

Open 27 July 2022

MEETING
27 July 2022 10:15

PUBLISHED
19 July 2022

NMC Open Council

To be held at 23 Portland Place from 10:15 on Wednesday 27 July 2022

Agenda

David Warren
Chair of the Council

Fionnuala Gill
Secretary

- | | | | |
|---|---|-----------|------------------------------------|
| 1 | Welcome and Chair's opening remarks | NMC/22/65 | 10:15 |
| 2 | Apologies for absence | NMC/22/66 | |
| 3 | Declarations of interest | NMC/22/67 | |
| 4 | Minutes of the previous meeting | NMC/22/68 | |
| | Chair | | |
| 5 | Summary of actions | NMC/22/69 | |
| | Secretary | | |
| 6 | Executive Report, including performance and risk report (quarter one - April to June 2022) | NMC/22/70 | 10:20-11:20
(60 minutes) |
| | Chief Executive and Registrar | | |
| 7 | Fitness to Practise Caseload Update | NMC/22/71 | 11:20-11:50
(30 mins) |
| | Interim Deputy Director, Professional Regulation | | |
| | Refreshment Break | | 11:50-12:10
(20 mins) |
| | Matters for decision | | |
| 8 | Associates Scheme | NMC/22/72 | 12:10-12:30
(20 mins) |
| | Chair/Secretary | | |
| 9 | Review of Investment policy and funds allocated to the investment portfolio | NMC/22/73 | 12:30-12:50
(20 mins) |
| | Executive Director, Resources and Technology Services | | |

10 **Fitness to Practise Panel Chairs and Members: appointments, transfers and removals** NMC/22/74 **12:50-13:00**
(10 mins)

Interim Assistant Director, Professional Regulation

Matters for discussion

11 **Questions from observers** NMC/22/75 **13:00-13:15**
(15 mins)

Chair

Matters for information

12 **Appointments Board Report** NMC/22/76

Chair, Appointments Board

13 **Chair's action taken since the last meeting** NMC/22/77

Chair

CLOSE & LUNCH (45 mins)

13:15

Meeting of the Council
Held on 6 July 2022 in the Council Chamber, 23 Portland Place.

Minutes

Council

David Warren	Chair
Karen Cox	Member
Hugh Bayley	Member
Claire Johnston	Member
Tracey MacCormack	Associate
Margaret McGuire	Member
Marta Phillips	Member
Derek Pretty	Member
Gloria Rowland	Associate
Anna Walker	Member
Ruth Walker	Member
Sue Whelan Tracy	Member

NMC Officers

Andrea Sutcliffe	Chief Executive and Registrar
Emma Broadbent	Acting Executive Director, People and Organisational Effectiveness
Helen Herniman	Executive Director, Resources and Technology Services
Matthew McClelland	Executive Director, Strategy and Insight
Alice Hilken	General Counsel
Anthony Robinson	Assistant Director, Professional Regulation
Miles Wallace	Acting Executive Director, Communications and Engagement
Geraldine Walters	Executive Director, Professional Practice
Fionnuala Gill	Secretary to the Council
Alice Horsley	Governance Manager
Richard Wilkinson	Assistant Director, Finance, Resources and Technology Services (NMC/22/ 57 only)
Dave Power	Head of Estates, Resources and Technology Services (NMC/22/60 only)

Observing

Lesley Maslen	Designate Executive Director, Professional Regulation
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A list of observers is at Annexe A.

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Minutes

NMC/22/50 Welcome and Chair’s opening remarks

1. The Chair welcomed all attendees and observers to the meeting, including Anthony Robinson, Assistant Director of Professional Regulation and Lesley Maslen, who was observing the meeting, ahead of joining the NMC in August as Executive Director, Professional Regulation.
2. The Chair noted that the last Open Council meeting was held in Northern Ireland in May, where the Council received a very warm reception and had a successful, productive visit.

NMC/22/51 Apologies for absence

1. Apologies were received from Lynne Wiggins and Eileen McEneaney, Council members.

NMC/22/52 Declarations of interest

1. **NMC/22/61: Council Allowances.** All Council members and Associates declared an interest. This was not prejudicial as the Nursing and Midwifery Order 2001 requires the Council to determine the allowances. The Council has mitigated the perceived conflict through an agreed approach and principles which provide for an Independent Panel to review and make recommendations on allowances.

NMC/22/53 Minutes of the previous meeting

1. The minutes of the meeting on 26 May 2022 were agreed as an accurate record.

NMC/22/54 Summary of actions

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

NMC/22/55 Executive Report

1. The Chief Executive and Registrar introduced the report
2. The Chief Executive and Registrar offered congratulations to those recognised in this year’s Queen’s Birthday Honours list, in particular Anne Trotter, NMC Assistant Director of Professional Practice, awarded a British Empire Medal and Professor Mary Renfrew, who led development of our Future Midwife standards, made an Officer of the Order of the British Empire for services to midwifery.

3. The NMC had written to congratulate all the professionals on our register and key partners who received honours, including Ruth May, Chief Nursing Officer (CNO) for England, made a Dame Commander of the Order of the British Empire; Gill Walton, Chief Executive and General Secretary, Royal College of Midwives, Liz Fenton, Deputy Chief Nurse, Health Education England, and John Unsworth, Chair, Queen's Nursing Institute.
4. The Chief Executive and Registrar noted that recruitment of two new Executive Directors would start shortly to replace Emma Broadbent, Acting Executive Director, People and Organisational Effectiveness and Professor Geraldine Walters, Executive Director, Professional Practice, both retiring in the autumn. The Chair and Chief Executive expressed thanks to both colleagues for the invaluable contribution they had made to the NMC.
5. The Chair and Chief Executive and Registrar and would be writing to welcome the newly appointed Secretary of State for Health and Social Care, The Rt. Hon. Steve Barclay MP.
6. In discussion the following points were noted:
 - a) The English Language Review consultation launched on 17 June and would close on 12 August. So far, we had received 28,000 responses. The high number of responses from across all four UK countries amongst current registrants, overseas applicants and partner organisations was welcomed. A thematic analysis of the feedback received and resulting recommendations was planned to be presented to the Council in September.
 - b) The two recently opened Test of Competence Centres had increased capacity for international applicants. The NMC was continuing to work with the centres to find ways to increase capacity, such as through extended testing hours and improved booking behaviours and management.
 - c) Following Council approval in May, the updated post-registration standards would be published on 7 July. Launch events to promote the updated standards were planned for each of the four UK countries in the autumn.
 - d) The Standards make clear the NMC's expectations in relation to Equality, Diversity, and Inclusion (EDI). In respect of education, the NMC could use its influence to empower students from a range of backgrounds and work by approved education institutions to decolonise the curriculum.
 - e) In England, the NMC was working with the CNO senior managers team to ensure all nurses and midwives were valued and respected and have equality of opportunity. There was more work to be done, including ensuring EDI work was aligned across all four UK countries.

- f) Key Performance Indicators relating to international registrations would be presented to the Council for monitoring as part of the performance report at its meeting on 27 July.

7. Summing up, the Chair noted the appetite for the Council to continue to be closely involved in relation to EDI issues and the NMC's ability to provide insight and influence in this area.

NMC/22/56 Audit Committee Annual Report 2021-2022

1. The Audit Committee Chair introduced the Annual Report for 2021-2022. The Chair of the Committee extended thanks to colleagues on the Audit Committee and Executive and governance colleagues, noting she was grateful for the high standard of papers received by the Committee.

2. In discussion the following points were noted:
- a) This year, following a process overseen by the Audit Committee, Council approved HW Fisher as our new external auditors. Colleagues at the NMC had adapted well to the changed working relationships and processes following the appointment of the new external auditors.
 - b) There had been significant improvements in risk management during the year, allowing the Committee to take a more strategic approach to oversight in this area.
 - c) Throughout the year the Committee scrutinised the internal audit reports in accordance with the audit work plan.
 - d) The Council could be assured that there were no systemic issues arising from the review into an allegation during the year that the NMC was not appropriately managing reports of potential bullying and harassment.
 - e) Consideration would be given to specifying the number of Serious Event Review (SER) incidents in the Committee's regular reports to the Council. The number of SER incidents was included in the Annual Report and Accounts 2021-2022.
 - f) The Committee's annual effectiveness review in June 2022, which included input from those who worked with the Committee such as internal auditors, the National Audit Office and Executive found that it was functioning effectively.

3. The Chair of the Committee confirmed that:
- a) The Committee had scrutinised the Head of Internal Audit's annual opinion and agreed with the assessment that the governance, internal control, and risk management environment provided adequate assurance.
 - b) The Committee had reviewed the draft Letters of Representation to the external auditors and the National Audit Office and recommended these to the Council for approval. The Letters of Representation were standard, with no clauses specific to the NMC.

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- c) The Committee had reviewed and recommended the draft Annual Report and Accounts 2021-2022 and the draft Annual Fitness to Practise Report 2021-2022 to the Council for approval.

4. Audit Committee members present commended the Committee Chair for her excellent leadership. On behalf of the Council, the Chair thanked the Chair of the Committee and Audit Committee colleagues for all the work over the past year and the assurance provided.

Action: Provide information on the number of Serious event review incidents in Audit Committee’s Annual Report and regular report of its meetings to the Council.
For: Audit Committee Chair / Secretary to the Council
By: 23 November 2022

NMC/22/57 Draft Annual Report and Accounts 2021-2022

1. The Chief Executive and Registrar introduced the draft annual report for 2021–2022, noting that this was both the Council’s report to Parliament and, as Trustees, to the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator (OSCR).
2. The Chief Executive and Executive Director, Resources and Technology Services highlighted the following:
- a) The report covered key developments in the year from April 2021 to March 2022, the second year of our 2020-2025 strategy. We have continued to support the health and social care sector during the Covid-19 pandemic, with the easing of restrictions allowing us to refocus and progress our strategic priorities.
 - b) Our key priority in 2021-2022 was to reduce our Fitness to Practise caseload. Although we did manage to stabilise the caseload, disappointingly, we did not meet our target of reducing the caseload. Resolving cases safely at the earliest opportunity remained our number one priority.
 - c) In a challenging year, there was also much to celebrate: new post-registration standards; an updated test for internationally trained nurses and midwives and increased test capacity; our new People Plan and new EDI plan; as well as progress on our work to modernise our technology services.
 - d) In terms of overall financial performance for 2021-2022, the surplus of £7m was in part due to slippage in activity but also higher than expected income driven by registrant numbers and unrealised surplus on our investments for 2021-2022.
 - e) Reserves were above the reserve level set in our financial strategy, which aims for maximum free reserves of £25m but would reduce due to the need to invest in resources to support the work on the Fitness to Practise caseload and the pressure of inflation and planned major investment in refurbishment and technology over the next 3-4 years.

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3. In discussion the following points were noted:
- a) The additional analysis provided to support the review of going concern was welcome. The analysis demonstrated that given the pressures of inflation, it was not financially viable to reduce the annual fee paid by professionals on our register.
 - b) The NMC's financial position remained strong. Whilst recognising that the impact of inflation should be closely monitored, the Council was confident that the organisation was a going concern.
 - c) Regulatory Reform would not change the NMC's purpose to promote and uphold the highest professional standards in nursing and midwifery and to protect the public but should streamline processes and modernise regulation.
 - d) The high-quality, accessible, and engaging content of the Annual Report was commended.
4. Once laid in Parliament, the published report would be shared widely with our stakeholders through various channels, including social media. A summary which draws out key achievements and challenges in an accessible format, as well as an Easy Read version and a Welsh language version were also being produced to reach a wider audience.
5. **Decisions: The Council agreed to:**
- a) **Confirm it was content that the NMC was a going concern**
 - b) **Authorise the Chair to sign the draft letter of representation to the external auditors**
 - c) **Authorise the Chair and the Chief Executive and Registrar, as Accounting Officer, to sign the draft letter of representation to the NAO**
 - d) **Approve the draft Annual Report and Accounts 2021-2022 for submission to Parliament**
6. On behalf of the Council, the Chair thanked the external auditors, the NAO, Governance and Resources teams for their excellent work on the report. The Chair also expressed thanks to all colleagues including Council, for the considerable work over the past year which the report represents.

NMC/22/58 Draft Annual Fitness to Practise Report 2021-2022

1. The Chief Executive and Registrar introduced the draft Annual Fitness to Practise Report for 2021-2022, noting her thanks to colleagues for their considerable hard work.
2. The following points were highlighted:
 - a) Most Fitness to Practise cases involved people who may not have received the safe and effective care they deserved, with all the distressing consequences that might follow from this.

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- b) It was also critical to remember that the NMC received referrals for much less than 1 percent of those on our register; those whose fitness to practise was found to be impaired constituted an even smaller percentage.
- c) We had not achieved our target caseload reduction, but we had managed to stabilise the caseload. We aim to bring the caseload down to 5,000 by March 2023, whilst continuing to maintain our person-centred approach.
- d) There had been some progress during the year, with Case Examiner and Adjudication outputs and decisions increasing and the EDI agenda being advanced in the context of fitness to practise.

3.

In discussion the following points were noted:

- a) The clarity and transparency of the report was welcome.
- b) It was disappointing that the target caseload reduction had not been achieved. The Council would continue to monitor progress in reducing the caseload closely in the year ahead.
- c) The work of the Employer Link Service and a range of measures to share information and insight with employers in the sector was ongoing, with a view to continuing to reduce the number of inappropriate referrals received.
- d) It was important to be clear for the public that the purpose of regulatory action was to ensure fitness to practise in the future, rather than to be punitive.
- e) Male professionals on our register represented a disproportionate number of referrals. There were many potential contributing factors to this, including the fact that male professionals were over represented in employment settings such as mental health and care homes which were more likely to be involved in referrals. Our Ambitious for Change research was considering why males on our register were more likely to receive disproportionate outcomes, and what can be done to tackle any unfairness.

4.

The Council noted that once laid in Parliament, the report would be published in English and Welsh and shared widely with our stakeholders through various channels, including social media. The planned summary version would also include elements from this report.

5.

Decision: The Council approved the draft Annual Fitness to Practise Report for submission to Parliament.

6.

On behalf of the Council, the Chair thanked all colleagues for the work reflected in the report, as well as those who had produced it.

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NMC/22/59 Pay Gaps Annual Report 2022

1. The Acting Executive Director, People and Organisational Effectiveness introduced the report, which presented analysis of three pay gap areas: gender, ethnicity, and disability. It was disappointing that our ethnicity and gender pay gaps had increased. There was work to be done to ensure better representation of Black and minority ethnic (BME) people, and women, in more senior grades within the NMC. The People Plan (2022-2025) and EDI Plan contained actions to reduce our pay gaps.
2. In discussion the following points were noted:
 - a) A key aim of the People Plan was around effective data gathering and insight. It was agreed that this important intervention would support EDI in the progression of colleagues and should be highlighted in the narrative of the Pay Gap Report.
 - b) There was concern that fewer colleagues had declared disabilities than was expected, which was likely to have distorted our data. There was a need to ensure all colleagues felt confident to declare their disability, so they could be properly supported and able to progress at the NMC.
 - c) The content of the report would be reviewed for clarity, for example the reference to work on job descriptions. We were committed to being a flexible employer, open to job share, part time and hybrid work.
 - d) The pay gaps are a reflection of the workforce profile. It was noted that there were more women than men at the NMC, particularly in junior roles and there may be benefits in understanding the factors behind this.
3. **Decision: The Council approved the publication of the Pay Gap Report 2022.**
4. Summing up, the Chair noted that the Council would want to return to the issue of pay gaps when reviewing progress of the People Plan. The Chair thanked the Acting Executive Director, People and Organisational Effectiveness, and her team for the report and the work underway to address the pay gaps.

Action: Review the Pay Gaps Report to:

- f) **Highlight that a key aim of the People Plan is to improve data gathering and insight to support progression of colleagues from diverse backgrounds.**
- g) **Review content for clarity including around the work on job descriptions.**

For: Acting Executive Director, People and Organisational Effectiveness

By: 27 July 2022

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Action: Report back on actions to address the pay gaps as part of the review of progress on the People Plan.
For: Acting Executive Director, People and Organisational Effectiveness
By: 27 July 2022

NMC/22/60 Health and Safety Annual Report 2021-2022

1. The Executive Director, Resources and Technology Services introduced the Health and Safety Annual Report for 2021-2022 and the priorities for 2022-2023.

2. In discussion the following points were noted:
- a) There had been one reported health and safety incident in 2021-2022 across all sites. Colleagues were encouraged to report any near misses.
 - b) There continued to be focus on ensuring that the offices were Covid-19 secure. Some clinically vulnerable colleagues remained cautious about attending larger work gatherings.
 - c) As more colleagues returned to the office, it was suggested that work should be done to enhance recognition of personal responsibility for health and safety in the office. There would be renewed focus on ensuring all colleagues completed their mandatory health and safety training.
 - d) There was not a minimum or maximum number of days set for all NMC colleagues to attend the office. Executive Directors and managers set expectations about the frequency with which colleagues should come into the office, dependent on job role and team requirements.
 - e) All colleagues were required to undertake assessments of their workspace at home and action taken to address any reasonable adjustments needed.
 - f) There were measures in place to relieve workload pressures and a number of different channels of support for colleagues, including the employee assistance programme and well-being application, Thrive. There had been a webinar on Thrive to promote the support available to colleagues.
 - g) The priorities for 2022-2023 reflected areas of risks for the year ahead.

3. **Decision: Council approved the Health and Safety Annual Report 2021-2022 and priorities for 2022-2023.**

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NMC/22/61 Council Allowances

1. The Secretary to the Council introduced the paper. The recommendations had been reviewed and endorsed by the Remuneration Committee.

2. Points highlighted included the following:
 - a) In 2015, the Council decided that an Independent Panel should conduct any review of Council allowances.
 - b) There had been no changes to any Council allowances since 2017. A recommendation by the Independent Panel to increase allowances by two percent in 2020 had not been adopted as the Council agreed that an increase in allowances during the Covid-19 pandemic was not appropriate. The Panel had now recommended a three per cent increase to all allowances.
 - c) There was support for the recommendation that Council revisit the allowance for future Associates when considering the next iteration of the scheme.
 - d) The Independent Panel had taken the view that it would be reasonable for additional allowances to be paid to Committee Chairs to reflect the extra responsibilities and time commitment and had recommended this be between £1,500 and £2,500 a year. The Panel’s view was that it was for the Council to decide whether to do so.
 - e) The report before Council proposed that the Chair of Council determine the level of allowance for each Committee Chair, recognising that workloads and responsibilities vary across the Committee Chair roles. The level of allowance would not exceed the upper limited suggested by the Panel (£2,500) but could be less than the lower limit (£1,500) or no payment at all, such as if a Committee had no scheduled business for a specific period.
 - f) The report suggested that any recommendations be effective from 1 April 2022, rather than 1 April 2021 as recommended by the Independent Panel who had conducted its review in the 2021-2022 financial year.

2. **Decisions: The Council decided to:**
 - a) **Agree with the Remuneration Committee’s recommendation that the allowance for future Associates be revisited as part of the next iteration of the scheme (paragraph 20).**
 - b) **Adopt the principle of an additional annual allowance for Council Committee Chairs; and agreed that the Chair of Council should determine the allowance level attached to each Committee Chair role in the range of £0 to £2,500.**
 - c) **Agree that any increases to allowances be effective from 1 April 2022.**

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NMC/22/62 Assistant Registrar Appointment

1. The Acting Executive Director, People and Organisational Effectiveness introduced the paper seeking Council’s approval to appoint an additional Assistant Registrar into the Quality Decision Making Team in Fitness to Practise. It was noted that the appointment would provide additional capacity and help with heavy workloads in the team.
2. **Decision: The Council approved the appointment of Angharad Ansell-Jones as an Assistant Registrar, to act on behalf of the Registrar in relation to the matters set out in paragraph 3 and 7, in accordance with Article 4 of the Nursing and Midwifery Order 2021 and the Standing Orders.**

NMC/22/63 Questions from observers

1. The Chair invited questions and comments from observers.

‘Hybrid’ format Council meetings
 A Unite representative asked about whether the NMC had plans to hold future Council meetings in a hybrid format to improve accessibility for observers.

The Secretary to the Council advised that work was ongoing to develop the technological capacity to facilitate a ‘hybrid’ format Open Council meeting in the future.

Covid-19 Lateral Flow Test supply for NMC colleagues
 The Unite representative asked whether the NMC planned to provide free Lateral Flow Tests (LFT) for staff when coming into the office now that the government had stopped providing these free of charge.

The Executive Director, Resources and Technology Services advised that there was currently a supply of free LFTs available for colleagues attending the office on request. Consideration would be given to the approach to be taken for the future.

On behalf of Unite, the representative offered thanks and best wishes for the future to Geraldine Walters and Emma Broadbent on their upcoming departure from the NMC.
2. The Council noted one written question submitted by an observer and the response set out in Annexe B to the minutes. It was agreed that the response would be expanded to include a link to the Executive Report and Key Performance Indicators around Fitness to Practise targets provided to Council. The expanded response should also note that further update on the Fitness to Practise improvement programme would be made available to Council and on our website at the end of July and September.

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Action: Expand the written response to the advance observer question to include information about the regular update reports on Fitness to Practise at Open Council.
For: Secretary to the Council
By: 27 July 2022

NMC/22/64 Chair’s actions taken since the last meeting

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

Closing remarks

1. The Chair on behalf of the NMC, thanked Roz Hooper, Head of Legal (Regulatory) on her retirement from the Royal College of Nursing. Roz had done so much in the last few years to build a collaborative relationship with the NMC, particularly through the pandemic. It would have not been possible to embark so successfully on the fitness to practise strategy or continue the fitness to practise casework during the pandemic without her.
2. The Chair thanked all the attendees for joining the meeting.

Confirmed by the Council as a correct record:

SIGNATURE:

DATE:

Annexe A: Observers present

Observers

Jane Beach	Lead Professional Officer Regulation, Unite
Halima Oba	Director, Victory Locum Limited

NMC staff observing

Paula Holt	Senior Nursing Advisor, Professional Practice
Janice Cheong	Executive Business Manager, Professional Regulation
Jazmeen Khatun	Executive Assistant, Professional Regulation
Mary Anne Poxton	Head of Governance
Peter Clapp	Senior Governance Manager
Hannah Cole	Governance Assistant
Mark Finnigan	Governance Administrator
Amanda Cashmore	Senior Digital Communications Officer
Tim Swietochowski	Head of News

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Annexe B: Observer question – Council meeting 6 July 2022

<p>Question submitted by Mary Dick</p>	1.
<p>The query is two parts. Firstly surrounding the significant waiting time to be appointed an investigator following the screening process of a case brought to the NMC for attention. At this moment in time, no timescales are given to an NMC member regarding proactive management of a case, in particular, the appointment of an investigator to move the case forward. This, in turn, leads to the necessity for an NMC member to state to any potential employer that an investigation into their conduct is ongoing. This declaration is not an acceptable risk within the NHS or private sector to employ a nurse, despite no restriction to practice status. Due to the ongoing nature of an investigation, it harms career paths, along with the actual ability to gain employment as a registered nurse.</p> <p>Please provide NMC action for improvement to reduce waiting times for the appointment investigators and improve communications, in particular around time scales and process to NMC members.</p>	2. 3. 4. 5. 6.
<p>Response:</p> <p><i>We are acutely aware of the personal and professional impact of being referred to the NMC has on the nurses, midwives, and nursing associates on our register and for everyone involved in the process, we know that the current time it is taking to reach an outcome is adding further pressure. The number of people going through our processes increased due to the pandemic and in the few years previously. Our planned improvements to handle cases more efficiently and effectively and to therefore reduce the time to investigate and resolve cases have not had the impact we had hoped for over the last year. We have however been able to stabilise the overall caseload.</i></p> <p><i>We are now focussing our planned improvements on the early stages of the process. Recruitment is underway to create an additional team of people who will be specially trained and supported to make safe decisions quickly about the seriousness of cases and identify those that need further investigation. At the same time we will ensure that the later stages of the process are prepared to receive increased volumes of cases.</i></p> <p><i>Reducing the fitness to practise caseload remains the top corporate priority with a cross-NMC response. Progress is monitored by the Council at each meeting, most recently on 26 May 2022 – you can read the report here. You will be able to follow progress through future reports to the Council’s meetings on 27 July 2022; 23 November 2022 here when the papers for those meetings are published (seven days before the meeting date).</i></p> <p><i>I am sorry if you or your colleagues have been impacted by the delays in our process. We are doing all we can to progress cases safely and swiftly.</i></p>	7. 8. 9. 10. 11. 12. 13.

