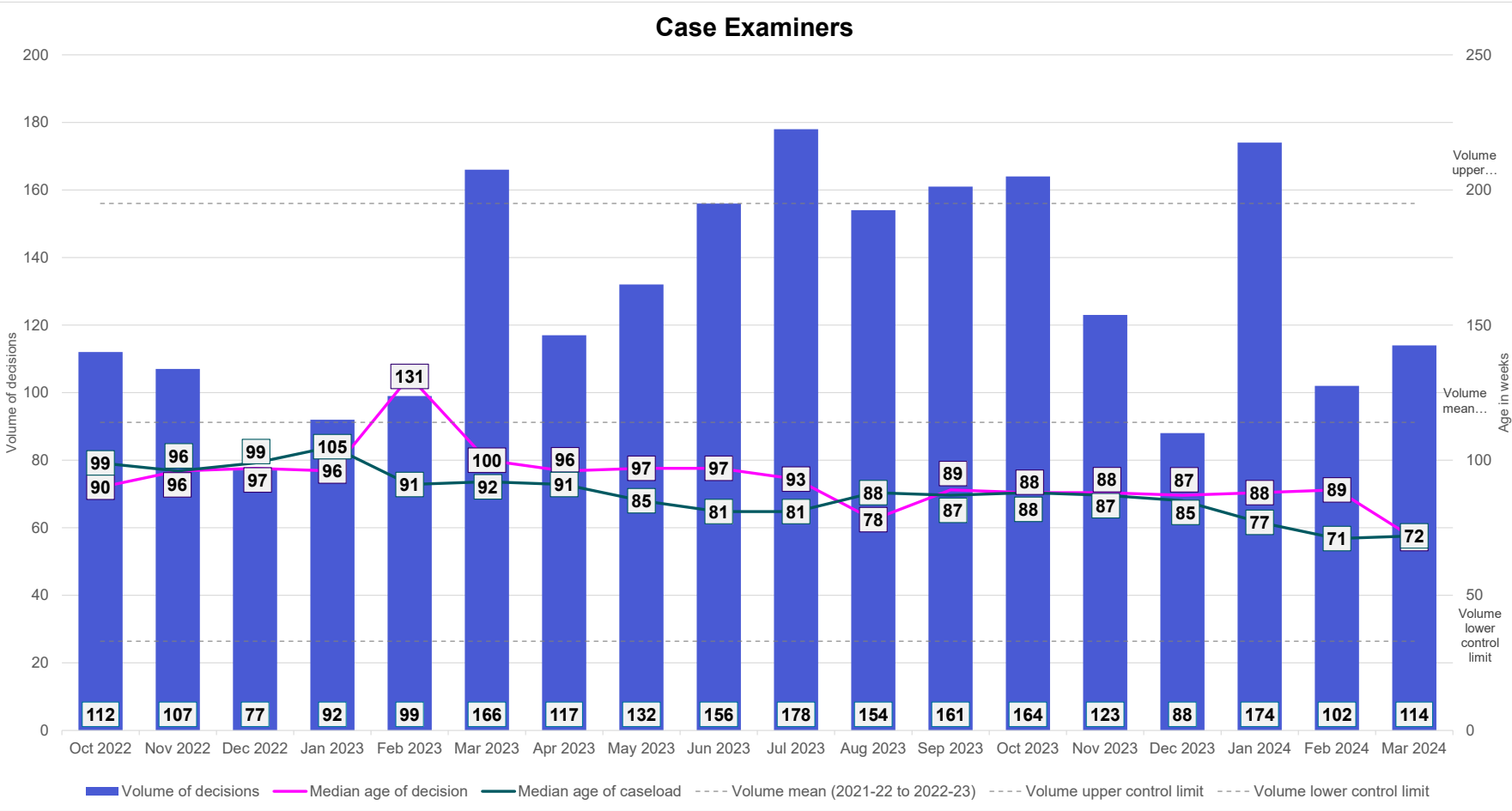
Commentary March 2024

A solid month for March but turnover has continued to be a challenge. We have been recruiting Investigators and Administrative colleagues in April to address our capacity challenges in this area.

Fitness to Practise Council performance dashboard March 2024

The charts below provide a performance summary for the Case Examiner stage of our fitness to practise process. The bar charts provide the total number of decisions or completed cases within the month, and the line charts show both the median age of decisions/completed cases in weeks and the other shows the median age of the open caseload at that stage.