Council

Summary of actions

Action:	For information.
Issue:	Summarises progress on completing actions from previous Council meetings.
Core regulatory function:	Supporting functions.
Strategic priority:	Strategic aim 6: Fit for the future organisation.
Decision required:	None.
Annexes:	None.
Further information:	If you require clarification about any point in the paper or would like further information please contact the author below.

Secretary: Fionnuala Gill
Phone: 020 7681 5842
Fionnuala.gill@nmc-uk.org

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Summary of outstanding action arising from the Council meeting on 6 July 2022

Minute	Action	Action owner	Report back date	Progress to date
NMC/22/56	<p>Audit Committee Annual Report 2021-2022</p> <p>Provide information on the number of Serious event review incidents in Audit Committee's Annual Report and regular report of its meetings to the Council.</p>	<p>Audit Committee Chair / Secretary to the Council</p>	<p>23 November 2022</p>	<p>Not yet due.</p>

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NMC/22/59	<p>Pay Gaps Annual Report 2022</p> <p>i) Review the Pay Gaps Report to:</p> <ul style="list-style-type: none"> • Highlight that a key aim of the People Plan is to improve data gathering and insight to support progression of colleagues from diverse backgrounds. • Review content for clarity including around the work on job descriptions. <p>ii) Report back on actions to address the pay gaps as part of the review of progress on the People Plan.</p>	<p>Acting Executive Director, People and Organisational Effectiveness</p>	<p>27 July 2022</p>	<p>i) The Pay Gaps Report has been reviewed and amended to reflect the comments made at Open Council on 6 July.</p> <p>ii) A report on actions to address the pay gaps will be included as part of the review of progress on the People Plan later in 2022-2023, date to be scheduled.</p>
NMC/22/63	<p>Questions from observers</p> <p>Expand the written response to the advance observer question to include information about the regular update reports on Fitness to Practise (FtP) at Open Council.</p>	<p>Secretary to the Council</p>	<p>27 July 2022</p>	<p>The written response to the advance observer question has been expanded accordingly (see the expanded response at Annexe B to the draft minutes of the 6 July Open Council meeting).</p>

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Summary of outstanding action arising from the Council meeting on 26 May 2022

Minute	Action	Action owner	Report back date	Progress to date
NMC/22/43	<p>Equality, Diversity, and Inclusion Action Plan</p> <p>Develop clear milestones and measure and report progress on the Equality, Diversity and Inclusion (EDI) Action Plan as part of quarterly performance reporting.</p>	<p>Acting Executive Director, People and Organisational Effectiveness</p>	<p>27 July 2022</p>	<p>We are developing the detailed delivery plan for the EDI plan with members of our EDI Leadership Group taking forward engagement across the directorates to confirm the detail of action in the plan, including suggested metrics and milestones. We are aiming to complete this by September 2022.</p> <p>We have provided our first quarterly update against corporate commitment 9 on EDI and will be developing a more detailed set of deliverables underneath this commitment to update on in future. We aim to complete this by September 2022.</p>

Summary of outstanding action arising from the Council meeting on 24 November 2021

Minute	Action	Action owner	Report back date	Progress to date
<p>NMC/21/97</p>	<p>Fitness to Practise Improvement Programme</p> <p>Consider provision of additional information around performance against the Key Performance Indicator (KPI) target on interim orders.</p>	<p>Professional Regulation</p>	<p>30 March 2022 / 26 May 2022 / 6 July 2022 / 28 September 2022</p>	<p>Not yet due</p> <p>Update 6 July 2022: We reported in May 2022 that we are analysing our performance in handling interim orders; this work is ongoing and we will report back when complete. As previously advised, we expect the KPI to improve over time as the caseload reduces and our efficiency improves.</p>

Council

Executive Report

Action: For discussion.

Issue: The Council is invited to consider the Executive's report on key developments during 2022–2023, up to July 2022, and performance and risk for the year to 30 June 2022.

Core regulatory function: All regulatory functions.

Strategic priority: All priorities for period 2022-2023.

Decision required: None.

Annexes: The following annexes are attached to this paper:

Annexe 1: Performance against Corporate Plan and budget for 2022–2023

Annexe 2: Corporate Risk Exposure Report

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

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- Context:**
- 1 This paper is produced by the Executive and provides an update on the external environment. It also reports on our performance against our corporate plan and budget for 2022–2023, and risks facing the organisation.
 - 2 The report consists of three sections:
 - 2.1 Highlights from the external environment and our strategic engagement work up to July 2022;
 - 2.2 Our performance report providing status updates against our corporate plan and budget for quarter 1 2022–2023 up to 30 June 2022 (**Annexe 1**).
 - 2.3 Our corporate risk position (**Annexe 2**);
 - 3 There is a separate report on the Fitness to Practise (FtP) Caseload Update at item 7.

Four country factors: 4 The issues discussed apply across all four UK countries unless highlighted.

Discussion: Covid-19 pandemic

- 5 The latest data shows that the total number of people on the temporary register as of 30 June 2022 was 14,122, compared to 14,292 on 31 May. During this period 156 people transferred from the temporary register to our permanent register.
- 6 We continue to communicate directly to professionals on the temporary register and employers to remind them that the temporary register will close on 30 September 2022, and to encourage people to transfer to the permanent register.

Regulatory reform

- 7 Early engagement is underway with employers and groups representing people who use health and care services. Early employer feedback has focused on the benefits of a simplified register. Public stakeholders have highlighted the importance of transparency in the FtP process, which will inform the development of our proposals in this area. We have also continued to engage with Department of Health and Social Care (DHSC) officials around the likely legislative timetable for reform.

Maternity safety

- 8 Our Executive Director, Professional Practice will shortly publish a blog in response to the Birthrights and Five X More reports which highlighted racial inequalities in maternity services. This will address the role of registered professionals in challenging discriminatory behaviours and micro-aggressions, and how we are improving our own ways of working.
- 9 As Council is aware, in 2020 we established a partnership with the Care Quality Commission (CQC) and General Medical Council (GMC) focusing on a collaborative approach to address concerns within maternity services.
 - 9.1 One of the joint projects was the development of a shared data platform (SDP). Although in its infancy, the SDP went live in late 2021 and a collaborative analytical group was established to analyse the data. This focused on identifying themes of concerns within maternity services, and provisional indicators that may help identify locations of concern earlier.
 - 9.2 The project identified two indicators which have both been found to relate to locations of concern - an indicator to identify potential staffing level issues, and one that explored the rate of complaints about midwives and doctors relative to their clinical activity.
 - 9.3 There has been a significant amount of learning within this joint project that can be shared; including the practicalities of pooling data, good practice within data analysis and metric creation.
 - 9.4 The next stage of the work is to validate the indicators within existing settings using outreach teams from all three organisations. We are aiming to have the validation completed in Q2 2022-2023. Once validated, we will take the indicators to maternity surveillance groups, NHS England's maternity data dashboard team, and the Maternity Transformation Programme group to discuss its relative value among other measures, and how it can be incorporated into existing systems and processes.

International registration

- 10 On 17 June 2022, we launched our English language review consultation. We have received an extremely large number of responses, with over 30,000 responses in the first four weeks of the eight-week consultation. We are making every effort to conclude our analysis of the responses in time to report our findings and recommendations to the Council's September meeting. However, there is a risk that it may take longer to consider all the feedback in detail. The consultation closes on 12 August 2022.
- 11 On 22 July 2022, the Executive Director, Strategy and Insight will chair a meeting with the External Advisory Group for our English language requirements consultation, which brings together a range of people and organisations with expertise and interest in this area of our work. At this meeting, our consultation partner, Britain Thinks, will lead a discussion on the key questions we are asking in the consultation. The feedback from this event will contribute to the response we have received to this consultation to date. An update on these discussions will be provided to the Council at the meeting.

Pre-registration programme requirements consultation

- 12 On 13 July 2022, we launched our consultation on education programme standards, which will run until 21 September 2022.
- 13 To promote the consultation and encourage professionals and stakeholders to take part, we issued an all-register email; hosted webinars on 21 July and 28 July 2022 for nursing and midwifery courses, respectively; and featured in a podcast with the Nursing Standard.

Hearing the public voice and adopting a person-centered approach

- 14 The research to support our commitment to take a person-centred approach to regulation continues, with the current focus on interviewing people with experience of our FtP processes.
- 15 We continue to map relationships with stakeholders who represent people who use health and care services, using these insights to build and strengthen new and existing relationships with these organisations.

Equality, diversity and inclusion and accessibility

- 16 On 18 July 2022, we launched our new visual identity, which aims to increase the inclusivity and accessibility of our resources and communications.

- 17 On 28 July 2022, we will be publishing the findings of the second phase of our Ambitious for Change research. We have shared the findings and discussed areas of action with our External Advisory Group. We will be taking these areas for action forward as part of our wider Equality, Diversity and Inclusion (EDI) action plan, so that the recommended changes are fully embedded in our work and processes.

Public affairs and senior stakeholder engagement

- 18 On 7 July Professor Sir Chris Whitty visited the Test of Competence Centre at Northumbria University and met our Chief Executive and Registrar.
- 19 In response to recent rapid changes across Government, we wrote to the previous Secretary of State for Health, the Rt Hon Sajid Javid MP, and Minister of State for Health, Edward Argar MP, to recognise the constructive working relationships we had with them while they held office.
- 20 We have written to the new Secretary of State for Health, the Rt Hon Stephen Barclay MP, on the 14 July 2022 to reiterate our support for the government's ambitions to reform professional regulation.

Midwifery implications:

- 21 Midwifery updates are covered in the body of the report.
- 22 Midwifery is considered within our corporate plan and through core business discussions when setting standards, reviewing education programmes, adding, or removing midwives from the register, when considering FtP concerns related to midwifery, and monitoring the wider sector
- 23 We discuss maternity safety within our monthly monitoring of corporate risk exposure for corporate risk EXP18/01 (Risk that we fail to meet external expectations which significantly affects our ability to maintain the trust of stakeholders, the public and people on the register in how we regulate).
- 24 We have identified midwifery safety as a risk factor within the corporate risk exposure report and corporate risk register and continue to monitor this and act as appropriate.

Public protection implications:

- 25 Public protection is a key driver of the risks identified within **Annexe 2**. Risks being well managed is inherent to ensuring effective public protection.

Resource implications:	26	None in addition to those within our corporate budget. Performance and risk monitoring is a corporate requirement and is resourced from within core business budget.
Equality diversity and inclusion implications:	27	We have a legal obligation to comply with the public sector equality duty across everything that we do and equivalent legislation in Northern Ireland.
	28	We are integrating EDI into everything that we do to make our processes fair for everyone. This includes improving our guidance, decision-making tools, training and induction, and our engagement and communications to make a significant difference to drive out discrimination and promote inclusion.
	29	We have a specific commitment within our corporate plan to support our ambitions to be fair and promote inclusion.
	30	We continue to monitor risk exposure from discrimination and unfairness across our corporate risk register. From 2022-2023, we have integrated EDI into our regular performance monitoring as part of corporate commitment 9 following agreement of the proposed EDI action plan being agreed by the Council in May 2022.
Stakeholder engagement:	31	Discussed within this paper.
Risk implications:	32	Risk implications are dealt with in the paper.
Regulatory reform:	33	See paragraph 7.
	34	Progress of our Regulatory Reform programme is discussed at commitment 6 within Annexe 1 . Further detail will be provided at the September Council meeting.
	35	We regularly discuss the potential risk exposure from Regulatory Reform as part of corporate risk STR20/02 (<i>Risk that we fail to deliver our strategic ambitions for 2020-2025</i>), and through detailed discussions with the Council and Executive Board.
	36	We monitor the Regulatory Reform programme through monthly reporting to the Change Board and within our quarterly corporate performance monitoring to the Council.
	37	Our main risk exposure at the time of writing is the implication of the timelines for reform being extended. Internal discussions continue regarding the implications on our strategy regarding dependencies with other strategic work.

Legal implications:

38 No legal implications arising from this paper.

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Performance against our corporate plan for 2022-2023

Section 1 Executive Summary

Overview

- 1 This executive summary provides an overview of areas that the Executive would like to highlight to the Council from our performance results and risk exposure report for 2022-2023 at Q1 (April to June 2022).
- 2 This is the third year of our five-year strategy. Our corporate plan and budget for 2022-2025 reverts our focus back onto our strategic aims.

Performance highlights at Q1

Progress against our 22 corporate commitments

- 3 Our current corporate plan and budget sets out 22 corporate commitments that we will deliver between 2022-2025. Each corporate commitment is underpinned by a set of deliverables for the year ahead that we track to make our traffic light assessments.
- 4 At section 2.1 below we have provided a Q1 traffic light and year end forecast for each corporate commitment (CC).
- 5 At Q1 nine commitments are amber due to some delays or uncertainty, ten are green, two are not due yet, and one is red (CC7: reducing the fitness to practise caseload).
- 6 Our forecast for the year end (at 31 March 2022) shows that one is not due yet (CC6: evaluating protected learning time for nursing associates), 16 are green, and five are rated amber reflecting some risk or uncertainty (these are: data driven education QA (CC5), reducing the fitness to practise (FTP) caseload (CC7), Regulatory Reform (CC8), organisational design programme (CC18), and updating digital systems to support how we regulate (CC19).
- 7 Regulatory Reform (CC8) is expected to remain amber throughout the year to reflect uncertainty regarding the timetable for reform given that this is dependent upon decisions made by the Department of Health and Social Care.

Progress against our corporate Key Performance Indicators (KPIs)

- 8 **FTP:** reducing our caseload continues to be our greatest area of risk (CC7). Progress to reduce our caseload remains flat (neither growing nor reducing) with 6,445 cases at the end of Q1 compared to 6,469 cases at 31 March 2022. We had planned to begin reducing the caseload from April.

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- 9 This backlog of cases impacts professionals on our register, employers, people using health and care services, and families across each of the four nations. Timeliness remains a key concern and continues to be rated as red, as is the issuing of interim orders within 28 days of receiving a case which has deteriorated this quarter and is now red.
- 10 **Our people:** our second major area of risk is recruiting and retaining an adequately skilled workforce. Areas of concern are ensuring that we can increase capacity within FTP to reduce our caseload and recruiting specialists in fields such as technology services.
- 11 Over the past 12 months we have seen turnover increase as confidence grows in the labour market following the Covid-19 lockdowns. In turn, we are experiencing a more competitive, candidate-led recruitment market with more vacancies than candidates available which has made it increasingly difficult to recruit to some roles. We are focusing on specific solutions in areas such as Professional Regulation and Resources and Technology Services.
- 12 Our overall full time equivalent (FTE) has marginally reduced in June to 1,080 FTE and is behind our average annual target of 1,252. This could impact the pace at which we can deliver our aims.
- 13 Turnover has risen over the past 6 months, with turnover in June at 12.4 percent compared to a target of 12.5 percent. In March we increased the turnover target from 10 percent to 12.5 percent to reflect that we did anticipate this to rise due to the current recruitment marketplace.
- 14 If turnover continues to rise, we expect it to be higher than target during Q2. Initiatives to attract and retain talent will be delivered in the latter part of 2022-2023 (specifically our total reward project and our leadership and management competency framework).
- 15 Since April, 29 people joined our permanent workforce. 29 colleagues left our permanent workforce in the same period. Turnover within 6 months of joining the NMC has fallen to 8.6 percent from 14.3 percent in March 2022.
- 16 Employee sickness absence remains higher than our target with an average of 7.6 days per person across Q1 (target 6.5 days).
- 17 The top three reasons for sickness remain unchanged: Covid-19, stress, and mental health. We continue to promote wellbeing initiatives to support colleagues and are taking local action to review pressure on workloads.
- 18 Together, these issues pose a significant threat to delivering our corporate plan. To understand this risk and mitigate it, we will take stock of our current plans and budget in August and present our findings back to the Council in September (including the outcomes of financial modelling on the budget).

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- 19 **Contact centre:** our contact centre continues to show strong performance. When compared to the same period in 2021–2022, we have seen a reduction in demand. We have received 21 percent fewer calls and 7 percent fewer emails. We continually review our resourcing and have deployed colleagues into other areas of the NMC to support other delivery pressure points. Our main call types are regarding overseas registrations and UK registrations.
- 20 **Customer satisfaction** has marginally dipped below target at 82.5 percent compared to a target of 85 percent. When we reviewed the detailed feedback from satisfaction surveys during Q1, themes that stood out were lack of resolution first time with customers having to call more than once to get the response they needed, being directed to put questions in writing rather than getting the response they needed and some issues with providing the correct information regarding revalidation. We are working with colleagues to resolve these issues now, and would hope to see feedback improve.
- 21 **Customer complaints:** complaint handling remained above our target of 90 percent with 20 days. When we compare the volume of complaints to the same period last year (April-June), complaints have decreased by 33 percent (308 complaints in April-June 2022 verses 460 in April-June 2021).
- 22 We have seen a decline in complaints about International and UK Registrations from the previous quarter. The complaints that we have received in this period have focused on delays to FTP cases and some data breaches in FTP. Other themes were systems issues preventing registration applications being completed.
- 23 **Information requests:** We have experienced a 15.5 percent increase in requests compared to the last quarter (414 up from 358 requests).
- 24 A high volume of Subject Access Requests (SARs) continues to be from parties associated with FTP cases.
- 25 **Responding to MP enquiries:** as previously reported, MP enquiries tend to be more complex and take longer to process. We are making changes to our internal processes to improve the timeliness and quality of our responses to MPs. We are confident that we will see improvement on performance against KPIs by the end of Q2. However, it is important to highlight that small volumes can disproportionately affect our percentage (three out of four MP enquiries during Q1 were processed within 20 days which represents 75 percent against a target of 90 percent).
- 26 **General enquiries responded to within 20 days (not including MP enquires)** remained above target.
- 27 **Registrations:** UK registration applications completed without any concerns within 1 day remained above target this quarter, as were readmission applications.

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- 28 When processing UK registration applications with concerns (where we need to follow up) within 60 days, we did not hit target in five out of the last six months. The reasons remain the same as those reported last quarter (small volumes disproportionately affecting the headline percentage; technical issues, processing errors, as well as appeals meaning that completion times are elongated further) and the team continues to implement process changes to mitigate some of the issues including proactive follow up with third parties.

Progress against our corporate budget

- 29 Our detailed financial management report is at section 4.
- 30 At the end of the first quarter, our financial position continues to be secure, with free reserves at £46 million. Our liquidity also remains strong with cash and investments at £96 million. However, there are risks particularly around inflation that will impact on our costs particularly in later years and unrealised losses on our investments that could impact on our free reserves. We will need to monitor both closely and will be providing a fuller update to Council in September.
- 31 Our year to date income was £25.2 million to 30 June 2022. This was 5 percent above budgeted income due to a higher than expected number of registrants and an increase in overseas applications relative to what were deliberately cautious forecasts in an unpredictable environment.
- 32 Our year to date expenditure (excluding capital expenditure) was £24.6 million across core business operations and projects which was on target. Capital expenditure is ahead of budget, due to faster than expected delivery of our new laptops rather than any overall increase in cost.
- 33 We had net income, before unrealised changes in the value of investments, of £0.6 million against a budgeted loss of £0.6 million for the period. After an unrealised loss of £2.3 million on investments, when compared to the position at the end of March 2022, our year to date year net deficit was £1.8 million. . Such short term fluctuations in investments are a risk of placing some funds in long term investments and should be recovered in the medium and long term. Given our strong level of reserves and cash we can absorb such fluctuations without needing to adjust our spend. It should be noted that the value of our investments is still higher than would have been the case if we had left the £30 million originally invested in bank deposits.
- 34 Free reserves are currently £45.8m, 3 percent higher than budget and above the upper end of our target (£25 million). This is accepted since we have significant planned investment in technology, accommodation and reducing the FTP caseload.

Corporate risk exposure

- 35 Our corporate risk exposure report is at annexe 2. This reflects changes made to our corporate risk register for 2022-2023, followings Council discussion in April 2022. The exposure report highlights the key issues affecting our corporate risks now and additional mitigations that we are taking.
- 36 We also maintain our corporate risk register as the core document to capture full risk profiles for each corporate risk. All corporate risks are linked to the delivery of our strategy for 2020-2025. The Council review this once a year and will receive a copy of the full corporate risk register in September.

Updates since report to Council in May 2022

- 37 We are currently treating REG18/02 (risk that we fail to take appropriate action to address a regulatory concern or do this in a timely or person-centred way) and PEO18/01 (risk that we fail to recruit and retain an adequality skilled and engaged workforce) as materialised risks which we are actively mitigating.
- 38 We discussed sustainability with the Council in June 2022, and the Executive has added a climate change risk to the corporate register (EXP22/04 - risk that climate change will impact on our ability to be an effective regulator). Full details at **annexe 2**. As we evolve our sustainability work planning, we will include sustainability risk factors within other corporate and directorate risk as appropriate.
- 39 We can confirm that cyber and information security risk is held by the Resources and Technology Services directorate, and reviewed at least every 8 weeks. The Chief Information Officer confirms that we have appropriate coverage of the key risk factors.
- 40 In April, the Council asked us to consider whether we should add a specific risk regarding Equality, Diversity and Inclusion (EDI) for more visibility. Internal discussions continue about the specific risk exposures and whether a corporate risk is required. There is visibility of EDI within our corporate plan at CC9, which is our main approach to reporting against our EDI aim. We will agree further EDI milestones to be included in the corporate plan for 2022-2023 as part of the mid-year review of the corporate plan and budget in September 2022.
- 41 The corporate risk and performance team has reviewed all of the directorate risk registers at Q1 and is satisfied that there are no aggregate or compound risks not already on the corporate risk register.

Section 2 Progress against our twenty-two corporate commitments for 2022–2023

2.1 Overview of traffic light status

Commitment	Q4 actual (2021-22)	Q1 actual (2022-23)	Year end forecast	Comments
Commitment 1: Deliver a new set of ambitious post-registration standards focusing on community nursing practice. <i>[Was commitment 3 in 2021–2022]</i>	Amber	Green	Green	On track. Council reviewed and agreed the new post-registration standards in May 2022. The new standards were published on 7 July 2022. We are now moving into the implementation phase.
Commitment 2 Provide greater flexibility in nursing and midwifery pre-registration education and training by launching new standards for pre-registration education in the UK. <i>[Was commitment 4 in 2021–2022]</i>	Green	Green	Green	On track. Council approved the consultation on pre-registration standards in May 2022. The consultation was launched on 11 July 2022.
Commitment 3 Review regulation of advanced nursing practice.	New	Green	Green	On track. Substantive work will happen from Q3. Some preparatory work has taken place in Q1 and continues into Q2.
Commitment 4 Review revalidation requirements for nursing and midwifery professionals. (2022-2023 will focus on reviewing our communications to professionals about considering revalidation within the context of standards of proficiency. Our revalidation project will take place later in our strategy)	New	Amber	Green	Marginally delayed: Our amber rating reflects some operational delays to review our communications during Q1. We expect to bring this work back on track in Q2. In Q1 we made some minor changes to our revalidation templates because of insight gained from the first outcomes of our 'Ambitious for Change' research and Donna Ockenden's maternity safety report.

Commitment	Q4 actual (2021-22)	Q1 actual (2022-23)	Year end forecast	Comments
Commitment 5 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.	New	Amber	Amber	Delayed: Our amber rating reflects resource constraints which have delayed the start of our education QA technology project and could impact our overall timescales for delivering this work. We are currently reviewing how to mitigate the impact.
Commitment 6 Evaluate whether protected learning time is in line with current nursing standards.	New	N/a		Not due: This corporate commitment will begin in 2023-2024 (year four of our strategy).
Commitment 7 Reduce our fitness to practise caseload and make improvements to how we regulate to ensure that we process cases in a timely, proportionate, and efficient way. <i>[Was commitment 1 in 2021–2022]</i>	Red	Red	Amber	Delayed: The fitness to practise caseload has not reduced during Q1 and continues to remain high. See separate agenda item. We are actively mitigating this to bring the commitment back on track during the year by re-focusing our efforts on a smaller number of impactful activities. This includes increasing our decision-making capacity at Screening from July 2022.
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. <i>[Was commitment 6 in 2021–2022]</i>	Amber	Green	Amber	On track but with some uncertainty about the forward timetable: Our policy and rules development remain on track. The implementation phase will happen later in the programme. Our amber forecast reflects uncertainty regarding the overall timetable which is set by the Department of Health and Social Care.
Commitment 9 Tackle discrimination and inequality and promote diversity and inclusion to make sure that our processes are fair to everyone.	New	Green	Green	Marginally delayed: Our equality, diversity, and inclusion (EDI) action plan was agreed by the Council in May 2022 and implementation has begun. Deliverables to track our progress against the action plan will be added to the Corporate Plan for agreement by the Council in September and included in this report from Q2. We will publish phase 2 of our ‘Ambitious for Change’ research in July. One element of the project will be delivered marginally later than planned. We are forecasting that the project will be completed in Q4 (instead of Q3).

Commitment	Q4 actual (2021-22)	Q1 actual (2022-23)	Year end forecast	Comments
Commitment 10 Design and launch pilot work to increase objective structured clinical examination (OSCE) testing capacity and improve access including option for alternate delivery models.	New	Green	Green	On track: Our focus has been to embed the two new OCSE testing locations. Work on the pilot will formally begin from Q4.
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.	New	Green	Green	On track: The Council agreed to a consultation on changes to our English language testing. The consultation was launched on 16 June 2022. We are on track to bring final proposals to the Council in September.
Commitment 12 Close the Covid-19 emergency register and remove recovery education standards.	New	Green	Green	On track: We are on track to close the temporary register in September 2022. We will remove our recovery standards once we have delivered our work under commitment 2 above.
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. <i>[was commitment 5 in 2021–2022]</i>	Amber	Green	Green	On track: Our student engagement campaign will launch in October and focus on building sustained relationships with future registrants. Our professionals' campaign will start in Q4 and be linked to the 100-year anniversary of the first registrant in 2023. For the public, we are developing an engaging package of information about our professionals and our Code and standards which is on track for March 2023.
Commitment 14 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).	New	Green	Green	On track: Following the employer link service moving to the Professional Practice directorate we have begun to implement our plans to expand this service and strengthen engagement with employers and partners.
Commitment 15 Create a modern and accessible website that effectively portrays our values, delivers our core services, and enhances our communications and engagement.	New	Green	Green	On track: We have completed the user experience research for the website and we aim to tender for a delivery partner in September 2022. Our focus for 2022-2023 is foundational work to scope the project and agree our delivery timetable. We hope to begin development of new website in early 2023-2024 starting with updating the content and how we want website visitors to interact with us.


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Commitment	Q4 actual (2021-22)	Q1 actual (2022-23)	Year end forecast	Comments
Commitment 16 Improve our insight and use it to enhance our regulatory impact and influence in the sector. <i>[Was commitment 7 in 2021–2022]</i>	Amber	Amber	Green	Marginally delayed: Our Q1 amber rating reflects that work on our data vision and plan has started but completion has been delayed into Q2 due to resource constraints. Work on maternity safety, collecting data about employer settings, and improving our EDI data are on track.
Commitment 17 Deliver our People Plan that supports our colleagues to be engaged, retained and supported to deliver our strategy. <i>[Was commitment 8 in 2021–2022]</i>	Amber	Green	Green	On track: The people plan formally launched during Q1 with our initial focus on scoping our total reward project and the leadership and management competency framework which we expect to deliver by the end of the financial year. Cohort 3 of our ‘Rising Together’ mentoring programme to support career development and progression will launch in September 2022.
Commitment 18 Improve the way we are structured so that we can deliver our strategy. <i>[Was part of commitment 8 in 2021–2022]</i>	Amber	Green	Amber	On track but with some uncertainty about the forward timetable: Outcomes of our review to optimise how we could be structured to deliver our strategy (our target operating model) is slightly delayed and will be discussed by the Executive Board in Q2. An implementation action plan will be drafted thereafter. Our amber forecast reflects that a change of senior leadership could potentially slow the pace of delivery.
Commitment 19 Update digital systems that support how we regulate to improve the experience for customers and colleagues. <i>[Was part of commitment 9 in 2021–2022] (modernisation of technology services programme – MOTS)</i>	Amber	Amber	Amber	On track but with some uncertainties about resource capacity: Our Modernisation of Technology Services (MOTS) is a large and complex multiyear technology programme to replace legacy systems covering our register and fitness to practise case management system (CMS). We are due to complete phase 3 foundations shortly and a business case for phase 3a (to move fully onto our new platform and decouple from the old platform and to design the high-level solution for the CMS system) is being considered by the Council at the confidential session on 27 July. Our amber ratings reflect risks with the programme regarding capacity, resourcing, and complexity which are challenging to mitigate fully.


Commitment	Q4 actual (2021-22)	Q1 actual (2022-23)	Year end forecast	Comments
Commitment 20 Deliver contemporary IT through our technology improvement programme and core business to improve our efficiency. <i>[Was part of commitment 9 in 2021–2022]</i>	Amber	Amber	Green	Marginally delayed: We have completed a successful 100-user pilot of our new laptops and collaboration tools. The main rollout began in June 2022 and will complete in August. Feedback from colleagues has been positive about how the new technology supports them to work efficiently. Our amber rating reflects that supplier resourcing challenges have caused delays to the data migration work onto our replacement system, Azure. The project team is due to review the overall impact on timelines and proposed approach to bring this back on track.
Commitment 21 Create modern workspaces that support wellbeing and collaboration (five year programme). <i>[was commitment 10 in 2021–2022]</i>	Green	Amber	Green	Marginally delayed: We have completed three surveys of our 23 Portland Place office to inform our project planning for refurbishment. We have appointed a new project manager. The project has been marginally delayed in Q1 due to resource constraints in the project team. We expect to bring this back on track during the year.
Commitment 22 Implement an NMC sustainability and environmental plan.	New	Amber	Green	Marginally delayed: Council discussed the initial draft of the sustainability plan during Q1 and comments will be reflected in an updated version of the plan. Our amber rating reflects that our publication of the plan is likely to move into Q3. Several steps to improve our sustainability have already been taken or are planned.

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


3.1 Fitness to Practise KPIs

 KPIs	2022-2023 Target	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022
Registrations							
Volume of the overall fitness to practise caseload (closing caseload) (month actual)	Reduce	6,388	6,451	6,469	6,472	6,445	6,464
Percentage of Interim orders imposed within 28 days of opening the case (month actual)	80%	55%	81.5%	81.6%	78.9%	79%	70%
Percentage of fitness to practise cases concluded within 15 months of being opened (month actual)	80%	62.2%	60.3%	56.6%	58.4%	54.4%	65.2%
Percentage of fitness to practise cases at case examiners with decisions to close with 'no case to answer' or 'no current impairment'	Monitor only	49.6%	53.6%	47.5%	40.5%	53%	40%
Percentage of cases at hearings with decisions to close with 'no case to answer' or 'no current impairment'	Monitor only	22.5%	27.8%	10%	28.3%	24.4%	18.9%
<p>Exception comments</p> <p>Our corporate KPI performance continues to be impacted by the current size and age of our caseload. A separate paper on the FTP improvement programme is at item 7 which discusses these issues further.</p> <p>Imposing interim orders within 28 days of opening a case was also impacted in the previous financial year and this has continued into the first quarter of this year where we did not meet our target of 80 percent. This is due to ongoing capacity issues within the Screening team but also a significant increase in the number of cases identified as possibly requiring an interim order. We are increasing our decision-making capacity at Screening with the establishment of a temporary team.</p>							


3.2 Registrations and Contact Centre KPIs

 KPIs	2022-23 Target	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022
Registrations							
Percentage of UK initial registration applications completed with no concern within 1 day*	97%	99.9%	100%	100%	99.9%	99.9%	100%
Percentage of UK initial registration applications completed where concerns are raised within 60 days*	95%	91.9%	100%	87.2%	81.8%	93.1%	87%
Percentage of overseas registrations applications assessed within 30 days	95%*	100%	99.9%	100%	99.9%	100%	100%
Percentage of readmissions applications completed within 21 days	90%	97.5%	99.8%	99.2%	99.6%	99.1%	97%
Contact Centre							
Percentage of call attempts handled	90%	94.9%	95.8%	95.7%	98.6%	97.3%	97.0%
Number of calls answered	Monitor only	13,760	13,958	15,924	11,542	12,561	12,693
Number of emails handled	Monitor only	4,525	4,744	5,413	3,839	4,107	4,443
Exception comments							
*2021-2022 target was 90 percent							
<p>UK initial registration applications where concerns are raised completed within 60 days: We have not hit our target for five out of the last six months for registration applications with concerns. As reported at the end of last year, small volumes disproportionately affect the headline percentage (in Q1 2022-23, these volumes are six applications in April, and two applications in May and June respectively); technical issues, processing errors, as well as appeals mean that completion times are elongated further.</p>							
<p>Contact Centre</p> <ul style="list-style-type: none"> We have processed 36,796 calls since April 2022, down 21 percent compared to the same period in 2021-2022 (46,649 calls in 2021-2022 between April and June). We processed 12,389 emails calls since April 2022, down 7 percent compared to the same period in 2021-2023 (13,278 emails in 2021-2022 between April and June). <p>We take a flexible approach to resourcing which we review on a monthly basis. If our contact centre has spare capacity, we may redeploy colleagues to support other activities. Currently, Contact Centre colleagues have been supporting FTP, International Registrations, and Registrations Investigations.</p>							

3.3 Complaints and Enquiries and Professional Practice KPIs

 KPIs	2022-23 Target	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022
Remained above							
Percentage of complaints handled within 20 working days	90%	83%	90.4%	92.8%	91%	90.4%	94.2%
Number of complaints handled	Monitor	92	115	128	101	105	102
Percentage of information requests responded to within their statutory timeframes	90%	84.5%	77.2%	74.2%	91.3%	90.9%	86.5%
Number of information requests handled	Monitor	103	101	154	127	132	155
Percentage of MP enquiries responded to in 20 days	90%	Quarter result		41%	Quarter result		75%
Percentage of enquiries responded to in 20 days	90%	Quarter result		90%	Quarter result		100%
Percentage of customers highly satisfied/satisfied with the service received	85%	Quarter result		88%	Quarter result		82.5%
Number of feedback surveys completed	Monitor	Quarter result		951	Quarter result		923
Professional Practice							
Number of approval decisions against all 55 current AELs running midwifery programmes seeking to be re-approved by September 2022 (target: 55 by September 2022)	55	42	44	46	46	47	47
Exception comments							
<p>Complaints: performance for complaints handling is above target. The total number of complaints decreased by 33 percent compared to the same period in 2021-2022 (460 complaints in 2021-2022 between April and June).</p> <p>Information requests responded to within statutory timeframes: We received several Freedom of Information requests which required input from our Management Information Team. Due to capacity constraints within the team, some were processed outside of statutory timeframes, reflecting our dip in performance in June. We do not expect this issue to continue.</p> <p>General enquiries: enquiry responses are above target. We received several enquiries regarding our English language consultation.</p> <p>MP enquires: MP enquiries - see executive summary.</p> <p>Satisfaction: below target. The volume of satisfaction surveys completed has fallen compared to the same period in 2021-2022 (923 surveys down from 1237 but comparable with volumes seen in the latter part of 2021-2022). We are reviewing the possible drivers for lower response rates.</p>							

3.4 Our People KPIs

 KPIs	2022-23 Target	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022
Our people							
Number of full time equivalent (FTE) NMC employees (permanent, fixed term contract, contractors)	1,252	1,091	1,097	1,088	1,086	1,088	1,080
Percentage of agency and contractors (as a percentage of total FTE) (month actual)	Monitor only	5.3%	6.4%	6.1%	6.4%	5.9%	4.5%
Percentage of all NMC turnover (permanent employees only) (12 months rolling)	12.5%*	10.8%	12%	11.8%	12.2%	12.1%	12.4%
Total number of new starters (permanent) (month actual)	Monitor only	14	4	7	7	15	7
Total number of leavers (permanent) (month actual)	Monitor only	10	12	10	10	8	11
Percentage of new starters leaving within 6 months of joining (12 month rolling)	12.5%*	13.5%	14.6%	14.3%	10.4%	9.1%	8.6%
Number of new starters leaving within 6 months of joining (month actual)	Monitor only	1	0	1	0	0	0
Average number of days of sickness per employee (days)	6.5	7.4	7.4	7.6	7.7	7.6	7.7
Employee engagement score (out of 10) (6 monthly)	7.5	6.8	Next employee engagement results will be provided at Q2				
Employee net promoter score (6 monthly)*	16	-3					
Employee perception of internal communications effectiveness score (out of 10) (6 monthly)	7	7.6					
Exception comments (*2021–2022 Turnover target was 10%).							
Full Time Equivalent: FTE remained below budget due to delays and challenges to recruit people. 29 people have joined as permanent colleagues since April 2022.							
Turnover: see executive summary.							
Sickness absence: sickness absence remains higher than target but stable averaging 7.7 days per person per year. The top reasons for absence remain Covid-19, stress, and mental health.							

Traffic light definitions

	RED	AMBER	GREEN
Corporate Commitments	<p>Significant concerns</p> <ul style="list-style-type: none"> • Actions are needed immediately to help the commitment to be delivered. • We do not expect to deliver the planned benefits or outcomes by the end of the year • We do not expect to deliver at least half of our planned deliverables during the year. 	<p>Some concerns</p> <ul style="list-style-type: none"> • Deliverables have not been delivered as expected within our corporate plan – to time, cost, or quality • We expect to only partially deliver the commitment - will make significant progress towards benefits/outcomes but some aspects are delayed • We are taking remedial action to bring the commitment back on track within the year • Or there are some uncertainties or risks that we need to monitor and manage 	<p>No concerns - on track</p> <ul style="list-style-type: none"> • Expected to deliver against its deliverables and realise benefits
KPIs	<p>Significantly below target More than 8 percent below target</p> <p>Turnover KPI: 15 percent> (above target)</p>	<p>Off target Below target between 1 to 8 percent</p> <p>Turnover KPI: 10 percent to 15 percent (some concerns)</p>	<p>Within range On or above target</p> <p>Turnover KPI: <10 percent Green (no concerns)</p>

Section 4: Financial monitoring

Table 1 – Income & Expenditure to 30 June 2022

£'m	June 2022 Year-to-Date				Full Year
	Actual	Budget	Var.	Var. (%)	Budget
Income					
Registration fees	23.0	22.6	0.4	2%	91.2
Other	2.2	1.3	0.8	63%	5.3
Total Income	25.2	23.9	1.3	5%	96.5
Expenditure					
<u>Core Business</u>					
Professional Regulation	11.7	11.5	(0.2)	(2%)	51.4
Resources & Technology Services	4.4	4.7	0.2	5%	19.2
People & Organisational Effectiveness	2.7	2.8	0.2	6%	11.5
Professional Practice	1.2	1.4	0.3	18%	6.7
Strategy & Insight	0.7	0.7	0.0	1%	3.3
Communications & Engagement	0.8	0.8	0.1	12%	3.4
Directorate - Core Business	21.5	22.0	0.5	2%	95.4
<u>Corporate</u>					
Depreciation	1.7	1.5	(0.2)	(10%)	6.0
PSA Fee	0.5	0.5	0.0	0%	2.0
Apprenticeship Levy	0.1	0.1	0.0	0%	0.2
Pension deficit payments	0.5	-	(0.5)	(100%)+	0.1
Total Corporate	2.7	2.1	(0.6)	(29%)	8.4
Total Core Business	24.2	24.0	(0.2)	(1%)	103.8
Surplus/(Deficit) excluding projects	1.0	(0.1)	1.1		(7.3)
Projects					
Modernisation of Technology Services	0.8	0.9	0.1	14%	6.7
Modern Workplace for Me	1.0	0.1	(0.9)	(100%)+	1.4
Regulatory Reform	0.2	0.2	0.0	1%	1.0
Accommodation Project	0.0	0.0	0.0	-	0.8
FTP Improvement Programme	0.1	0.1	0.0	-	0.6
Technology Improvements	-	-	-	-	0.5
Insight Programme	-	-	-	-	0.3
People Plan 2022+	-	-	-	-	0.2
Website Redevelopment Programme	-	-	-	-	0.1
Total Projects	2.1	1.4	(0.7)	(53%)	11.6
Total Expenditure including capex	26.3	25.4	(0.8)	(3%)	115.4
Capital Expenditure ('capex')	1.8	0.9	(0.9)	(95%)	8.7
Total expenditure excluding capex	24.6	24.5	(0.1)	(0%)	106.7
Net income	0.6	(0.6)	1.2	100%+	(10.2)
Unrealised Gains/(Losses)	(2.3)	-	(2.3)	-	-
Net Surplus/(Deficit) excluding capex	(1.8)	(0.6)	(1.2)	(100%)+	(10.2)
Free Reserves	45.8	44.3	1.5	3%	31.5

Table 2 – Balance sheet as at 30 June 2022

Balance Sheet (£'m)	Actual 31 March 2022	Actual 30 June 2022	Change increase/ (decrease)	Change %
Fixed Assets				
Tangible and Intangible Fixed Assets	28.7	28.8	0.1	0%
Stock Market Investments	32.8	30.7	(2.0)	(6%)
Total Fixed Assets	61.5	59.5	(2.0)	(3%)
Current Assets				
Cash & cash equivalents	70.0	65.1	(4.9)	(7%)
Debtors	3.3	2.9	(0.4)	(12%)
Total Current Assets	73.3	68.0	(5.3)	(7.1%)
Total Assets	134.8	127.6	(7.3)	(5.4%)
Liabilities				
Deferred Income	55.2	49.6	5.6	10%
Other creditors, accruals, provisions	3.3	3.4	(0.1)	(3%)
Total Liabilities	58.5	53.0	5.5	9.4%
Net Assets/Total Reserves	76.3	74.5	(1.8)	(2.3%)
Free Reserves	47.6	45.8	(1.9)	(3.9%)

Table 3 – Cash flow statement to 30 June 2022

CashFlow (£'m)	Actual 30 June 2021	Actual 30 June 2022
Cashflow from operating activities		
Surplus/(Deficit) (YTD)	2.7	(1.8)
Adjustment for non-cash transactions	1.2	1.7
Unrealised (Gains)/Losses from Stock Market Investments	(1.1)	2.3
Investment/Dividend income from Stock Market Investments	(0.2)	(0.2)
(Increase)/Decrease in current assets	1.7	0.4
Increase/(Decrease) in liabilities	(5.4)	(5.5)
Pension Deficit Payments	(0.5)	-
Net Cash inflow/(outflow) from operating activities	(1.6)	(3.1)
Cashflow from investing activities		
Capital Expenditure	(1.2)	(1.8)
Net Cash inflow/(outflow) from investing activities	(1.2)	(1.8)
Cashflow from financing activities		
Stock Market Investments	-	-
Net Cash inflow/(outflow) from financing activities	-	-
Net increase/(decrease) in cash and cash equivalent at month end	(2.8)	(4.9)
Cash & Cash Equivalent at the beginning of the year	67.9	70.0
Cash & Cash Equivalent at the end of the month	65.1	65.1

d. Financial commentary

Financial Position at 30 June 2022

At the end of the first quarter, our financial position continues to be secure, with free reserves at £46 million. Our liquidity also remains strong with cash and investments at £96 million.

Our free reserves continue to be higher than the upper target range of £25 million set out in our Financial Strategy, reflecting the significant anticipated investment over the next two years to achieve our priorities. In particular, investment in reducing our Fitness to Practise (FTP) caseload, in strengthening our IT capability and in modernising our accommodation. There are also increasing risk factors, such as inflation, that make holding such reserves appropriate.

Our net income, before 'unrealised losses' on our investments, shows a £0.6 million surplus, compared to a budgeted £0.6 million loss for this point in the year. After the unrealised loss on our investments of £2.3 million, we have a £1.8 million deficit. Since we have surplus on our normal operations, the higher than planned deficit is driven by an unrealised loss, and we have a strong reserves and cash position, we do not consider it necessary to take any corrective action. In this context, key points are set out below.

- Our core spend is within 1 percent of budget, as is our non-capital project spend.
- The £2.3 million unrealised loss on our investments, which has had such a big impact on our overall net position, is due to stock market fluctuations, which we expected when the decision to invest was made. This reflects a notional loss compared to their value at the end of March 2022, even though their value is higher than the original £30 million invested. Our policy is not to budget for investment gains or losses and clearly these are likely to fluctuate in the short term; our expectation is that in the medium to long term of three to five years or more, the position will improve. Their current value (£30.7 million at the end of June and £31.1 million at 12 July 2022) is still significantly higher than it would have been if the original £30 million had been simply left as a cash deposit.
- £0.5 million of pension deficit payments (£160,000 a month) made as part of our continuing obligation to address the deficit identified by the triennial review of the Defined Benefit pension scheme at March 2019. In the past, these payments have been offset against the pension deficit rather than expensed. But as a result of the annual actuarial review performed for our annual accounts after budgets were set, we no longer have a pensions deficit for the purposes of our accounts, and so we are expensing these payments. They will continue until agreement is reached on whether or not such payments are still required following the next triennial review of the pension. This is due to be provided to us in draft in the autumn of 2022. In the meantime, by being paid into the pension scheme, these payments help reduce the risk that a future valuation identifies a deficit.
- These unbudgeted costs have been partly offset by higher-than-expected income of £1.3 million. This is due to higher than anticipated registrant numbers and the continuing high volume of overseas applications received. Due to uncertainties on both these areas our income budget was set cautiously.

The overspend against budget on programmes and projects (and capital) is attributable to the 'Modern Workplace for Me' project: we took delivery of new laptops earlier than anticipated so this is a timing difference. The project is still on track to be within the overall budget plan.

d. Financial commentary

Looking ahead

A re-forecasting exercise is due to start shortly and will report to Council in September 2022. Some of the key areas demanding scrutiny are set out below.

- FTP, which continues to be our greatest area of financial and delivery risk with caseload remaining flat relative to the start of the year. Levels of staff vacancies, at about 10 percent for FTP operations, remain an issue as they do for some other parts of the organisation.
- Inflation will have a significant adverse effect on both core business and project costs, particularly in future years, also introducing a significant element of uncertainty into planning;
- Our income projections: we continue to see high level of overseas professionals applying to join the register. This is helpful and an unpredictable boost to income. Although in the context of our fixed £120 fee, not sufficient to offset fully the impact of inflation.
- The performance of our investments and their overall impact on our reserves.

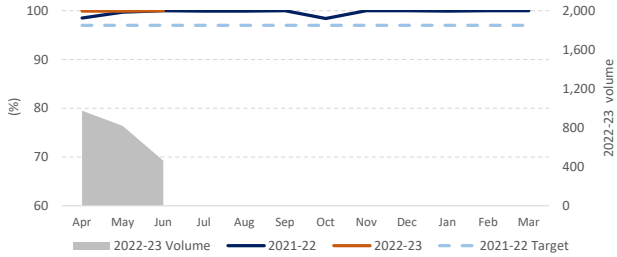
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Section 5. KPI Trend Dashboards

Registrations

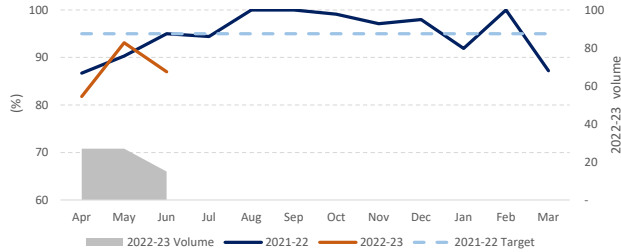
1. UK registration completed with no concern within 1 day (% and volume)

Above target.



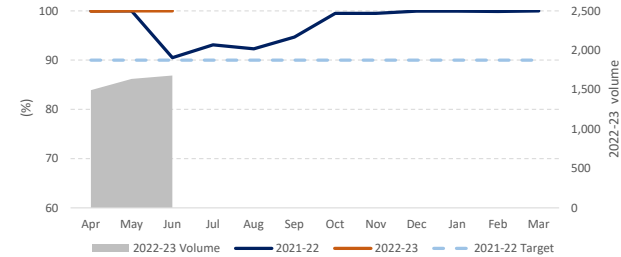
2. UK registrations requiring additional scrutiny within 60 days (% and volume)

Under target - see executive summary.