D3



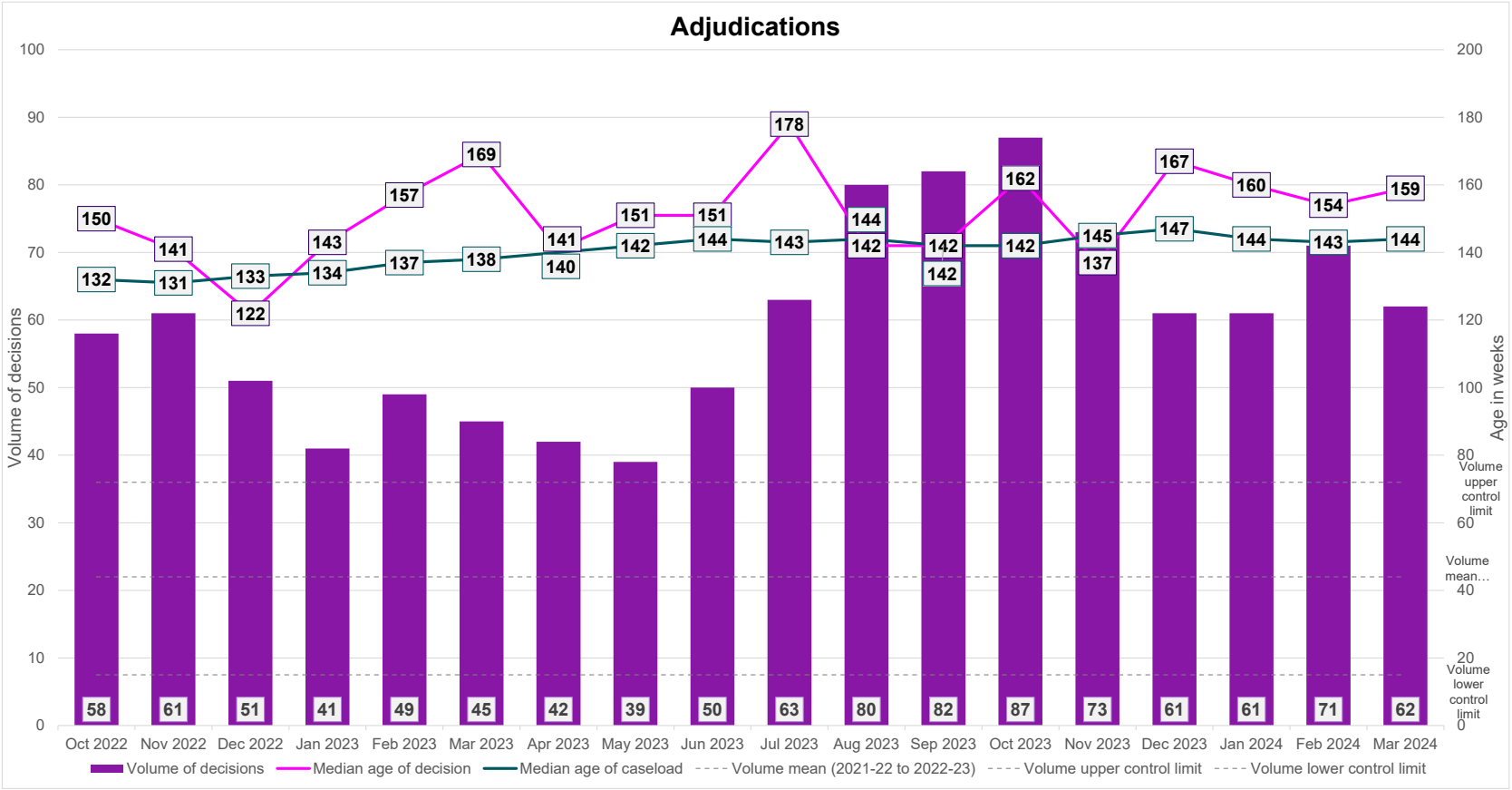
**Commentary March 2024**

In March, our outputs/decisions were broadly in line with the incoming work from Investigations.

# Fitness to Practise Council performance dashboard March 2024

The charts below provide a performance summary for the Adjudication stage of our fitness to practise process. The bar charts provide the total number of decisions or completed cases within the month, and the line charts show both the median age of decisions/completed cases in weeks and the other shows the median age of the open caseload at that stage.

D4



## Commentary March 2024

We saw a dip in March in the number of Adjudication outcomes compared to February. Lots of recruitment activity has continued, specifically around recruiting Hearings Coordinators and we have adjusted our recruitment approach to hopefully see more success with this latest campaign. The percentage of hearings concluding within their first listing was 74% in March, an improvement on previous months.

## Report from Audit Committee to Council

<b>Name of committee</b>	Audit Committee
<b>Date of meeting</b>	24 April 2024
<b>Committee chair / report author</b>	Committee Chair: At the time of the Audit Committee meeting: Derek Pretty Current Committee Chair: Deborah Harris Author: Peter Clapp
<b>Date of report</b>	3 May 2024

### Key discussions

#### Developing the NMC's approach to incident reporting

- 1 The Committee received an update on the work to develop the NMC's approach to corporate learning and incident reporting. As previously reported to Council, this is an area of particular focus for the Committee. The Committee is pleased to report that key areas of work have progressed. The Committee looks forward to considering the outcome of the internal audit on SERs at its meeting on 12 June 2024.