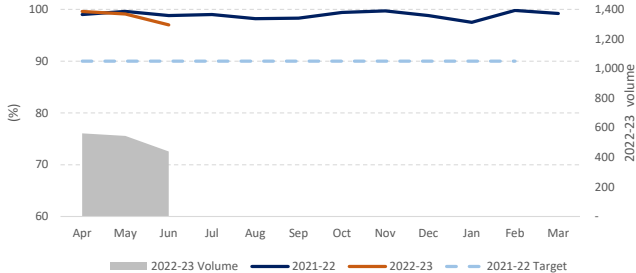
3. Overseas registration assessed within 30 days (% and volume)

Above target.



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

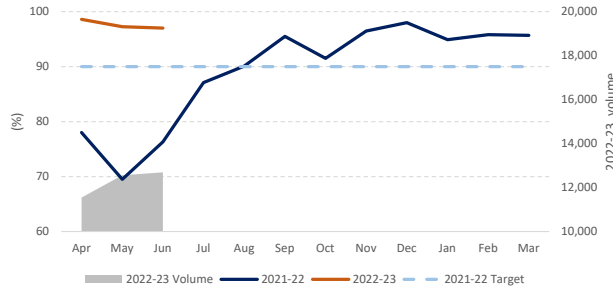
Above target.



Contact Centre

5. Call attempts handled (% and volume)

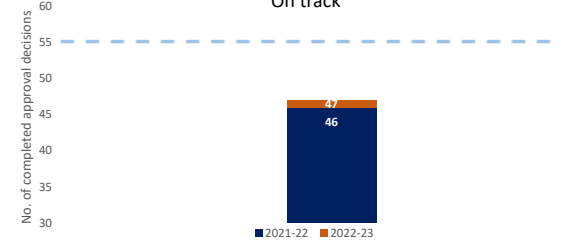
Above target.



Midwifery Programmes

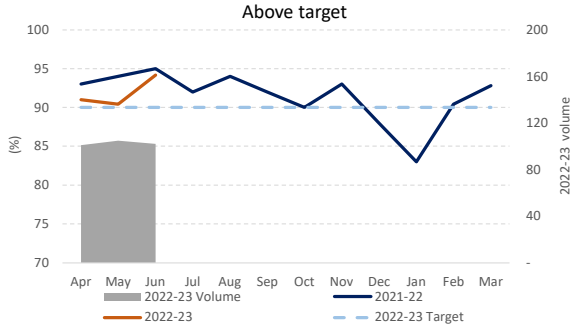
6. Approval decisions against current AEIs by running midwifery programmes seeking to be re-approved by September 2022

On track

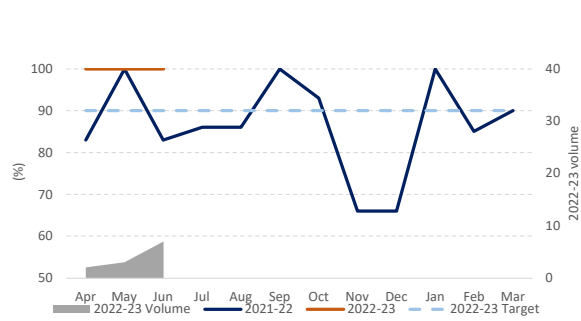


Customer enquiries, complaints and feedback

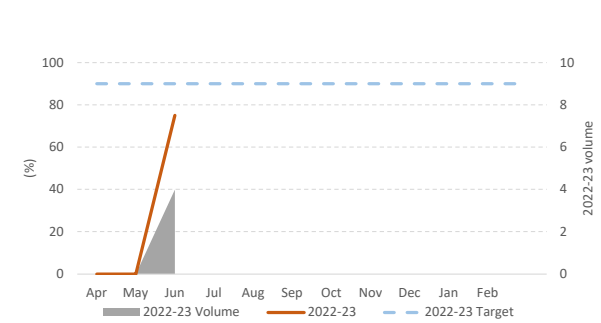
7. Customer complaints responded to within in 20 days
Above target



8. Enquiries responded to in 20 days
Above target

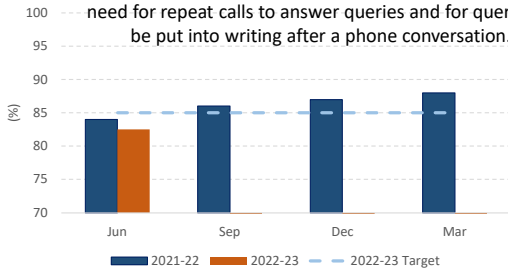


9. MP Enquiries responded to in 20 days
Below target - see executive summary.



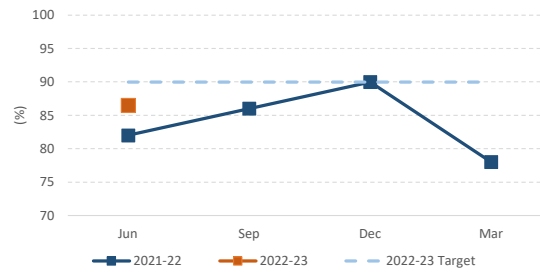
10. Customers rating our service as good or very good

Below target at 83% in Q1 due to various reasons including need for repeat calls to answer queries and for queries to be put into writing after a phone conversation.



11. Information requests responded to in statutory timeframes

Below target - see executive summary.



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Corporate Complaints

92.8%

Complaints responded to in 20 days

Complaints themes

We identified 26 learning points in Q1 of 2022-2023. These relate to the following themes:

Professional Regulation

We have seen a 21 percent decline in complaints about International and UK Registrations from the previous quarter. The complaints we have received are about delays to ongoing fitness to practise cases (11), and data breaches in fitness to practise cases (3).

Systems issues

We have received 14 complaints where a systems issue is preventing a registration application being completed or a payment being made. We are working directly with the operational team to implement workarounds for the customers in such cases where possible.

Registrations

We have recently published the consultation relating to the review of our English language requirements. This has created a slight uptick in enquiries. We may receive more enquiries and complaints when the consultation has concluded.

Customer Feedback Dashboard

1 April 2022 to 30 June 2022



Information requests

89%

responded to on time

Information requests themes

- We have experienced a 15 percent increase in requests compared to the last quarter (414 up from 358 requests).
- A high volume of Subject Access Requests (SARs) continue to be from parties associated with Fitness to Practise cases.
- We have received several Freedom of Information requests which require input from the Management Information Team and some of these have gone overdue because of the capacity issues they are currently facing.

Our person centred approach

- We continue to work with our customers to ensure that we are responding to their requests in the most person-centred way. This includes communicating with customers by telephone and email to understand their requests to ensure we are focussing on supplying the information they need.

Customer feedback surveys

82.5%

customers rated our customer service as good or very good.

Two

unhappy customers contacted and resolved their concerns.

“The advisor was approachable, didn't feel hurried, she even found further info that she was unsure of. Brilliant”

“The person I spoke with had a reassuring tone. I felt I was given an honest and informative answer.”

“

“When I called through customer service I was told to contact through email but she didn't resolve the issue.”

“The NMC appears to have a 1 size fits all in regards to re validation extension question. The answer to the question I had should have been available on the NMC website”

75% (3/4)

of MP enquiries responded to in 20 working days

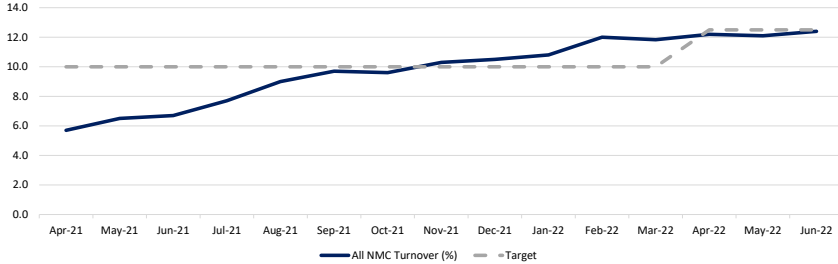
100% (12/12)

of enquiries responded to in 20 working days

Our people

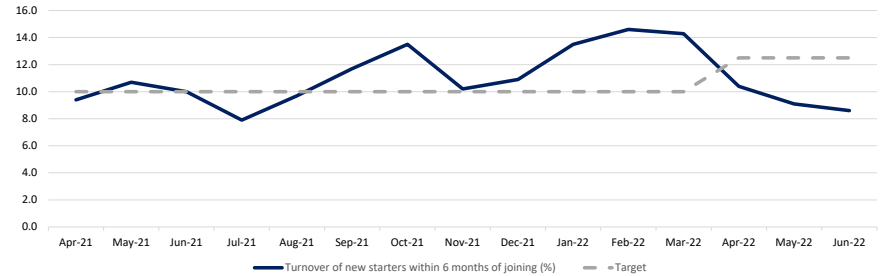
12. Total NMC employee turnover (%)

Turnover continues to increase and is close exceeding our maximum tolerated level of 12.5%



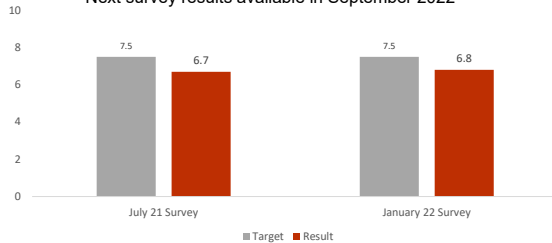
13. Turnover of new starters within 6 months of joining (%)

Continues to decrease.



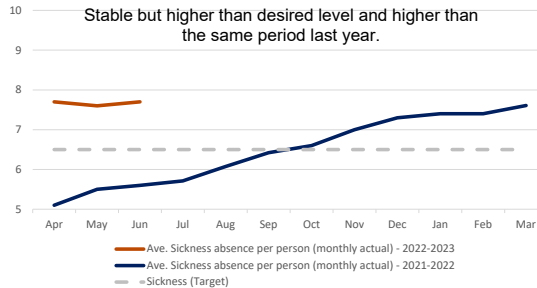
14: Employee engagement score (out of 10)

Next survey results available in September 2022



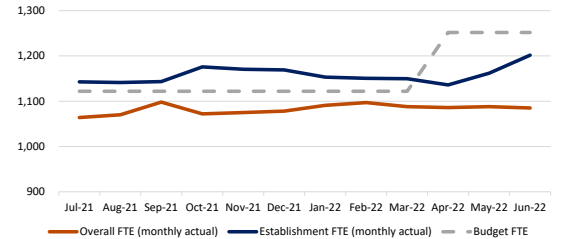
15. Sickness absence average days

Stable but higher than desired level and higher than the same period last year.



16. Total FTE

Below target - see executive summary.




Corporate risk exposure report (up to 20 July 2022)

The risk exposure report summarises factors that could potentially affect one or more of our corporate risks right now. It supplements the corporate risk register (CRR) and is used to make additions to the CRR as appropriate.

Corporate risk (2022-2023)	Current Risk Assessment Score (After mitigation)			Exposures that are currently impacting the risk <div style="display: flex; justify-content: space-around; align-items: center; font-size: small;"> Increasing ↑ Reducing ↓ </div> <div style="display: flex; justify-content: center; align-items: center; font-size: x-small;"> No change ↔ </div>	Additional mitigations
	L	I	L X I		
<p>REG18/02</p> <p>Risk that we fail to take appropriate action to address a regulatory concern</p>	4	5	<p>20</p> <p>↔</p>	<p>Status: Stable.</p> <p>Risk owner: Executive Director, Professional Regulation. <i>(Interim ownership provided by Assistant Directors within Professional Regulation directorate)</i></p> <p>Current factors are:</p> <ul style="list-style-type: none"> • High caseload. • Timeliness. • Capacity pressure points within fitness to practise. • Continuing customer feedback about processing fitness to practise concerns. 	<p>See fitness to practise (FTP) paper at item 7</p> <ul style="list-style-type: none"> • A targeted intervention to bring in extra decision makers into screening for up to 6 months (screening surge initiative). • Short term deployment of contact centre colleagues to assist FTP. • Continuing deployment of FTP workforce plans to increase capacity in key areas. Including a new Head of Investigations who started in July and our new permanent Executive Director of Professional Regulation, who will join us in August.
<p>INF21/04</p> <p>Risk that our Modernisation of Technology Services (MOTS) programme does not deliver the intended benefits for our registration system or case management system</p>	4	5	<p>20</p> <p>↔</p>	<p>Status: Stable</p> <p>Risk owner: Executive Director, Resources and Technology Services (changed owner from May 22)</p> <p>Current factors are:</p> <ul style="list-style-type: none"> • MOTS is a large and complex, technical programme that is dependent on the availability of internal subject matter experts to deliver the programmes' outcomes. Our main exposure is that it requires internal expertise from areas that are already under pressure for the next phase of the programme. • There is also some pressure in the availability of external expertise to support decommissioning of Wiser as well as other technical resources to support the programme. 	<ul style="list-style-type: none"> • We recently completed an external assurance review of the programme. The programme board are reviewing the report and an action plan will be agreed to deliver the recommendations. • An internal audit has been completed which provides substantial assurance. • The Council will consider a business case at its confidential session on 27 July for the next phase of the programme 'phase 3a core' (to move fully onto our new platform and decouple from the old platform and to design the high level solution for the CMS system) which included a request for further resources. The business case also provides some limited contingency. • The programme is not able to fully mitigate all capacity risks (such as turnover, supplier availability), and we are tolerating some residual risk exposure.

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Corporate risk (2022-2023)	Current Risk Assessment Score (After mitigation)			Exposures that are currently impacting the risk	Additional mitigations
	L	I	L X I		
EXP18/01 Risk that we fail to meet external expectations which significantly affects our ability to maintain the trust of stakeholders, the public and people on the register in how we regulate	4	4	16	 Status: Stable and monitored closely. Risk owner: Executive Director, Communications and Engagement Current factors are: <ul style="list-style-type: none"> Our role and influence to support maternity safety. Ability of the sector to meaningfully engage with us about our standards when still under pressure from the pandemic. The continuing impact of the high FTP caseload which could erode trust in how we regulate. Potential pressure to adopt new commitments considering changes in government. 	<ul style="list-style-type: none"> We are reviewing the implications of the maternity safety reports to deliver or support the implementation of the recommendations. We continue to take a longer term view to ensure we are not overloading stakeholders who engage with us. We continue to monitor levels of feedback to understand whether there is more feedback about FTP or signs that trust could be deteriorating.
PEO18/01 Risk that we fail to recruit and retain an adequately skilled and engaged workforce	4	4	16	Status: Potentially increasing. Risk owner: Executive Director, People and Organisational Effectiveness (P&OE) Current factors are: <ul style="list-style-type: none"> Ensuring that we have the capacity to deliver our plans – particularly for FTP and our major change programmes. Recruitment – the recruitment market continues to be competitive. Retention – ensuring that we retain experience and corporate knowledge. Ensuring that our people have the right skills and capabilities. 	<ul style="list-style-type: none"> Our People Plan was published in Q1. Our initial focus areas are setting up our reward project and our leadership and management competency framework which we will deliver by March 2023. The outcomes from our target operating model work have been slightly delayed. As we consider how we will implement any new structures, we will review our implementation plans for any residual risks. Targeted initiatives are being taken forward where capacity gaps exist (e.g. FTP). P&OE directorate is implementing a continuous improvement plan throughout the year to strengthen our people services. Recruitment for new P&OE leadership has commenced.
COM18/02 Risk that we do not act in a legal manner or fail to meet our public obligations or comply with legal or compliance requirements.	4	4	16	Status: Risk is stable and is anticipated to decrease significantly once mitigations are fully in place. Risk owner: General Counsel. Current factors are: <ul style="list-style-type: none"> Delays in FTP cases/age of FTP cases causing harm to those involved. Ensuring that we meet our equality, diversity, and inclusion (EDI) obligations. Embedding safeguarding and duty of care. Panel member legal claim regarding worker status Our legal activities report contains further detail of current exposures	<ul style="list-style-type: none"> EDI action plan intended to strengthen EDI over time. Recruitment for a new safeguarding lead is expected to conclude in July with the person joining thereafter.

Corporate risk (2022-2023)	Current Risk Assessment Score (After mitigation)			Exposures that are currently impacting the risk	Additional mitigations
	L	I	L X I		
REG18/01 Risk that we fail to maintain an accurate register of people who meet our standards (including timeliness of registrations)	3	5	15 ↔	 <p>Status: Stable Risk owner: Executive Director, Professional Regulation. Current factors are:</p> <ul style="list-style-type: none"> Ensuring effective operation of our registration and revalidation processes. Continued public interest in international registrations. 	<ul style="list-style-type: none"> Concluding residual work following the closure of the legacy test on the 31 July (e.g. re-testing). We are almost able to offer full test centre capacity for our objective structures clinical examinations (OSCE) to offer 35,000 tests per year (approximately 7,000 tests per test site). Redeploying contact centre colleagues to assist with international and registration appeals teams in the short term.
INF18/02 Risk that core business information computer technology (ICT) failure impedes our ability to deliver effective and robust services for stakeholders or value for money	3	5	15 ↔	<p>Status: Stable. Risk owner: Chief Information officer. Current factors are:</p> <ul style="list-style-type: none"> Ensuring that our new tools for colleagues are fit for purpose and improve productivity. Protection from cyber-attacks. A competitive recruitment market continues to impact our ability to recruit to and retain key IT roles. Employee turnover is currently stable, and some progress has been made to fill long standing vacancies. 	<ul style="list-style-type: none"> Following a successful pilot of our 'Modern Workplace for Me' programme, we began our laptop roll out to all colleagues from June which will run until August to provide circa 1000 new laptops and new collaboration software for all staff with over 650 staff having received their laptop and training by mid-July. We have appointed an external partner who is currently conducting a review of our cyber security position following which we will review next steps. Following the Council discussion in April about the visibility of information security risks on the corporate risk register, the Executive decided in May that the Resources and Technology Services (RTS) directorate should continue to hold our information security risk on its directorate risk register. This is because the risk can be adequately managed at directorate level, and that we have appropriate controls in place, and we do not need to escalate it on the corporate risk register at its current exposure level.

Corporate risk (2022-2023)	Current Risk Assessment Score (After mitigation)			Exposures that are currently impacting the risk <div style="display: flex; justify-content: space-around; align-items: center; font-size: small;"> Increasing ↑ Reducing ↓ </div> <div style="display: flex; justify-content: center; align-items: center; font-size: x-small;"> No change ↔ </div>	Additional mitigations
	L	I	L X I		
EXT21/03 Risk that we do not recover efficiently following the coronavirus pandemic, including removal of emergency rules and recovery standards and closing the temporary register, and realising the benefits from our new ways of working.	3	3	9 	Status: Stable. Risk owner: Chief Executive and Registrar. Current factors are: Covid-19 news: As of w/c 4 July cases were rising by 30% week on week. We have seen a number of colleagues contracting coronavirus. We will keep this as a watching brief as higher case numbers could result in increased periods of absence for our people, impacting our plans and impacting on the sector.	Actions: <ul style="list-style-type: none"> We will review this risk at the point of closing the temporary register and removing our recovery standards in September 2022 to assess if residual risks remain.
STR20/02 Risk that we fail to deliver our strategic ambitions for 2020-2025	3	4	12 	Status: Stable. Risk owner: Executive Director, Strategy and Insight. Current risk factors: <ul style="list-style-type: none"> Prolonged recovery from the pandemic. Insufficient capacity or capability to deliver our strategy. We miss strategic opportunities. Pressure to adopt additional commitments. We do not maximise regulatory reform. Our ability to act independently. 	<ul style="list-style-type: none"> Mid-year review of our corporate plan and budget to resolve any uncertainties that were present when we signed off the plan and budget in May, and to consider inflation modelling and a review of the timescales for regulatory reform. Our internal Change Board meets monthly and provides oversight of all the changes we intend to deliver. The Change Board supports Executive Board to make adjustments to our plans, to maximise delivering our strategy and consider resourcing pressure points.
FIN20/01 Risk of not achieving our investment strategy particularly with regard to: long term growth; appetite for short term capital loss; alignment with our values	3	4	12 	Status: Stable. Risk owner: Executive Director, Resources and Technology Services. Current risk factors: <ul style="list-style-type: none"> Short term volatility in our investments due to the wider world economic environment. The unrealised loss in our investments at the end of Q1 is £2.3 million compared to end March 2022. In context though, this is within the volatility tolerance in our investment policy and the value of our investments remains higher than would have been the case if we had placed the original £30 million invested in a deposit account. There has been some recovery in value to mid-July. 	<ul style="list-style-type: none"> Investment Committee will review our investment policy at the next meeting in October. Council will review the position as part of its wider business plan and financial review in September.

Corporate risk (2022-2023)	Current Risk Assessment Score (After mitigation)			Exposures that are currently impacting the risk	Additional mitigations
	L	I	L X I		
FIN21/02 Risk that we do not achieve a sustainable budget or the planned financial benefits from our strategy	3	4	12	<div style="text-align: center;"> <i>Increasing</i> ↑ <i>Reducing</i> ↓ <i>No change</i> ↔ </div> <p>Status: Stable.</p> <p>Risk owner: Executive Director, Resources and Technology Services.</p> <p>Current risk factors:</p> <ul style="list-style-type: none"> We are in an environment of financial volatility and higher inflation (Consumer Price Index is now 9 percent and expected to peak at over 11 percent in 2022), although these levels of inflation have not fed through into our current experience with our actual pay increase budgeted for and many other costs static at least in the short term. We will continue to monitor and adjust as required. Ensuring that expenditure remains in line with our budget. Under spends could indicate that we are not delivering as expected, and over budget could affect the overall affordability of our budget if significant. Our next forecast is due in September. 	<ul style="list-style-type: none"> We will provide an update to the Council in September regarding impacts on our budget. We will continue to undertake sensitivity modelling and monitoring of the external environment, inflation, and supply chain issues. Our technology and accommodation plans have taken inflation into account, and we will review this again in September. We have written to contract managers to ensure that any increases are evidence based, involve support from procurement and finance, and are affordable within their budget.

Corporate risk (2022-2023)	Current Risk Assessment Score (After mitigation)			Exposures that are currently impacting the risk <div style="display: flex; justify-content: space-around; align-items: center;"> Increasing ↑ Reducing ↓ </div> <div style="display: flex; justify-content: center; align-items: center;"> No change ↔ </div>	Additional mitigations
	L	I	L X I		
EXP22/04 The risk that climate change will impact on our ability to be an effective regulator.	3	3	9	Status: New risk added in May 2022. Risk owner: Executive Director, Resources and Technology Services Risk factors: <ul style="list-style-type: none"> Physical risks: acute from severe weather events – flash flooding, storm damage, travel disruption, power disruption to offices or homeworking, high temperatures; chronic risks: such as long term rises in sea/river levels. Financial adaptation risks as we and the world move to a lower carbon climate resilient economy. These include costs of adapting, impacts on investments, including those of pension schemes. Productivity adaptation risks – through impacts on colleagues’ productivity as a result of impacts of climate change on domestic, transport, office and technology infrastructure. Policy and regulatory risks – where future changes to government policy will impact on the way organisations are expected to operate Risk to the degree of trust in us if we do not demonstrate adequate commitment and progress in this area particularly in the context of how (potential) employees, registrants and others see us. 	<ul style="list-style-type: none"> The Council discussed environment and sustainability at its Seminar in May 2022. Through our sustainability and environment, we are drawing up plans with proposed actions that we will take forward over the remainder of our strategy. Potential mitigations could include but are not limited to: <ul style="list-style-type: none"> Disaster and continuity planning including buildings and IT resilience Physical adaptations through our estates planning and refurbishment Optimising remote working capabilities Investment policies with resilient, diversified portfolios with ethical/low carbon elements Our reserves policy providing significant ability to absorb costs of adaptation Baselining of carbon impact Sustainability plan Assessment of current/future regulatory requirements Engaging with colleagues and registrants
REG19/03 Failure to ensure that educational standards are fit for purpose (including processes to ensure compliance with standards are met)	2	4	8 ↔	Status: Stable. Risk owner: Executive Director, Professional Practice. Current risk factors: None in addition to those on the corporate risk register.	<ul style="list-style-type: none"> Our new post registration standards were published on 7 July. We are now focusing on supporting implementation and quality assurance of new programmes that meet our new standards. We have reviewed our midwifery standards in the light of the recently published Ockenden report into maternity services at Shrewsbury and Telford NHS Trust to confirm that they address areas of concern highlighted in the report. We are reviewing what sources of additional data are readily available to help monitor the quality of educational programmes that we have approved. We have begun our consultation regarding changes to pre-registration standards.

Council

Fitness to Practise caseload update

Action: For discussion.

Issue: To update the Council on our work to reduce the Fitness to Practise (FtP) caseload, which is a corporate priority, and invite feedback.

Core regulatory function: Professional Regulation.

Strategic priority: Strategic aim 1: Improvement and innovation
Strategic aim 2: Proactive support for our professions
Strategic aim 6: Fit for the future organisation

Decision required: None.

Annexes: The following annexes are attached to this paper:

- Annexe 1: Casework metrics
- Annexe 2: FtP Performance Dashboard
- Annexe 3: FtP KPI and performance charts

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

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Context:

- 1 This report provides an update on our work to reduce the FtP caseload. Our work aims to address the increase in the caseload that has arisen throughout the FtP process, predominantly arising from the impact of the Covid-19 pandemic on our organisation and the professions we regulate.
- 2 Reducing the backlog of FtP cases is our top priority and a key commitment in our corporate plan for 2022–2023.
- 3 As we did not reduce our caseload in 2021–2022, we have re-focused our approach. This paper outlines our revised approach to caseload reduction and how we plan to reach a caseload of less than 5,000 cases by the end of March 2023.

Four country factors:

- 4 This backlog of cases impacts professionals on our register, employers, patients and families across each of the four nations.
- 5 We will provide the four country breakdown of cases in the FtP caseload from September 2022.

Discussion:

Summary of current position

- 6 Our planning for caseload reduction has taken into account lessons we have learned from last year and we are pausing a number of changes as our teams were pulled in too many different directions. During Q1, we have reviewed our approach and are concentrating our efforts on a smaller number of more impactful changes to achieve our planned year end position of a caseload of less than 5,000.
- 7 The refocus of improvement activity has not yet had the planned impact on our overall caseload. The increased resources required and the outcomes of reviews to identify opportunities to improve and streamline key processes arrived just after the end of the quarter, at the start of July. Challenges and disruption in the senior leadership of the directorate from the departure of the Interim Executive Director, sickness and vacancies have also impacted our ability to make significant progress.
- 8 For these reasons, our caseload at the end of June, was 6,464 which shows that we remain within a period of stabilisation as we ended the previous year on 6,469 cases. We expect to begin to see the impact of the additional resource in Screening by the end of July. We also look forward to the new Executive Director joining the NMC in August.

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- 9 The graph at **Annexe 1**, Chart 1, sets out the caseload position at each stage of our process. The tables accompanying the graphs highlight the ambitious monthly targets in place throughout last year. There remains a shortfall against the revised forecast for the quarter which the planned activity is intended to recover during Q2.
- 10 Our corporate Key Performance Indicator (KPI) performance continues to be impacted by the current size and age of our caseload (as indicated by our data within the Executive Report). As per the previous financial year, our timeliness KPI for concluding cases within 15 months will be significantly below target for the whole year as we continue to implement our FTP improvement programme.
- 11 Imposing interim orders within 28 days of opening a case was also impacted in the previous financial year and this has continued into the first quarter of this financial year, where we did not meet our target of 80 percent. This is due to ongoing capacity issues within the decisions at Screening team but also a significant increase in the number of cases identified as possibly requiring an interim order. We are reviewing whether there is any particular trend associated with this increase.
- 12 **Annexe 3** provides charts tracking our KPIs and additional performance data linked to our caseload reduction.

Upcoming activity

- 13 It is critical that we start to make inroads into our caseload at Screening. More than half of our total caseload is at the first stage of the process. The cases at that stage have grown older as a result of us not reducing the caseload last year.
- 14 On 11 July 2022 we increased our decision making capacity at Screening with the establishment of a temporary team. We expect the team to operate for a period of at least three to six months and contribute to reducing the caseload in Screening by approximately 1,000 cases.
- 15 Additionally, we have received the outcome of an external review of our Screening decision making process which makes recommendations for how we can improve our approach and are planning for implementation of the recommendations which we believe will increase our productivity levels.

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- 16 As we increase our decision making volumes at the Screening stage more cases will flow through to our Investigations teams. We are piloting the use of case officers in our Investigations teams which will enable our investigators to concentrate on purely investigatory tasks. We are also increasing the availability of early input from our legal teams to support new starters in the team to reduce the time taken for them to work effectively.
 - 17 Increasing our Investigations throughput will address a backlog of cases within the stage itself and ensure we are able to move cases quickly through to a decision by our Case Examiners.
 - 18 The caseload at the Case Examiner stage is at its lowest level since January 2019 which is due in part to lower than anticipated throughput from the Investigations teams but also because of work to increase efficiency and output.
 - 19 As a result we are redeploying capacity from this stage and are using the expertise of our Case Examiners in different ways to support case progression. A number have been seconded to make decisions at our Screening stage whilst the remainder of the team are being made available to our investigations teams to advise on whether matters are ready to be considered or whether they require further investigation.
 - 20 Our caseload at Adjudication has grown significantly over the course of the last year and that growth is in line with our agreed planning assumptions that meant outputs from the stage would be less than inputs. Our current plans are to steadily increase activity levels at the Adjudication stage and slow the growth we have seen.
 - 21 Our planning includes an increase in resources to support greater numbers of decisions but also a rebalancing of our approach to whether hearings are held physically or virtually. We have used virtual hearings to good effect over the last two years but we have not been able to replicate the levels of efficiency we see in our physical hearings. While we work to unlock the benefits of our new video conferencing solutions it will no longer be assumed that the majority of our activity is virtual, each case will be assessed to determine whether a physical or virtual hearing is most appropriate. It is likely that we will see incremental increases in the number of hearings that take place at our hearing centres across the four nations.
 - 22 **Annexe 2** provides full details on the age profile of our caseload.
 - 23 As we have not yet reduced our caseload, professionals, referrers, witnesses and employing organisations are waiting far longer for cases to be resolved than they should expect.

	24	As part of our work on caseload reduction we will be more focused on progressing our oldest cases from each stage. That will positively impact the age of our caseload and lead to its reduction but will likely lead to an increase in the median age of decision at each stage in the near term.	1.
Midwifery implications:	25	There are no implications which are specific to midwifery to consider.	2.
Public protection implications:	26	Reducing the FtP caseload will protect the public by delivering a greater volume of more timely and more proportionate decisions across FtP, and avoiding the current delays in process.	3.
Resource implications:	27	The 2022-2023 budget reflected the activity associated with the initial caseload reduction plans. The additional capacity recruited to clear the screening decisions is estimated to cost in the region of £200k. While this additional spend has been provisionally approved, we will seek to fund from any underspends that may arise elsewhere across Professional Regulation where possible.	4.
Equality diversity and inclusion implications:	28	We have not identified any adverse implications of our approach which is to decrease the caseload by progressing our oldest cases as a priority.	5.
Stakeholder engagement:	29	Our key stakeholder groups remain concerned at the lack of progress in resolving our backlog but continue to express a commitment to working with us to resolve known issues.	6.
Risk implications:	30	There is a risk that our combined operational and change activities fail to deliver increased output across the FtP process. This would impact on our ability to meet our corporate commitment to: "Reduce the FtP caseload and make improvements to how we regulate to ensure we process cases in a timely, proportionate and efficient way".	7.
	31	The age of the caseload means there is an increased risk that people do not engage with our process which makes it more difficult to get to the right decisions in our cases.	8.
Regulatory reform:	32	Reduction of the FtP caseload is an important enabler for regulatory reform and will ensure the teams are well placed to adjust to significant changes in ways of working.	9.
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Legal implications:

- 33 Timely and effective management of our FtP cases is 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.

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Caseload metrics
Fitness to Practise Improvement Programme Update

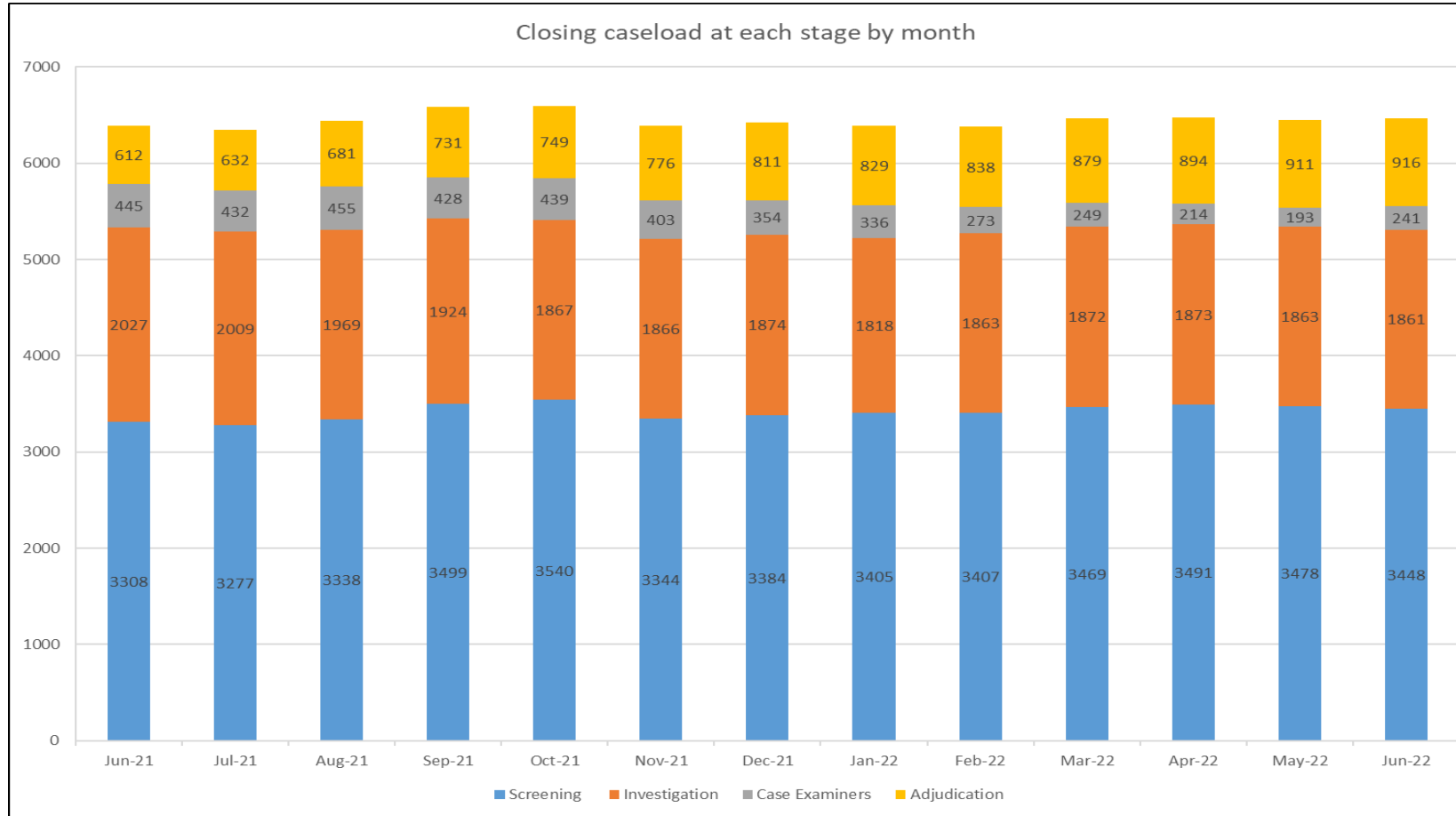


Chart one:
Overall caseload position

This chart shows how over the last year the total caseload has remained broadly static but with a significant weight of cases at Screening, the first stage of our process and a growing number of cases at the Adjudication stage awaiting a decision from an independent panel

	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Initial forecast	6110	6360	6260	6120	5980	5830	5680	5530	5360	5160	6469	6395	6344
Overall caseload	6392	6350	6443	6582	6595	6389	6423	6388	6381	6469	6472	6445	6466
Variance	282	-10	183	462	615	559	743	858	1021	1309	3	50	122

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Caseload metrics
Fitness to Practise Improvement Programme Update

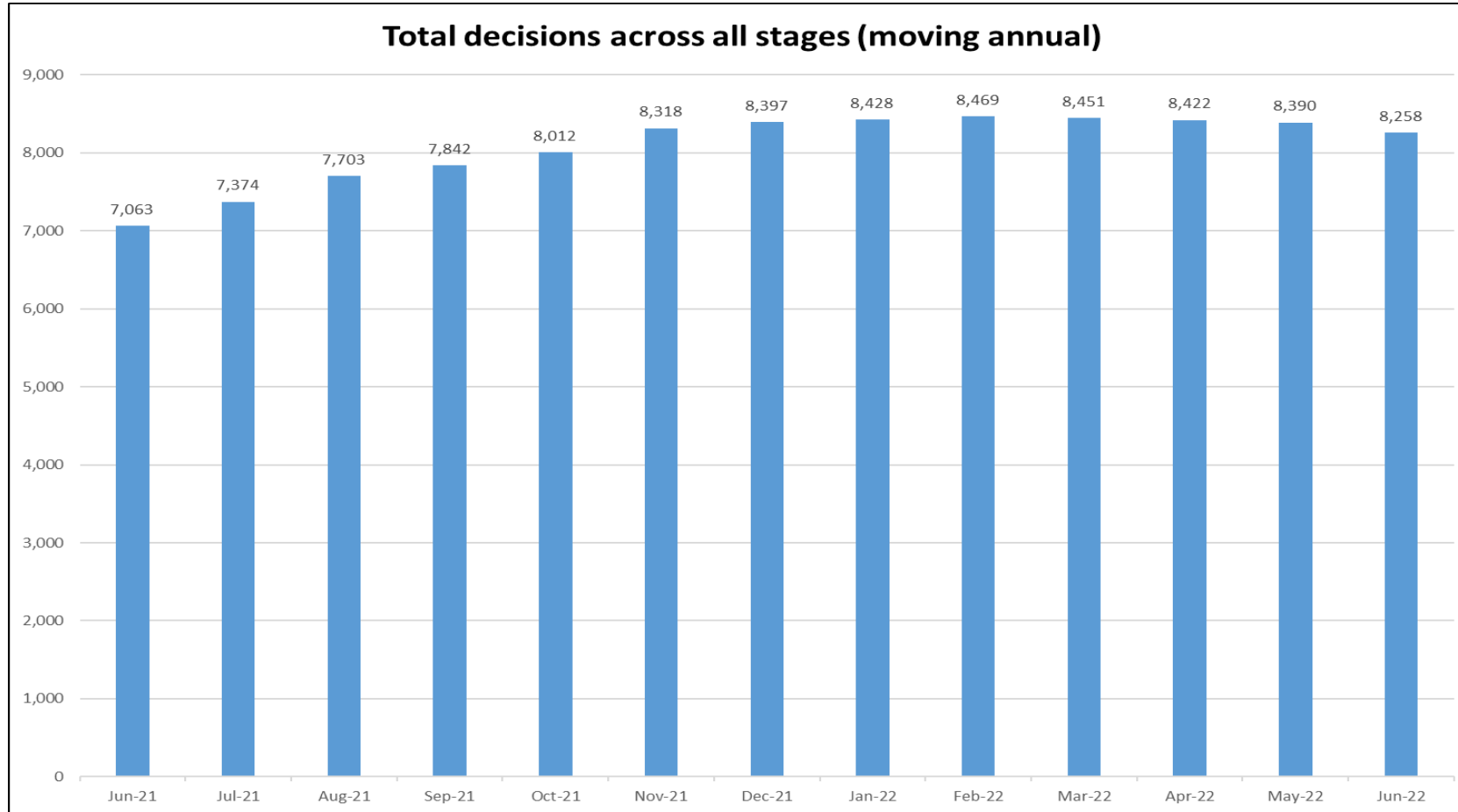


Chart two:
Moving annual total case decisions

The chart shows the number of decisions made on a rolling annual basis, which includes all cases clearing Screening, Investigations, Case Examiners and Adjudication

Date	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Total Decisions	7,063	7,374	7,703	7,842	8,012	8,318	8,397	8,428	8,469	8,451	8,422	8,390	8,258
Initial forecast	7,319	7,726	8,285	8,844	9,375	9,831	10,326	10,646	11,125	11,560	11,540	11,618	11,515
Variance	-256	-352	-582	-1,002	-1,363	-1,513	-1,929	-2,218	-2,656	-3,109	-3,118	-3,228	-3,257

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Caseload metrics
Fitness to Practise Improvement Programme Update