#### Action taken in response to learning

- 2 The Committee considered two sources of learning from the suspected fraud at Yunnik Technologies Test Centre: an interim-lessons learned report and the outcome of an internal audit on overseas registration (fraud). Both reports provided valuable learning that will help the NMC to strengthen controls in this area and its approach to contract management more widely. Both reports also identified areas of existing good practice, with the audit noting that in most respects processes were soundly designed. The Committee was pleased to note that in responding to the incident, the NMC had been acutely conscious of the potential impact on people, particularly potential discrimination and racism.
- 3 The Executive is taking forward actions in response to the reports and will provide appropriate updates to the Audit Committee. A final lessons learned report will be provided to the Committee in due course.
- 4 The Committee also received an update on learning from the issues at Canterbury Christ Church University relating to their nursing and midwifery programmes, as well as progress on work to review the education quality assurance function. As reflected in the NMC's risk register this is an area of focus for the NMC and the Committee was pleased to note the action being taken by the Executive in response.

## **Annual review of risk management effectiveness**

- 5 The Committee considered the report on the annual assessment of risk management effectiveness of 2023-2024. This included an overview of each directorate's assessment of their risk management and internal controls.
- 6 The Committee is pleased that the review had rated three out of six of the directorates as having substantial assurance. However, three directorates – Professional Practice, Professional Regulation and Communications and Engagement – had been rated as partial assurance. This was primarily due to low e-learning and appraisal rates. The Committee recognises that colleagues are focused on delivering key areas of work but it is important that colleagues are supported to complete training and appraisals. The Committee was pleased to note that so far appraisal rates for 2024 are higher than 2023.
- 7 Overall, the Committee was content with the assurance provided by the annual review of risk management and noted that it aligned with the Internal Audit opinion.

## **Development of strategic risk approach**

- 8 The Committee considered an update on the development of the NMC's approach to risk management. This provided a further refinement of the proposals considered by the Committee in February 2024, including the establishment of operational and strategic risk registers.
- 9 The Committee is supportive of the approach, noting that it will be important to ensure effective synergy between the operational and strategic risk registers, so that learning and insight is shared across all areas of risk management and if an operational risk becomes sufficiently high it is escalated to the strategic risk register.
- 10 The Committee recommends that Council approves the proposed approach.

## **Preparation of the Annual report and Accounts 2023-2024**

- 11 The Committee reviewed the NAO's plans for the 2023-2024 audit and was content with their proposals. The Committee also considered a draft of the Annual Governance Statement and requested some minor amends.
- 12 Council will review the Annual Report and Accounts on 5 July 2023.

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

- 13 The Committee was pleased to note that no instances of fraud, bribery or corruption had been detected since the last meeting of the Committee and that there had been no reported incidents of offences under the Modern Slavery Act 2015 in the NMC's supply chain.

## Whistleblowing

- 14 The Committee reviewed the annual report on the use of the NMC's internal whistleblowing policy. Derek Pretty and Eileen McEneaney had been Council leads for whistleblowing during 2023-2024. Eileen McEneaney continues in this role in 2024-2025. Derek Pretty stepped down from the role as his term on Council ended on 30 April 2024. The new Audit Committee Chair, Deborah Harris will assume this role in due course. While she completes her induction the role is being fulfilled by Lindsay Foyster.
- 15 There had been three instances of the whistleblowing policy being used during 2023-2024:
  - 15.1 The first case was a found to be a grievance and so was managed through our grievance process.
  - 15.2 The second case related to concerns about aspects of our regulatory casework and our workplace culture. Independent investigations and reviews are underway. We are committed to learning from the findings and making sustainable changes.
  - 15.3 The third case related to concerns about data and GDPR practices at the NMC. The investigation found that the concerns about data practices had already been recognised by the Executive and plans were in place to address these risks through the NMC's data strategy and road map. The issue raised on GDPR was reviewed by the Data Protection Officer and concluded that the areas of identified for improvement were unlikely to increase the risk to the security of personal data. The case was therefore closed.
- 16 The Committee is content with how the investigations were handled, and is committed to ensuring any learning for the NMC's whistleblowing policy and process will be embedded effectively.
- 17 The Committee received a verbal update on a concern that had been raised since the last meeting of the Audit Committee, and which the Council has been briefed on. The Committee is content with how this matter is being handled.