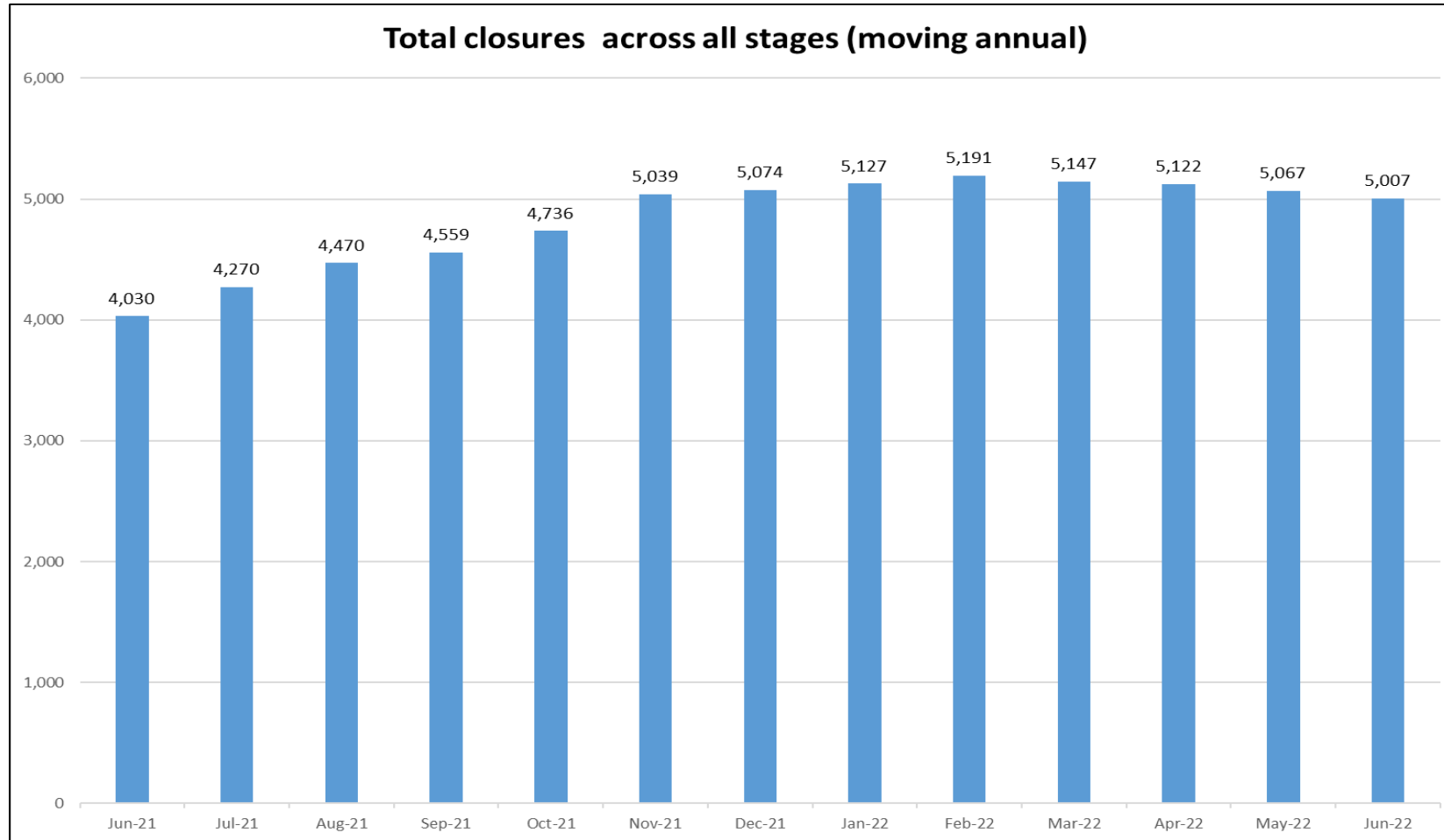


Chart three:
Moving annual total case conclusions

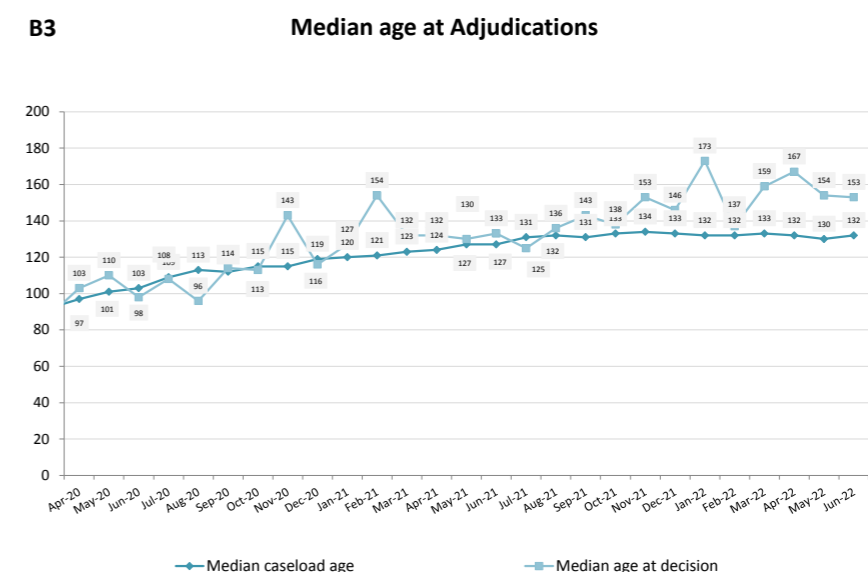
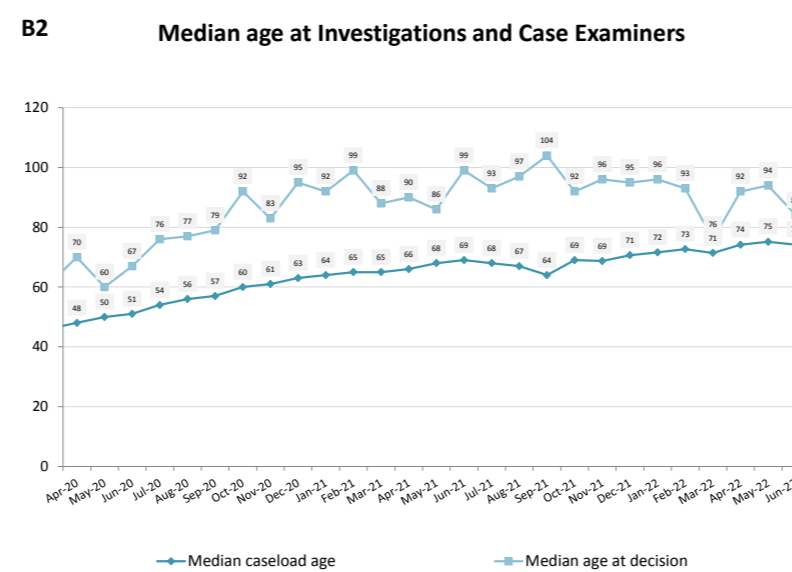
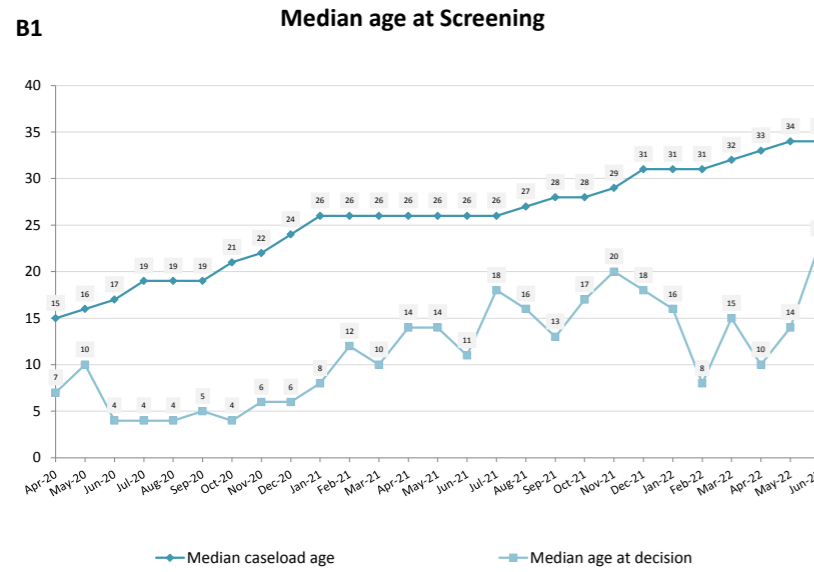
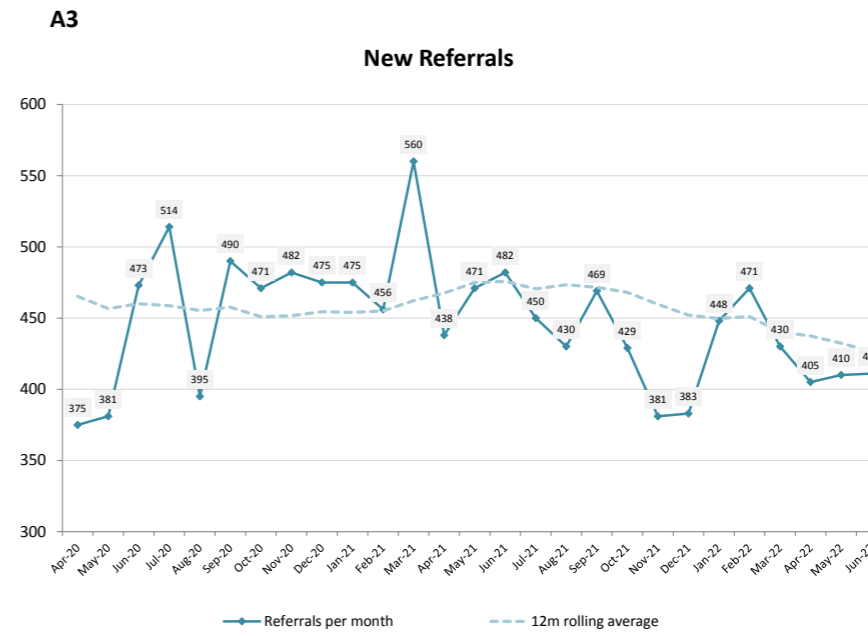
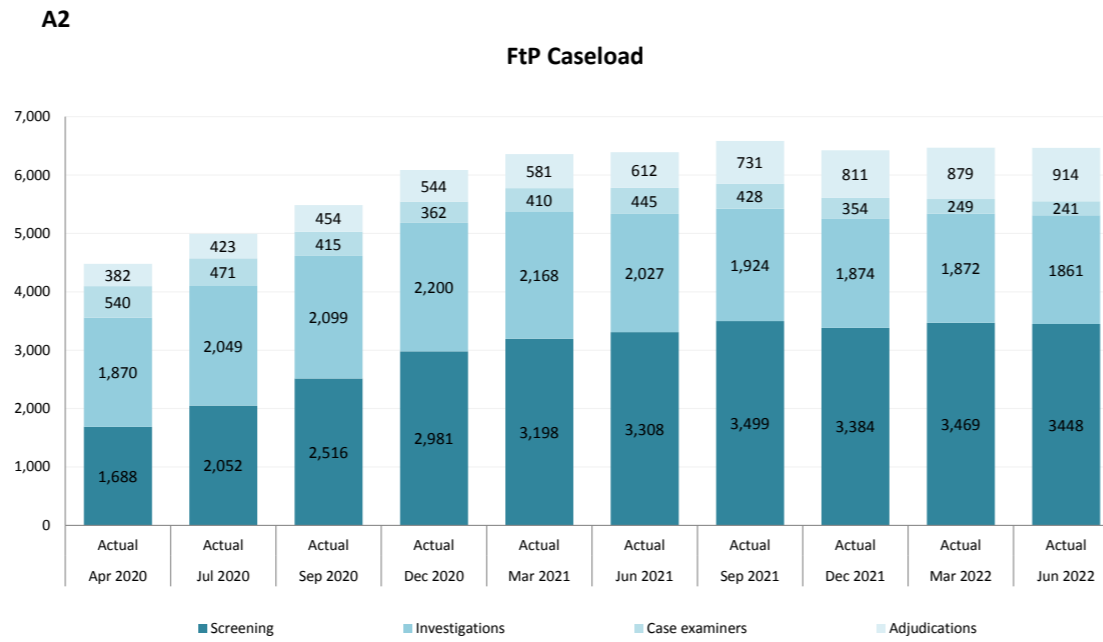
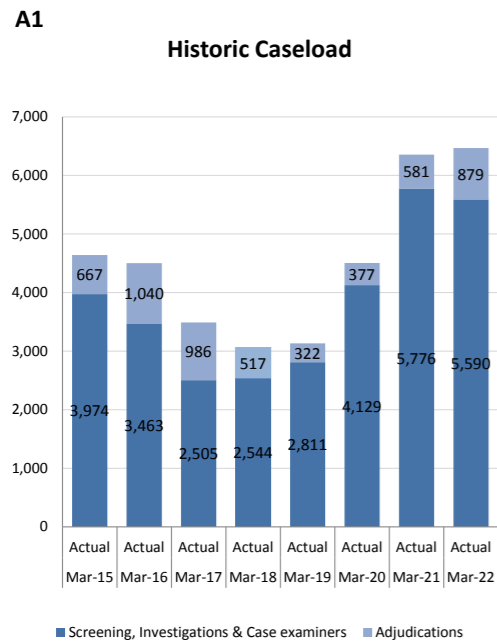
The chart shows the number of decisions made that conclude cases on a rolling annual basis, which includes all final decisions at Screening, Case Examiners and Adjudication.

The numbers shown below are significantly lower than in Chart 2 as they do not include any decisions to progress a case onwards from Screening, the completion of an Investigation or any decisions to progress cases onwards from Case Examiners.

Month	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Actual closures	4,030	4,270	4,470	4,559	4,736	5,039	5,074	5,127	5,191	5,147	5,122	5,067	5,007
Initial forecast	4,105	4,358	4,696	5,050	5,402	5,722	6,008	6,189	6,468	6,694	6,717	6,805	6,775
Variance	-75	-88	-226	-491	-666	-683	-934	-1,062	-1,277	-1,547	-1,595	-1,738	-1,768

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FtP Performance Dashboard June 2022



Caseload Movement Summary Apr - Jun 2022

Opening caseload 6,469

1,226 cases received
(new referrals and reopened cases)

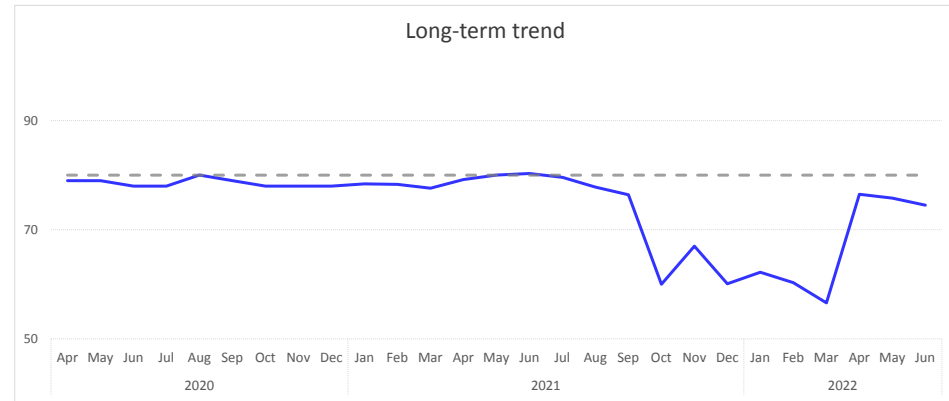
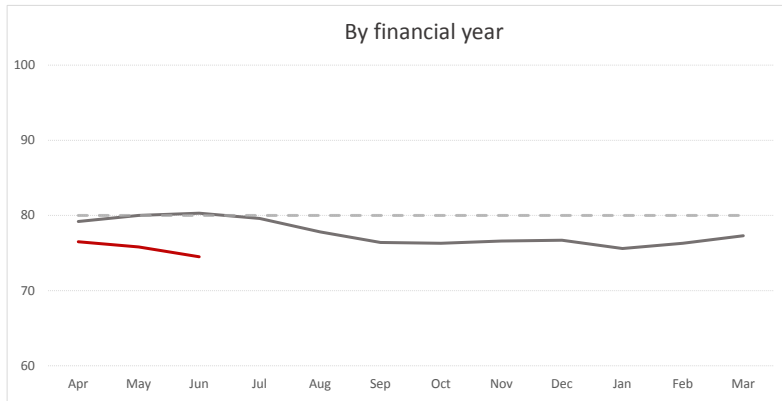
1,231 cases closed

6,464 Closing caseload

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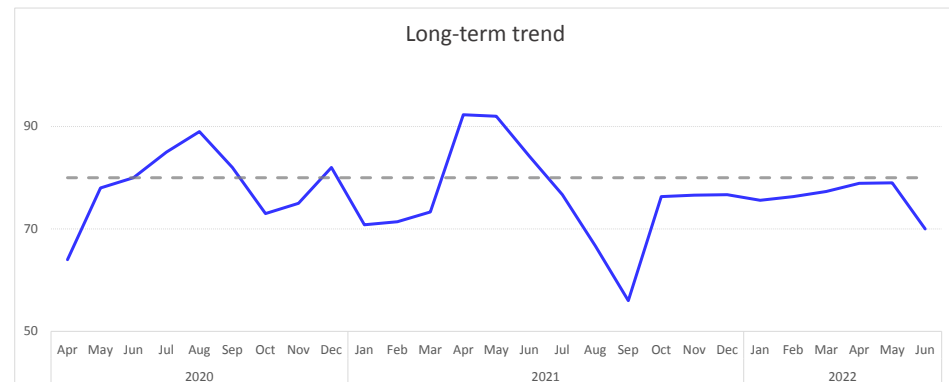
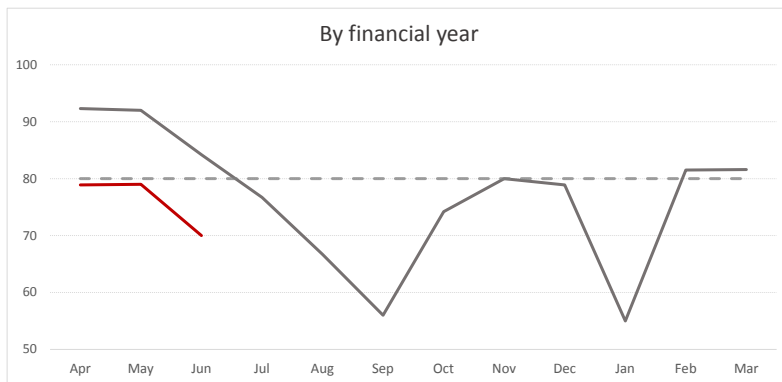
KPI and Performance charts
Fitness to Practise Improvement Programme Update

7a: Interim Orders issued within 28 days of opening case (12 months rolling average %) - FtP Improvement Programme metric



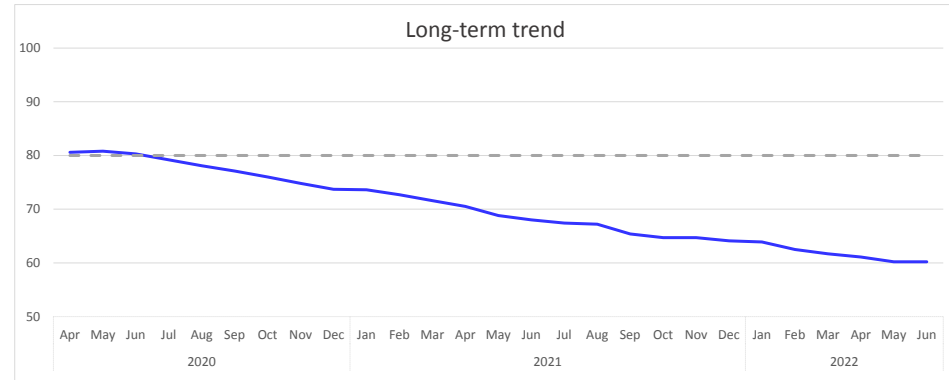
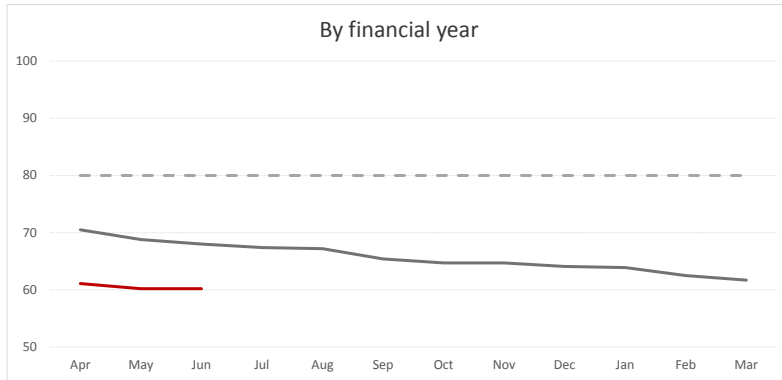
Financial year: ● Current Year (2022-23) ● Previous Year (2021-22) ● Long-term trend Target: - - -2022-23

7b: Interim Orders issues within 28 days of opening case (monthly actual %) - Corporate KPI



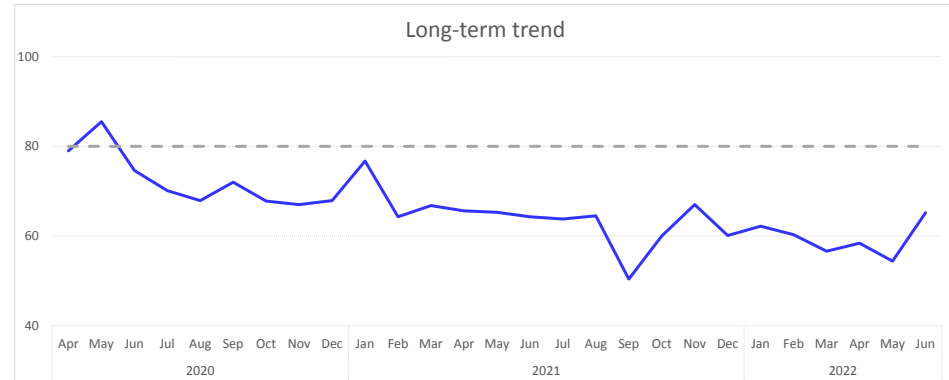
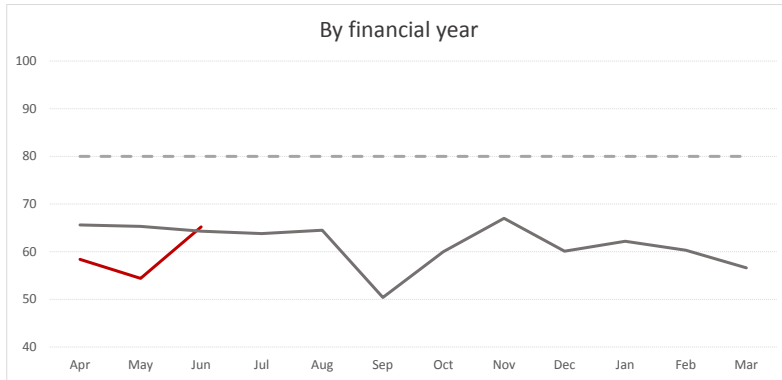
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8a: Cases concluded within 15 months of opening (12 months rolling average %)- FtP Improvement Programme metric



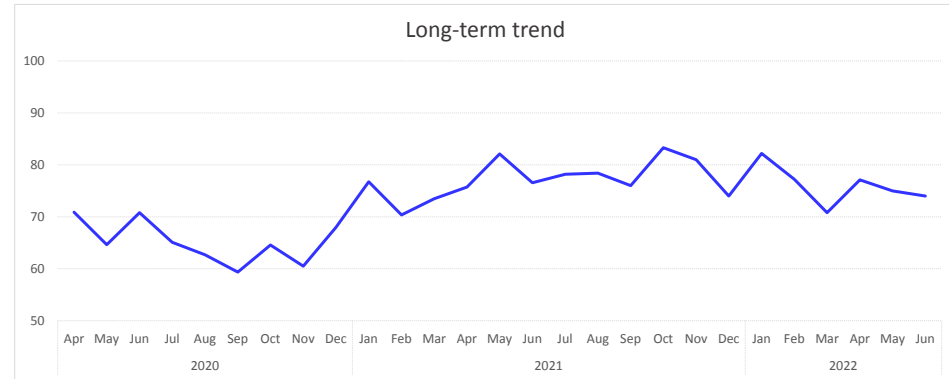
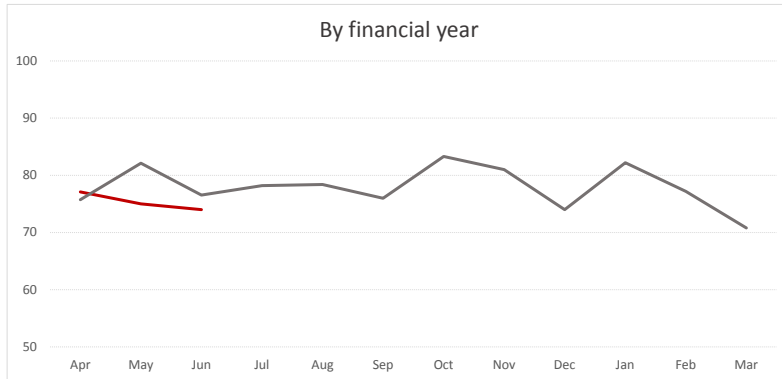
Financial year: ● Current Year (2022-23) ● Previous Year (2021-22) ● Long-term trend

8b: Cases concluded within 15 months of opening (monthly actual %) - Corporate KPI



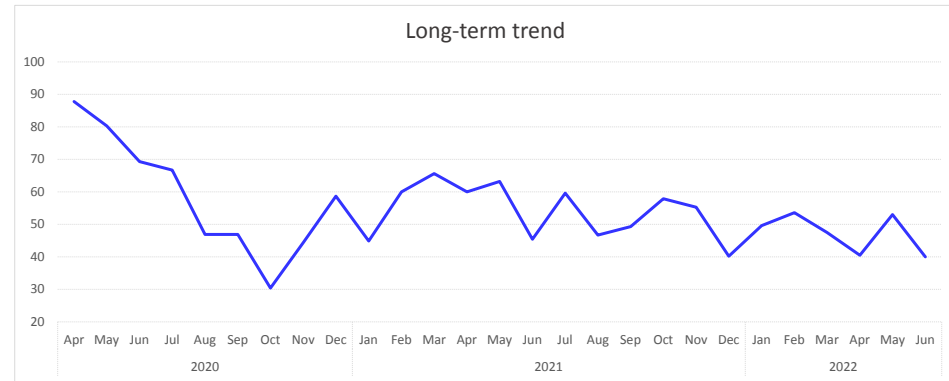
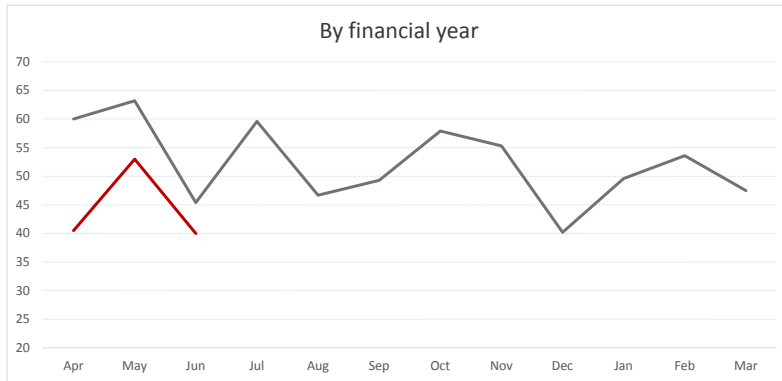
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9: Decision that no further investigation is needed - at screening (monthly actual %) - FtP Improvement Programme metric



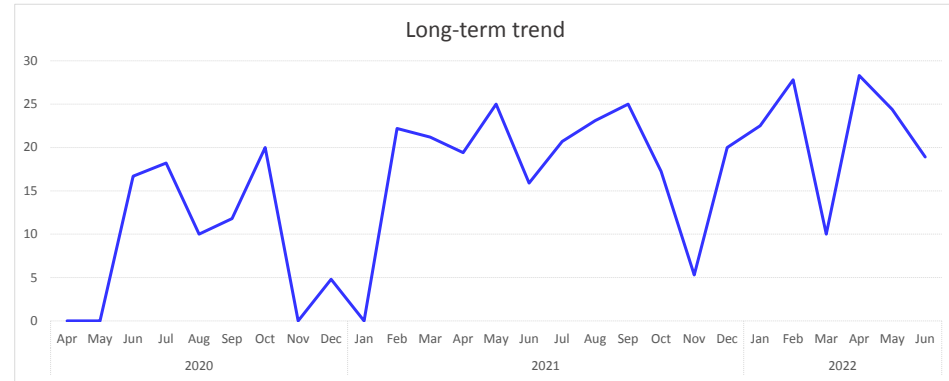
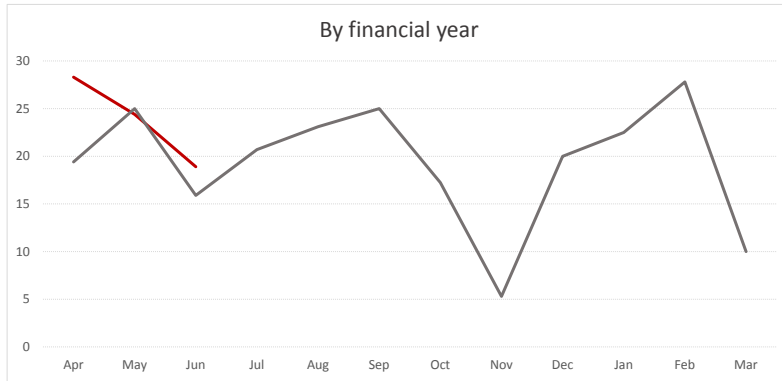
Financial year: ● Current Year (2022-23) ● Previous Year (2021-22) ● Long-term trend

10: Decisions to close with 'no case to answer' or 'no current impairment' - at case examiners (monthly actual %) - Corporate KPI



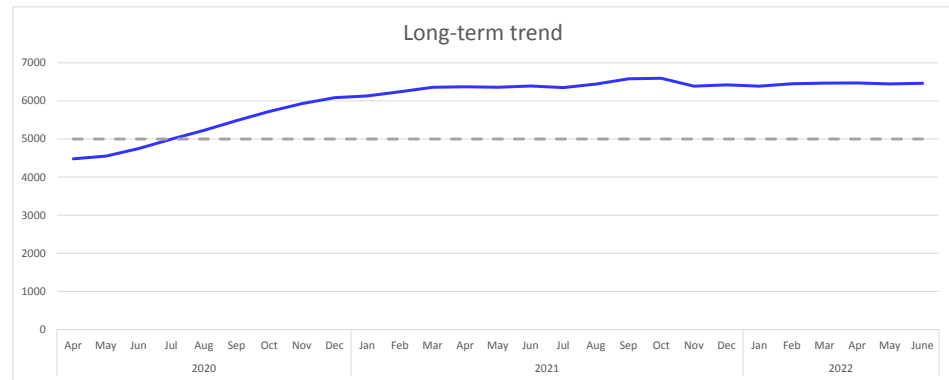
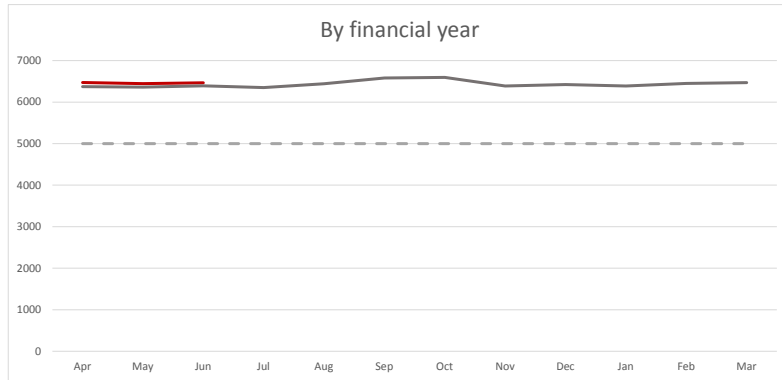
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11 : Decisions to close with 'no case to answer' or 'no current impairment' - at hearings/meetings (monthly actual %) - FtP



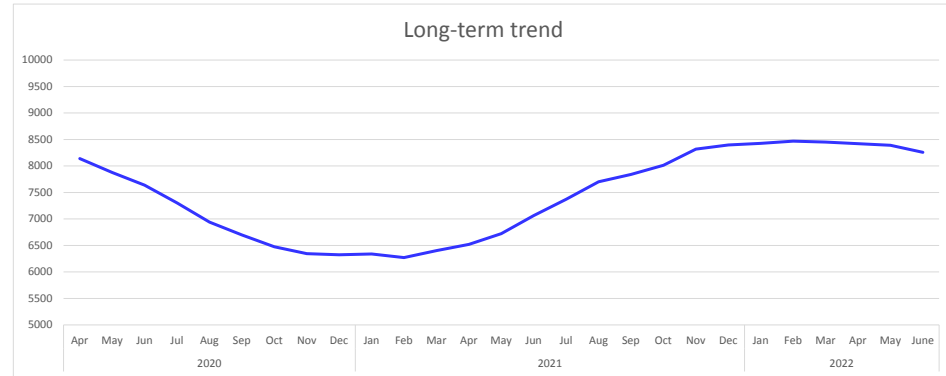
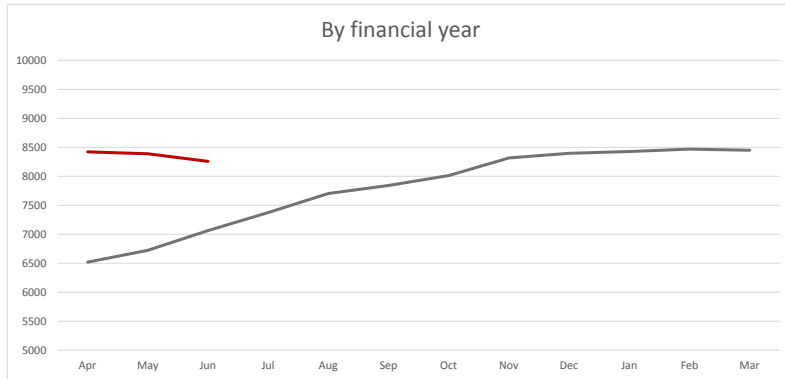
Financial year: ● Current Year (2022-23) ● Previous Year (2021-22) ● Long-term trend

12: Volume of the overall fitness to practise caseload (closing caseload) (month actual) - Corporate KPI



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13: Total case decisions (12 month rolling actual) (monthly measure)- Corporate KPI



Financial year: ● Current Year (2022-23) ● Previous Year (2021-22) ● Long-term trend

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Council

Council Associate Scheme

Action: For decision.

Issue: Seeks Council's approval for the continuation of the Associate Scheme and the selection of new Associates to take up roles in early 2023.

Core regulatory function: Supporting functions

Strategic priority: Strategic aim 6: Fit for the future organisation

Decision required: The Council is invited to:

- Agree the continuation of the Associate Scheme in the light of the findings from the stage 1 evaluation (paragraph 23.1).
- Approve the approach to selecting two new Associates to take up roles in early 2023 (paragraph 23.2).

Annexes: The following annexes are attached to this paper:

- Annexe 1: Selection criteria used in first round of Associate appointments

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

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Secretary: Fionnuala Gill
Phone: 020 7681 5842
fionnuala.gill@nmc-uk.org

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- Context:**
- 1 The Council established an Associate Scheme in July 2020 (NMC/20/57). The purpose of the Scheme is to provide development opportunities for those with potential to gain the skills and expertise to become future Non-Executives. The Scheme was set up recognising the limited existing opportunities to acquire such skills and expertise within health and care sector career structures, particularly for registrants including those from diverse backgrounds.
 - 2 The Council adopted new provisions in the Standing Orders to appoint up to two Associates for a maximum term of two years not renewable (*Standing Orders, section 3.7*).
 - 3 After an open, competitive UK-wide process, two Associates were appointed to serve for the maximum two-year term from 1 January 2021 to 31 December 2022.
 - 4 In accordance with the Standing Orders, the Council may revise the Associate Scheme from time to time or decide to end or suspend the Scheme (*Standing Orders, paragraph 3.7.1*).
- Four country factors:**
- 5 The Associate Scheme applies across all four UK countries. Any selection process would be open to applicants from across the four countries. In accordance with our commitments under the Welsh Language Act 1993, the advert and candidate materials will be available in Welsh.
 - 6 Both our current Associates are England-based so a focus of any selection process could be on seeking an Associate based in Scotland, Wales or Northern Ireland.
- Discussion: Continuation and focus of the Scheme**
- 7 The Associate Scheme is a new initiative for the Council. It aims to provide colleagues appointed to Associate roles with exposure to the role of a Non-Executive by providing opportunities to participate in, and contribute to, all aspects of the Council's work.
 - 8 We are carrying out a phased evaluation of the Scheme to assess whether it is meeting its objectives; and ensure that we capture learning for the current and future iterations of the Scheme. The first phase included input from Council, Executive and other colleagues, as well as the Associates themselves.

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- 9 The Remuneration Committee considered the findings of the first phase of the evaluation in June 2022. The evaluation suggests that the Scheme is working well and has been a positive experience for both the Associates and the Council. It was clear that our current Associates are considered to be making a significant and highly valued contribution to the Council. The finding that the Scheme appears to be meeting its objectives so far is testament to the dedication of the Associates, to the Lead member, Ruth Walker, and to Council and Executive colleagues.
- 10 In considering the Scheme, the Remuneration Committee discussed whether there may be benefit in the future to adopting different approaches; for example, staggering appointments; looking at the focus of the Scheme; and extending the mentoring responsibilities across a wider range of Council colleagues. The Committee also identified the need to consider the implications of the Government's proposals for future changes to the current governance model, including moving to a Unitary Board for any future operation of the Scheme. The Committee plans more in-depth consideration of the options and approaches to inform future iterations of the Scheme and will bring proposals to Council in due course.
- 11 In the interim, given the positive findings of the evaluation and the experiences to date, the Committee felt that it was important to maintain momentum and to proceed with continuation of the scheme so that a process can begin to appoint two new Associates to take up roles in early 2023.

Approach to the second iteration of the Scheme

- 12 For the first iteration of the Scheme, opportunities were targeted at current registrants. The Scheme was open to both nursing and midwifery professionals, with a particular focus on professionals with midwifery expertise and/or from Black and minority ethnic backgrounds.
- 13 This was due to Council member selection processes identifying challenges in finding candidates from these groups suitable for recommending for appointment. The Council agreed that the initial round of Associate appointments should seek to encourage applicants from these registrant groups, since there may be structural or other issues which prevent such registrants from gaining Board level experience. At the time, there was no midwifery expertise on the Council and we were conducting a selection process for a new Council member for Scotland who could bring midwifery expertise to our work.

14 The Remuneration Committee's advice is that the second iteration of the Scheme should:

- 14.1 Continue to focus on providing opportunities for individuals from Black and minority ethnic backgrounds to develop into Non-Executive roles while not becoming the only means of addressing equality and diversity issues;
- 14.2 Continue to be open only to registrants, including both midwifery and nursing professionals given that the Council now has midwifery expertise within its membership; and
- 14.3 Encourage geographical diversity amongst applicants for the Associate Scheme.

Selection Criteria

15 The criteria upon which selection decisions were made for the first iteration of the Scheme are at **annexe 1**. The criteria were deliberately framed in terms of the competencies we would normally require of a Council member but focused on future potential and ability to develop these rather than past or current evidenced experience. The Remuneration Committee's view is that the criteria continue to meet the Council's needs.

Search and selection process

16 The selection process for Associates is not subject to scrutiny by the Professional Standards Authority (PSA). However, we will ensure that the process meets the four good practice principles of merit; fairness; transparency and openness; and inspiring confidence. It will be modelled on our rigorous Council processes and will be designed to reflect our values and support our commitment to equality, diversity and inclusion.

17 The Scheme is likely to attract a great deal of interest. In the first selection round, we received 111 valid applications. We therefore propose to undertake a competitive tender process to appoint search consultants to assist with promoting the opportunities, active search, and candidate management.

18 In accordance with Standing Orders, the Chair of Council will appoint a Selection Panel to conduct any selection process. The Selection Panel will be responsible for selection decisions at shortlisting and interview stages against the selection criteria.

19 In line with our usual approach for Council appointments membership of the Selection Panel will:

- 19.1 reflect a four-country perspective

- 19.2 reflect the diversity of the public we serve and the professionals we regulate.

Approach to Equality, Diversity and Inclusion

- 20 We will make every effort, as we do with every Council selection exercise, to ensure that we reach as diverse a range of suitable candidates as possible. For the first iteration of the Scheme, 52 percent of applicants were from a Black and minority ethnic background as were 80 percent of those shortlisted. This was the highest ever proportion of registrant colleagues from a Black and minority ethnic background applying for a Council role.
- 21 We will do this by:
- 21.1 Ensuring that the search and advertising strategy seeks to encourage applications from underrepresented groups.
 - 21.2 Providing the Selection Panel with face-to-face unconscious bias refresher training from an external provider at the start of the selection process to mitigate the risk of unconscious bias inadvertently affecting its decisions.
 - 21.3 Ensuring that candidates are assessed only against the agreed selection criteria. Decisions at every stage will be based on merit.
 - 21.4 Monitoring and analysing Equality and Diversity data for all applicants at each stage of the process.

Term of office

- 22 Under Standing Orders, it is for the Chair of Council to determine the duration of the term of office of any new Associates which may not exceed two years from the date of appointment (*Standing Orders, paragraph 3.7.3*).
- 23 **Recommendation: The Council is asked to:**
- 23.1 **Agree the continuation of the Associate Scheme in the light of the findings from the stage 1 evaluation.**
 - 23.2 **Approve the approach to selecting two new Associates to take up roles in early 2023.**

Midwifery implications:

- 24 As stated, one of the specific focuses of the Associate Scheme 2020 was on attracting interest from registered midwives, including those holding dual registration. Both current Associates hold midwifery registration. The next iteration of the Scheme would continue to be open to both midwives and nursing professionals.

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Public protection implications:	25	A clear focus on public protection was an integral part of the criteria against which candidates for the 2020 Scheme were assessed.	2.
Resource implications:	26	Resources to support the Associate Scheme are met within the Governance team staff and budget and by the Lead Council member.	3.
	27	Evaluation of the Scheme is being undertaken by colleagues within the Research team in the Strategy and Insight directorate.	4.
	28	Costs for carrying out a selection process have been built into the existing Governance budget for the current financial year. It is anticipated that costs including for search, support and advertising will not exceed £40,000.	5.
Equality diversity and inclusion implications:	29	As with all Council selection exercises, we will undertake an equality impact assessment to ensure that the proposed selection process complies with the Equality Act 2010 and does not discriminate against or impact adversely on any protected group. Where we identify a potential negative impact, we will take steps to mitigate the impact.	6.
			7.
Stakeholder engagement:	30	We are seeking views of key external stakeholders as part of our continuing evaluation of the Scheme.	8.
	31	Any selection process will include UK-wide advertising of the Associate opportunities as well as tailored communications to partners and stakeholders to promote the opportunities.	9.
	32	For the first iteration of the Scheme, the Chair of the Council wrote to UK-wide partner and stakeholder networks, including a range of registrant networks to promote the opportunities in the run up to the advertising process to obtain their support in promoting the opportunities amongst their networks and to help in securing a strong field of candidates. We would propose adopting a similar approach for any new selection process.	10
Risk implications:	33	There is a risk that opportunities offered by the Scheme may be perceived as a substitute for increasing the diversity of the Council. The Council is committed to ensuring that its membership reflects the diversity of the public that it serves (Standing Order 3.2.2) and any selection process for new Council members will seek to ensure this.	11.
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34 There is a risk that we do not receive sufficiently high calibre applications from a diverse range of candidates. We will undertake a range of actions to mitigate this risk including ensuring that all advertising, documentation and communications are geared to attracting suitable candidates; that the search consultants appointed are appropriately briefed and understanding checked; and that progress is monitored regularly to determine whether any additional action is required.

35 There is also a risk that our advertising of the opportunities may be perceived as positive discrimination in seeking to encourage applications from registrants from the Black and minority ethnic backgrounds. To mitigate this risk, we would ensure that the wording of our advertising and any communications reflect positive actions which is lawfully permitted under equality legislation.

Regulatory reform:

36 The Remuneration Committee will consider the implications of Regulatory Reform in considering future operation of the Scheme and reflect this in any future proposals to Council.

Legal implications:

37 The establishment of the Associate Scheme is compliant with the Nursing and Midwifery Order 2001. The Council has the power under paragraph 15 (1), Schedule 1 of the Order to do anything which “*appears to it to be necessary or expedient for the purpose of, or in connection with, the performance of its functions*”.

Associate Scheme: selection criteria used in 2020

- Understanding of, and commitment to, the protection of the public through professional regulation.
- Energy and enthusiasm to develop the skills and expertise required to become an effective non-Executive Director, curiosity and a willingness to learn.
- Potential ability to think strategically, step back and see the big picture.
- Potential to develop the skills to scrutinise, challenge in a constructive and supportive way and identify when and how to seek assurance.
- An analytical approach, ability to weigh complex issues and reach sound judgements.
- Willingness to develop an understanding of the range of organisational and business issues with which the Council deals together with willingness to develop the knowledge and skills to make a strategic and constructive contribution to discussions.
- Ability to work successfully as part of a team of Non-Executive and Executive colleagues, respecting and listening to others, earning the respect of colleagues, and contributing constructively to collective discussions.
- Personal commitment to good governance, and upholding the recognised principles of public life.
- Willingness and ability to gain an understanding of the responsibilities of charity trustees and how being a charity impacts on the work of the Council.

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Council

Review of investment policy and funds allocated to the investment portfolio

Action: For decision.

Issue: Whether our investment policy should be amended and whether we increase the funds allocated to our investment portfolio.

Core regulatory function: Supporting functions

Strategic priority: Strategic aim 6: Fit for the future organisation.

Decision required: The Council is recommended to:

- a) Agree the proposed amendment to our current investment policy as set out in paragraph 5.7 of annexe 1. This change reflects wording with respect to pollution and climate change (paragraph 21).
- b) Agree to investing a further £3 million in our investment portfolio in addition to the £30 million previously invested (paragraph 30).

Annexes: The following annexes are attached to this paper:

- Annexe 1: Amended investment policy.
- Annexe 2: Modelling to illustrate the potential impact of inflation on reserves and cash.

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: Richard Wilkinson
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Executive Director: Helen Herniman
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Context:

Investment policy

- 1 Our investment policy states that it should be reviewed by Council every two years (paragraph 1.22 of the policy attached at **annexe 1**). It also says that the ethical policy should be reviewed by the Investment Committee every year (paragraph 5.13).
- 2 Since the current policy was initially agreed, subsequent discussions by Council on the policy have focused on the ethical dimension. In particular we amended the policy to exclude investment in the 'energy sector' to reflect concerns around climate change and companies in the fossil fuel industry. This was reflected in the policy approved by Council in May 2021 (NMC/21/38).
- 3 The Investment Committee and the Executive Board have each subsequently reviewed the investment policy and this paper reflects those discussions.

Funds allocated to the investment portfolio

- 4 The investment policy (annexe 1) indicates an allocation between the short, medium, and long term investment portfolios of £20/30/30 million. This reflected total cash holdings in December 2018 of £80 million.
- 5 The policy also says, at paragraphs 1.8 to 1.14, that the allocation between the three portfolios is indicative only and will change over time in line with our requirements.
- 6 Subsequently, with Council agreement, £30 million was invested in a long term (held for at least five years) portfolio of stock market investments. This was achieved in January 2021 and is managed by Sarasin and Partners who were appointed as our investment managers following a full procurement exercise.
- 7 The balance of funds has been kept in only the short term portfolio of bank deposits. The medium term portfolio, intended for funds being held for two to five years, has not been used since the heavy planned investment in technology and accommodation over the same period has made it less appropriate. We are, nevertheless, exploring with Sarasin and Partners their scope to offer such medium investments.
- 8 The Investment Committee and the Executive Board have each reviewed the level of funds held in the three portfolios and this paper reflects the outcome of those discussions.

Four country factors:

- 9 Not applicable for this paper.

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Discussion: Investment Policy

10 Since Council last reviewed the policy in May 2021, the Investment Committee has kept the policy under review. It has discussed the areas below.

The impact of pollution and climate change

11 The policy already gives significant emphasis to environmental, social and governance (ESG) issues as do our investment managers when they are assessing companies for possible investment. We also have a total exclusion for companies where they are primarily engaged in fossil fuel production. We do not, therefore, propose any further specific changes in this respect at this stage.

12 However, the Investment Committee noted that, at paragraph 5.7, the investment policy states that “there is increasing evidence of the threat that pollution and climate change pose to health”. The Committee agrees that there is now clear evidence of the current impact on human health of pollution and climate change, so this statement has been strengthened.

13 The recommended changes are shown as a track changes in **annexe 1**, paragraph 5.7.

Opioid misuse

14 Opioid misuse was raised as an issue to be considered during Council’s discussion of the policy in May 2021. The Investment Committee’s discussion of this was reported in detail to the November 2021 Council (NMC/21/106). In summary, after considering various options, including the exclusion of pharmaceutical companies as a whole or the development of a specific exclusionary list, the Committee concluded no specific exclusion should apply to investing in companies involved in the manufacture or distribution of what is a necessary and, when properly used, beneficial class of drugs.

15 It felt that we can rely on the existing due diligence by Sarasin and Partners to identify and exclude from our investment portfolio any company that is mis-selling opioids.

Description of investment risk appetite

16 Currently the investment policy identifies the NMC’s overall appetite for investment risk as “cautious to balanced” (paragraph 1.15). The investment committee has reflected whether this phrase accurately reflects the approach in practice and whether, given the current volatility within the market, it was comfortable with the risk appetite more broadly and the NMC’s approach to long term investing.

- 17 The Committee concluded that it was comfortable with the current wording and approach. This is particularly in the context of the NMC having a robust financial strategy and an experienced and skilled investment manager.

Impact of investments on registration fees

- 18 One of the overarching aims of the investment policy is to contribute to keeping registration fees affordable and stable over time (paragraph 1.1). The Investment Committee reflected that it would be useful to understand better what this might mean in practice and how and whether this might be explained further in the policy.
- 19 It concluded that the explanation in the policy was appropriate but that it would be helpful to share some of the thinking as to the practical mechanisms. In particular:
- 19.1 Our investments are intended to increase our free reserves through investment income and gains in the value of our investments. This will happen even if income and gains are retained within the investment portfolio.
- 19.2 This increase in free reserves will allow us to invest the increase in improved services or increased efficiency avoiding any call on our registrants for that amount of money. Based on current and forecast cash levels (we currently have about £65 million in cash) we would not actually have to liquidate our investments in order to fund such extra spend.
- 19.3 Based on the original £30 million invested in stocks and shares, if we achieve the long term objective of inflation plus 3 percent a year, that will provide us with an additional £10 million of free reserves (in real terms) over ten years. Over a 20 year period it might be enough to pay for the next refurbishment of 23 Portland Place in (say) 2050.
- 19.4 A £10 million real terms boost to our free reserves over ten years is only fairly small proportion of our income over the same period (of about £1 billion) but is nevertheless a very worthwhile offset to registrants' fees.
- 19.5 Depending on the level of inflation, our £30 million investment also avoids a loss of value as compared to simply leaving our money in a bank. Assuming inflation is in line with the Bank of England target of 2 percent over the long term, we would also avoid a loss of perhaps £5 million over 10 years.

- 19.6 Clearly, if in future we chose to release gains or income by selling investments or remitting cash income to our bank accounts, this will still benefit registrants but will forego future gains and income.

Holdings in Russia or Belarus

- 20 The Investment Committee considered whether any amendment to the policy is required to ensure that no investments are held in Russia or Belarus following the invasion of Ukraine. As noted in its report to March Council (NMC/22/30), the Committee has sought and received assurances from our investment managers that we do not hold direct investments in Russia or Belarus.
- 21 **Recommendation: Council is recommended to agree the proposed amendment to our current investment policy as set out in paragraph 5.7 in annexe 1. This change reflects wording with respect to pollution and climate change.**

Funds allocated to the investment portfolio

- 22 We currently hold about £65 million in cash and have long term investments of about £31 million. The Investment Committee has, therefore, considered whether we should transfer some of that cash to invest more in our long term stock market portfolio.
- 23 In doing so it has taken into account factors including future calls on our cash resulting from our three year corporate plan, our appetite for risk, and the impact on the value of our cash holdings of increased inflation.
- 24 With higher levels of inflation that are likely to be sustained in the short and possibly medium term, the incentive to invest more in the stock market is strong given current levels of devaluing cash that we hold. Although interest paid on deposits has risen (for instance typically to 1.2 percent as compared to 0.6 percent a few months ago for a 95 day notice deposit), this is modest relative to inflation.
- 25 The key potential drawback is that the cash value of investments could continue its recent downward movement (from £32.8 million at 31 March 2022 to £31.1 million to 11 July 2022), despite defensive positions taken by our investment managers to limit falls. In that context, we need to remember that investments are intended to be held for the long term – at least five years – with recovery likely over that period.

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- 26 In that context, our investment managers see no drawback to investing additional funds now as opposed to waiting until later. Their expectation is that they would invest half of any new funds immediately with the balance being invested over one to three months taking advantage of market opportunities.
- 27 We also need to consider our future expected cash levels. With a heavy investment agenda and additional spend on non-recurrent costs such as addressing the high fitness to practise caseload, we will deplete our cash significantly over the next three years. The forecast contained in the business plan agreed by Council in March 2022 (NMC/22/24) showed cash levels to fall from the current £65 million to around £29 million. This increases the proportion of our total cash and investments held in investments and so increases the level of volatility and risk to which we are exposed.
- 28 This fall in cash levels will potentially be increased if inflation continues at a higher level than that anticipated in the forecast in March (which was 5/3/3 percent in each of the three years to March 2025), so reducing our cash and reserves further. Modelling with higher rates is shown in **annexe 2**. Whilst the worst case scenarios show cash reducing significantly, these fall well outside of current Bank of England expectations for inflation, and would be prevented since we would have taken action in order to remain within our reserves policy. As a result, if we keep to our policy of positive free reserves, we would still have sufficient cash in three years' time if we transfer a modest amount from cash to long term investments now.
- 29 On balance, the Committee concluded that we should invest a modest amount more in the stock market (£3 million or 10 percent of the initial investment) on the basis that it will help protect the value of more cash from inflation without unduly increasing our overall risk profile over the next three years. We can revisit whether to invest more in October 2022, following the Council's wider review of our delivery and financial position planned for September.
- 30 **Recommendation: Council is recommended to agree to investing a further £3 million in our investment portfolio in addition to the £30 million previously invested.**

Next Steps

- 31 Subject to the Council's discussion, the proposed amendment to the investment policy will be implemented and we will move £3 million from cash to our long term investment portfolio managed by Sarasin & Partners.