## Outgoing Chair of Audit Committee

- 18 This meeting was Derek Pretty's last meeting as Chair of Audit Committee, as his term as a Council member ended on 30 April 2024. The Committee and the Executive thanked Derek for the considerable contribution he had made to the NMC, in particular his insight, expertise and collaborative approach to chairing. The Committee was pleased to welcome Deborah Harris at the meeting who became Chair of Audit Committee on 1 May 2024.

### Key decisions

- 19 **Development of strategic risk approach:** The Committee endorsed the approach to risk management set out in the paper and confirmed it was content to recommend it to Council.
- 20 **Preparation of the Annual report and Accounts 2023-2024:** The Committee was content with the NAO's plans for the 2023-2024 audit.



## Report from Investment Committee to Council

<b>Name of committee</b>	Investment Committee
<b>Date of meeting</b>	29 April 2024
<b>Committee chair / report author</b>	Committee Chair: Sue Whelan Tracy Author: Peter Clapp
<b>Date of report</b>	3 May 2024

### Key discussions

#### Performance of the Investment Portfolio

- 1 The Committee reviewed and discussed the performance of the Investment Portfolio with our Investment Managers, Sarasin. The long-term objective for the fund is a return of UK Consumer Price Index (CPI) plus 3 percent per annum over rolling five-year periods.
- 2 The performance of the fund had improved over the last quarter, aided by more benign market conditions, with the portfolio outperforming some key measures, including CPI+3 percent (the NMC's target measure) and the peer group. With a return of 6.1 percent against 1.2 percent for CPI+3 percent and 4.2 percent for the peer group. Although it should be noted that over longer periods the fund is still underperforming against these measures: since inception a return of 6.0 against CPI+3 percent of 8.7 percent. The Investment Managers' decision to move overweight on equities had produced good returns this quarter, with equities producing a return of 9.6 percent (against the index of 9.2 percent).
- 3 There were also areas of underperformance, and it was disappointing that portfolio was underperforming against the strategic benchmark: in the quarter to 31 March 2024 a return of 6.1 percent compared to 6.4 percent for the strategic benchmark and over the last 12 months a return of 11.1 percent compared to 15.5 percent for the strategic benchmark. This underperformance was partly due to poor performance of alternatives which had been impacted by continued higher interest rates. The Committee discussed these areas of underperformance with the Investment Managers and has confidence in their overall approach. The Committee will continue to carefully monitor and scrutinise the fund's performance and the work of the fund managers, particularly around stock selection and the ability of their thematic approach to respond to economic shifts.

#### Environmental, social and governance issues

- 4 The Committee received its usual update on actions taken by Sarasin to encourage companies to address environmental, social and governance (ESG) issues. The Committee explored how Sarasin set expectations for change and how they respond if the company does not take the action requested. The

Committee was pleased to note Sarasin's commitment and action on these issues and encouraged them to make sure their actions were as robust as possible.

### **Sarasin's compliance with the NMC's Investment Policy**

- 5 The Committee undertook its annual review of Sarasin's compliance with the NMC's investment policy. This assessed compliance with the parameters set by the policy in the following areas: the portfolio's return, liquidity, level of risk and compliance with ethical restrictions.
- 6 Sarasin has complied in all areas except for the level of return which is below the target return. Whilst the underperformance is concerning, as previously reported to Council, the Committee recognises it has been a challenging economic environment, with high rates of inflation. The fund had been established with a clear understanding that periods of volatility were to be expected. The Committee will continue to carefully monitor and scrutinise the fund's performance and the work of the fund managers.

### **Independent review of the NMC's investment policy and approach**

- 7 As reported to Council in November 2023, as the NMC is now in its fourth year into holding long term investments, it is appropriate to undertake an independent review of our investment policy and management. In particular, this will allow the NMC to reflect and identify any learning from holding investments during a time of economic turbulence, particularly around the level of risk the organisation is comfortable with and growth targets.
- 8 The Committee agreed that the review will take place in the Summer of 2024 and will cover three key areas:
  - 8.1 On the basis of the NMC's financial strategy, what sort of long term investment portfolio, if any, should the NMC hold.
  - 8.2 How the NMC can best take account of ESG considerations when managing investments and any potential improvements it should make to its approach.
  - 8.3 An assessment of Sarasin's performance, both in terms of the fund's performance relative to relevant benchmarks and assessing the wider service and support that Sarasin has provided to the NMC.
- 9 A smaller group of Committee members will support the next steps in procuring a firm to undertake the review. The Committee will provide an update in its next report to Council.

## Risk register

- 10 The Committee discussed the portion of the corporate risk register relating to the investment risk and agreed that no amendments were required at this stage.

## Key decisions

### Independent review of the NMC's investment policy and approach

- 11 **Decision:** Subject to the requested amends, the Committee agreed the approach and terms of reference for the independent review of the NMC's investment policy and approach
- 12 **Decision:** The Committee agreed that the risk register did not require changes.