			1.
Midwifery implications:	32	The investment policy already addresses issues relating to infant formula milk in the context of concerns around mis-selling. The previous discussion on opioids took into account their significant value in childbirth. Other issues specific to the midwifery profession have not otherwise been identified.	2.
			3.
Public protection implications:	33	Our ethical policy is significantly focused on considering implications for the public. This applies to specifics such as the exclusion of investment in tobacco producers as well as to wider ESG commitments.	4.
Resource implications:	34	If the recommendations are agreed we will move £3 million from cash deposits to our long term investment portfolio with the objective of better protecting our cash from the impact of inflation. There is no cost to moving the funds although we are subject to a small percentage management by Sarasin & Partners reflecting funds under management. This 0.35 percent for the additional £3 million.	5.
			6.
Equality diversity and inclusion implications:	35	EDI is a key focus of our investment policy and work is in train to increase the EDI challenge to both the policy and the approaches taken by our investment managers.	7.
Stakeholder engagement:	36	Our investment managers have input to this review.	8.
Risk implications:	37	Risk is an explicit part of our investment policy and therefore to be considered as part of this review. If any changes are made their impact on our risk profile will need to be considered.	9.
Regulatory reform	38	No specific implications from regulatory reform have been identified.	
Legal implications:	39	As set out in our investment policy, we must comply with the law and the Charity Commission's guidance on charities' investments, which requires trustees to invest in the best interests of the charity, including the expectation of a financial return. This guidance is due to be updated following a consultation exercise in 2021, but the revised guidance is still awaited. We will review the policy once it is available.	10
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- 40 We comply with the law and Charity Commission guidance by selecting investment managers who are skilled in generating good returns but are also committed to and expert in ethical investment. We also do this through an investment policy that sets reasonable objectives including the level of returns, balanced risk, and an ethical approach that reflects our role and our values. We then evaluate performance against this.
- 41 The amendments proposed to our policy in this paper are in line with this approach.

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Investment policy

1. Statement of investment principles

Financial aims and objectives

- 1.1. Our investment policy follows from our financial strategy and our organisational strategy for 2020-2025. The goals of our financial strategy are to enable the investment we need to deliver our organisational strategy, while also achieving financial sustainability and value for money, for the benefit of registrants and the public, keeping registration fees affordable and stable over time. We will promote trust and confidence in our finances and the value for money we provide through transparency and integrity in our financial conduct.
- 1.2. Our investment policy supports the aim of financial sustainability. We expect that by investing in equities, funds and bonds, we will obtain an above-inflation return over the long term, and thereby avoid or mitigate the need to increase our fees. Therefore we expect that applying part of our cash and reserves in investments will benefit nurses, midwives and nursing associates in the long term.
- 1.3. The overarching objectives for our investments are set out below.

Primary

- 1.4. **Increase real value:** We aim to achieve long term financial sustainability so that our charitable objects can be delivered indefinitely. The primary objective of our investment policy is, therefore, to generate a total return (i.e. a combination of income and growth, net of fees) of 1% above the rate of inflation on a 5 year rolling basis.
- 1.5. **Liquidity and flexibility:** Being a large organisation with substantial operating costs, it is vital that our investment assets provide diversification, flexibility and liquidity to cater for possible changes in our situation and funding requirements.

Secondary

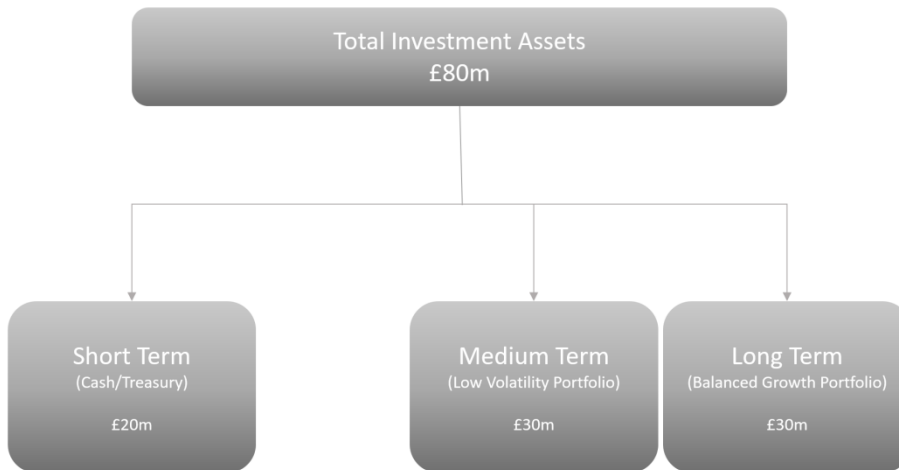
- 1.6. **Income generation:** Investment income represents a small proportion of our overall income, and while we would expect to generate some income from our investments, this should not be at the expense of our primary objectives.

Investment policy and liquidity management

- 1.7. For the purpose of our reserves policy, all investment portfolios will be treated as liquid and therefore part of free reserves.

Investment asset overview

- 1.8. Our investment assets will be broken down into three portfolios, as shown below¹²:



Short-term investment policy

- 1.9. The short-term investment policy is to hold for working capital purposes a portfolio of very low-risk, cash based investments in a target range of one to three months operating costs, the exact amount being decided on a tactical basis. In addition, the funds held in the short term portfolio need to be sufficient to cover planned capital expenditure within three years that will not be covered by fee income.
- 1.10. Further details can be found in section 2.

Medium-term investment policy

- 1.11. This portfolio has been put in place to fund planned expenditure in three or more years that will not be covered by fee income (such as future building renovation projects).
- 1.12. Further details can be found in section 3.

Long-term investment policy

- 1.13. Any capital not required for ongoing operational purposes or planned future projects is to be invested in the long-term portfolio. It is expected that this part of the portfolio will provide the greatest long-term protection against inflation.
- 1.14. It is accepted that these investments will rise and fall during the short term due to investment market volatility.

¹ The value (as at December 2018) and allocation between the three portfolios are indicative only and will change over time, in line with our requirements.

² Note that for the purpose of the investment policy, short term means up to three years, medium term means three to five years, and long term means over five years.

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Investment risk

1.15. Our overall appetite for investment risk is “**Cautious to Balanced**”, as described below:

“A Cautious to Balanced investor is looking for an investment which, while giving some potential for real returns, aims to produce returns that are at least as good as those from a high street deposit account. A high level of security of their capital is a priority. While recognising that investment values will change, they would feel uncomfortable if their investments rose and fell in value very quickly.”

1.16. It is accepted that certain elements of the investment portfolio will differ in risk level when viewed in isolation; however, we aim to ensure that the overall *blended* portfolio remains within this tolerance.

1.17. We understand that all investments carry some form of risk. While we prefer not to make any loss on investments we accept that there is always a possibility that losses may occur.

1.18. We have discussed our tolerance / capacity for loss and agreed that we want to avoid a drop of more than 10% in the nominal value of the overall portfolio over any 12-month period. We understand that there is always a possibility that this amount of loss could be exceeded, which must be considered when deciding on the allocation between the three portfolios.

Ethical and responsible investment

1.19. We seek a constructive and positive engagement with the corporate world. We require that our funds in the medium and long term portfolios are managed in line with our ethical investment policy set out in detail in section 5.

Monitoring and reviewing

1.20. It is important that we continue to monitor our investments to ensure they remain within our policy guidelines.

1.21. There will also be an ongoing requirement to review the valuations of the three portfolios so that (if appropriate) funds can be re-allocated in line with our investment policy. For example, if the value of our short-term cash investments exceeds the required amount, a discussion will take place to determine when this excess should be placed into the medium-term or the long-term portfolio, depending on our projected cash flow needs.

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1.22. The following monitoring policy will be adopted to ensure this is carried out:

What	Who	Frequency	Output
Review suitability of overall investment policy and portfolio allocation	Investment committee	Half yearly (quarterly at least initially)	Report to the Council summarising findings and any proposed action
High level investment performance, policy compliance and suitability review	Investment committee		
Detailed investment performance and suitability review		Annually	
Investment portfolio ethical policy audit			
Investment policy, including ethical policy	Council	Every two years	Revised or confirmed policy
Significant deterioration in the value of any of the investment portfolios will be reported to the Chair of the Investment Committee in line with the Markets in Financial Instruments Directive (MiFID). In summary, this requires investment managers to inform us where the overall value of the portfolio depreciates by 10% compared to the previously reported value no later than the end of the business day in which the threshold is exceeded.			

Charges

1.23. Complete transparency is required for all charges associated with the investment portfolio. This includes, but is not limited to, fund and investment manager fees, transaction costs, investment adviser fees, commissions. A clear statement of all charges applied to the portfolio is required as part of the annual report as well as interim reports.

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2. Short term investment policy

Financial aims and objectives

Primary

- 2.1. **Liquidity:** to maintain sufficient immediately available cash holdings to provide working capital with which to operate on a day to day basis with sufficient contingency to be able to absorb a reasonable level of unexpected cash calls, and to meet planned capital expenditure in less than three years. The maximum term for any fixed term deposits is 24 months.
- 2.2. **Manage risk:** investments in the form of cash deposits are maintained only in appropriately credit rated banks or building societies regulated by the Prudential Regulation Authority. The total placed with any individual bank or building society shall not exceed 40% of the funds within the short term portfolio.

Secondary

- 2.3. **Minimise the impact of inflation on real terms value:** within the restrictions of the primary aims, maximise the income from deposits reflecting market conditions.

Investment risk

- 2.4. Our risk appetite for the short term portfolio is Averse. The short term portfolio will be managed in house, using bank and building society deposits, so as to reduce the risk of capital loss to the lowest level practically possible. There will be zero volatility.
- 2.5. We would expect the level of the short term portfolio to be between one and three months operating costs, so as to cover changes over the year in working capital caused by monthly variations in registrant fee receipts, plus any amounts for additional planned spend (such as major improvement or capital investment projects) falling within three years.

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3. Medium term investment policy

Financial aims and objectives

Primary

- 3.1. **Increase real value:** The targeted total return (income plus capital growth) for this portfolio is CPI + 1% per annum (net of all fees).
- 3.2. **Manage risk / absolute return:** This portfolio will be managed within a low volatility / absolute return framework. This is to reduce the risk of crystallising losses in the event of an unforeseen liquidity requirement.
- 3.3. **Liquidity:** It is important that the underlying investments, although designed to be invested for three or more years, are readily available. We expect to be able make withdrawals from the portfolio at any time and receive the proceeds within 14 days³.

Secondary

- 3.4. **Low correlation to traditional (predominantly stock market based) portfolio:** We aim for the correlation of this portfolio to our long-term portfolio to be as low as it can be without jeopardising our primary objectives.
- 3.5. **Income:** We expect the medium term portfolio to generate dividend and interest income, but income should not be targeted at the expense of our primary objectives.

Investment risk

- 3.6. Our risk appetite for the medium term portfolio is Cautious. The medium term portfolio will be managed with the objective of avoiding a drop of more than 10% in its value on any given anniversary. We understand that all investments carry some form of risk, and we accept that there is always a possibility that losses may occur.
- 3.7. The portfolio will be managed with the objective of achieving low volatility, between 4% and 6%. Volatility is a measure of short term variation of a portfolio's value from its longer term trend. The lower the volatility, the lower the risk.
- 3.8. For clarity, a **Cautious** Investor is looking for an investment where the long-term priority is capital preservation, although acknowledging that the investment could still fall in value. The investment should aim to produce returns that are comparable with those from a high street deposit account, but have the potential for some long-term growth. A Cautious investor would feel very uncomfortable if their investment rose and fell in value very quickly.

³ When the investment policy was first approved in March 2019, the medium term investment portfolio was intended to hold funds set aside for capital projects planned for three or more years in the future. Subsequently, we brought forward our plans for investment in our systems and accommodation to start within three years, so we have not established a separate medium term portfolio, and instead we have held a larger short term portfolio. Once the current cycle of investment in systems and accommodation is completed, we may establish a separate medium term portfolio.

4. Long term investment policy

Financial aims and objectives

Primary

- 4.1. **Increase real value:** The targeted total return (income plus capital growth) for this portfolio is CPI plus up to 3%⁴ per annum (net of all management fees).
- 4.2. **Manage risk:** To pursue a balanced overall long-term risk.

Secondary

- 4.3. **Income:** We expect the long term portfolio to generate dividend and interest income, but income should not be targeted at the expense of our primary objectives.
- 4.4. **Liquidity:** It is important that the underlying investments are relatively liquid. We would expect to be able make withdrawals from the portfolio and receive the proceeds within 30 days.

Investment risk

- 4.5. Given the long-term nature of this portfolio and the lower risk investments held by the charity in the short and medium term portfolios, we are content to take a balanced approach to risk with the regard to the long term portfolio.
- 4.6. However, the long term portfolio will be managed with the objective of avoiding a drop of more than 20% in its value on any given anniversary.
- 4.7. We want to maximise diversification, while ensuring that the primary and secondary aims are achieved. The purpose of this diversification is to maximise opportunities for income and growth, while managing risk and both preserving and developing the capital value of the portfolio.
- 4.8. We will not set a volatility objective for the long term portfolio, but we expect volatility to be typically between 7% to 12%.
- 4.9. For clarity, a **Balanced** Investor is looking for a balance of risk and reward, and while seeking higher returns than might be obtained from cash deposits, recognises that this brings with it a higher level of risk and that the value of their investment may fluctuate in the short term. They would feel uncomfortable if the overall value of their investments were to fall significantly over a short period or if their capital was eroded.

⁴ The target return will be set by the Investment Committee and communicated to the investment managers. The Investment Committee may set a target lower than 3% in order to achieve the appropriate level of risk.

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5. Ethical investment policy

5.1. Our charitable objectives are aligned with our vision which is safe, effective and kind nursing and midwifery, improving everyone’s health and wellbeing.

5.2. Our strategy for 2020-2025 includes the following corporate social responsibility statement:

We are committed to acting responsibly and operating sustainably in all our activities:

- *We conduct ourselves ethically and in line with our values. Our policies outline our commitment to ethical working practices and human rights, such as the Modern Slavery policy and the ethical investment policy.*
- *We champion the values of equality, diversity and inclusion. We value the diversity of the people on our register, those they care for and our NMC colleagues. We believe that equality of opportunity is essential for people to do their jobs well.*
- *We are mindful of the mental and physical wellbeing of the people who use our services, our professions we regulate, and our colleagues.*
- *We recognise the serious impact of the climate and ecological crisis, and its effects on public health in the UK and worldwide. We are committed to acting sustainably, and supporting those working in the health and care sector to do so, particularly in reducing carbon emissions. We recognise that taking meaningful action to protect the environment, and mitigate climate change, will also benefit people’s health and wellbeing.*

We will develop a sustainability plan with clear objectives, which will incorporate how we work as a regulator. This will cover activities such as investment, procurement, travel, energy and waste. Our plan will be available on our website and we will update people on our progress through our annual report.

5.3. Our investments must be consistent with those objectives, with our role as a regulator of health and social care professionals in the United Kingdom, and with our organisational values. At the same time, we must have particular regard to the fact that, while investment returns should help us reduce upward pressure on registrants’ fees, our cash reserves have built up as a result of fees paid in the past by our registrants and must be protected. And we must comply with the law and the Charity Commission’s guidance on charities’ investments, which requires trustees to invest in the best interests of the charity, including the expectation of a financial return.

5.4. Therefore we will select investment managers who are skilled not only in generating good investment returns but are also committed to and expert in ethical investment. We will set an ethical investment mandate that reflects our objectives, our role and our values, and we will monitor the managers’ performance against that mandate.

5.5. Our investment mandate identifies two categories of excluded direct investment: those that are subject to absolute exclusion from our portfolio and those subject to a turnover-based exclusion.

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Category one: absolute exclusion

- 5.6 We exclude all direct investment in companies whose products have an inherent, fundamental conflict with our objectives, role or values. For example, smoking is inherently damaging to health; therefore our investment mandate totally excludes direct investment in companies that produce tobacco or tobacco related products.
- 5.7 There is increasing clear evidence ~~of the threat~~ that pollution and climate change ~~pose are causing damage~~ to health, and of the impact of fossil fuels on both pollution and climate change. Whilst we recognise that hydrocarbon products will remain essential to the delivery of health and other services for many years to come, we exclude direct investment in companies in the Energy Sector, in order to avoid direct investment in companies that generate revenues from fossil fuels.
- 5.8 The absolute exclusions are:
 - Direct investment in any company that produces tobacco or tobacco related products
 - Direct investment in any company that produces pornography; and
 - Direct investment in any company in the Energy⁵ Sector.

Category two: turnover-based exclusion – direct investments

- 5.9 The second category limits our direct investment in companies which are at increased risk of being incompatible with our objectives, role or values. For example gambling is not *inherently and unavoidably* damaging to health, so it is not included in our first category of absolute exclusions. But gambling is likely to be damaging to health if done to excess. Therefore we do not actively *want* to invest in gambling to any significant extent.
- 5.10 On the other hand, reducing our investment risk while maximising our long term returns depends on maintaining a sufficient diversification of our investments. Many companies operate through multiple subsidiaries in a wide range of sectors and markets. Therefore we need to be careful that our ethical investment policy does not exclude companies whose involvement in the given activity, and therefore the risk of conflict with our objectives, role or values, is acceptably small. To achieve an appropriate balance between our financial objectives and our ethical objectives, we apply a turnover-based exclusion: that is, we will not invest in companies who derive more than five percent of their turnover from the products or services which are at increased risk of being incompatible with our objectives, role or values.

⁵ This will be implemented by using Global Industry Classification Standard (GICS), excluding those companies in the Energy Equipment and Services as well as the Oil, Gas and Consumable fuels sectors. These are the two industry groups that make up the Energy Sector

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- 5.11 The turnover-based exclusions are direct investment in any company that derives more than five percent of its turnover from:
- gambling;
 - alcohol;
 - armaments;
 - infant formula milk.

Category three: turnover-based exclusion - indirect investment

- 5.12 When we invest indirectly, for example through a fund or unit trust, the indirect investment vehicle must not hold direct investments in companies that derive more than ten percent of their turnover from producing:
- tobacco;
 - pornography;
 - gambling;
 - alcohol; or
 - armaments.

We do not apply turnover-based exclusions on indirect investment in companies producing infant formula milk, or companies in the Energy Sector, because it would be impractical. Indirect investment vehicles that exclude those sectors are not available.

Review of the ethical investment policy

- 5.13 Our investment policy and performance is reviewed by the Investment Committee, who report back to Council. The investment mandate will be reviewed at least annually by the Investment Committee, who will consider whether there should be changes to the companies or sectors in either of the two categories, or changes in the exclusions for indirect investment. With respect to the policy on the energy sector in particular, as well as exclusions being reviewed at least annually, the exclusions will be reconsidered if the investment manager, between annual reviews, presents a strong case to invest. The case to accept such investment would need to show, in relation to the proposed investment, evidence of compliance with the Paris Agreement, and a share price which was low enough to warrant investment.

UNPRI

- 5.14 In addition to this there is an expectation that each manager can demonstrate due regard to the Principles of Responsible Investment supported by the United Nations (www.unpri.org) and preferably be signatories.
- 5.15 The initiative consists of an international network of investors working together to put the six principles for responsible investments into practice. Its goal is to understand the implications of sustainability issues for investors and support signatories to incorporate these into their investment decision-making and ownership practices. By implementing the principles, signatories contribute to the development of a more sustainable financial system.

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5.16 The six principles state:

- We will incorporate environmental, social and corporate governance (ESG) issues into investment analysis and decision-making process.
- We will be active owners and incorporate ESG issues into our ownership policies and practices.
- We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- We will promote acceptance and implementation of the Principles within the investment industry.
- We will work together to enhance our effectiveness in implementing the Principles.
- We will each report on our activities and progress towards implementing the Principles.

5.17 In accordance with our corporate social responsibility statement, we expect our investment managers to actively apply the UNPRI. We want to use our influence as investors to promote ethical working practices, respect for human rights, and equality, diversity and inclusion within the companies in which we invest. We seek to invest in companies that have environmental strategies that are consistent with the Paris Agreement’s central aim of keeping the 21st century global temperature rise well below two degrees Celsius. Where these strategies do not exist we will use active ownership through our investment managers to drive change. We will review the ESG performance of our portfolio alongside the financial performance of the portfolio.

DRAFT

Modelling to illustrate the potential impact of inflation on reserves and cash

Issue

1. Initial analysis to consider the potential impact of inflation on our future years' indicative budgets including our cash position.

Context

2. In considering whether to invest further in the stock market, a key determinant is the availability of cash in the future. After we have transferred cash to stock market investments, we need to maintain sufficient cash, not only to meet liabilities as they fall due, but to act as a buffer so we can deal with unforeseen events.
3. Maintaining cash also helps stabilise our balance sheet position since it provides a counter to the level of volatility and risk inherent in stock market investments. If we do ever anticipate the need to sell some of our investments, maintaining enough cash also enables us to choose when to sell so we can do so at an advantageous time, rather than at a 'forced sale' price.

Discussion

4. The first summary in the table below shows what was seen by Council in March 2022 when it approved the budget for 2022-2023. The budget and indicative budgets broadly assumed inflation of 5 percent in 2022-2023 and of 3 percent a year in each of 2023-2024 and 2024-2025
5. Inflation as measured by the CPI is currently over 9 percent and expected to rise to over 10 percent in the autumn, although to decline subsequently. The latest Bank of England expectation (set out in June 2022 in its inflation letter to the Chancellor) is that inflation will fall back to "a little above 2 percent in two years' time".
6. We have conducted some initial high level flexing of budgets to assess the potential impact of higher inflation on our future financial position. This assumes three different scenarios for levels of inflation in each of 2023-2024 and 2024-2025 of 5 percent, 7.5 percent, and 10 percent.
7. The flexing is not applied to income, so the assumption is that the annual fee for each registrant remains at its current level of £120 and that the numbers of registrants remains in line with that assumed in the budget agreed in March.
8. We have not adjusted spend in 2022-2023 since the assumption of 5 percent, at a point nearly one third through the financial year, appears reasonable for our cost base including salaries. Unit costs for many of our contracts are fixed at least in the short term, although we appreciate that there is likely to be upward pressure later in the year.

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9. The impact of the various flexes are shown in the tables below. As is to be expected, the higher rates of inflation produce higher deficits and result in progressively lower free reserves and cash. In all scenarios we have positive free reserves and cash/investments at the end of 2023-2024.

10. Looking ahead to the end of 2024-2025, free reserves could drop below the minimum level agreed by Council for the two higher inflation scenarios, in which case we would need to take action to either reduce costs or increase income. Cash, whilst still positive, is quite low particularly in the highest inflation scenario and would, in practice, require us to sell some of our stock market investments to boost it to a safer level. Our investments are assumed simply to maintain about their current value with growth shown coming only from income.

Budget agreed on 30 March 2022* £million	2022-23	2023-24	2024-25
Income ^	96.5	98.4	100.6
Spend (excl capital spend)	106.6	107.8	105.5
Net income	(10.1)	(9.4)	(4.9)
Free Reserves	31.5	16.6	9.7
Cash	49.6	35.3	29.3
Investments	32.5	33.1	33.7
Flex with 5% pa cost increase** £million			
Income ^	96.5	98.4	100.6
Spend (excl capital spend)	106.6	110.5	111.6
Net income	(10.1)	(12.1)	(11.0)
Free Reserves	31.5	13.8	1.3
Cash	49.6	32.5	20.8
Investments	32.5	33.1	33.7
Flex with 7.5% pa cost increase** £million			
Income ^	96.5	98.4	100.6
Spend (excl capital spend)	106.6	113.1	116.8
Net income	(10.1)	(14.7)	(16.2)
Free Reserves	31.5	11.2	(9.2)
Cash	49.6	29.9	10.3
Investments	32.5	33.1	33.7
Flex with 10% pa cost increase** £million			
Income ^	96.5	98.4	100.6
Spend (excl capital spend)	106.6	115.7	122.0
Net income	(10.1)	(17.3)	(21.4)
Free Reserves	31.5	8.6	(17.0)
Cash	49.6	27.3	2.5
Investments	32.5	33.1	33.7
Notes: * budget included 5/3/3% provision for inflation			
** inflation is applied to 90% of non pay costs and 100% of pay costs			
^ Income is the same as budgets agreed in March 22			

Council

Fitness to Practise Panel Chairs and Members: appointments, transfers and removals

Action: For decision

Issue: To make the approvals in respect of the appointment, transfer and removal of Panel Members as required by the NMC Rules.

Core regulatory function: Professional Regulation

Strategic priority: Strategic aim 6: Fit for the future organisation

Decision required: The Council is invited to accept the recommendations of the Appointments Board to:

- appoint the 48 individuals listed at Annexe 1 to serve as Panel Chairs of the Fitness to Practise Committee for the period 27 July 2022 to 26 July 2026 (paragraph 9);
- appoint the 21 Panel Members listed in Annexe 2 to hear registration appeals, to run concurrently with their appointment to the Practice Committees (paragraph 13);
- transfer the Panel Member from the Fitness to Practise Committee to the Investigating Committee as listed in Annexe 2 (paragraph 16); and
- approve the removal of two Panel Members listed at Annexe 2 who have resigned from the Practice Committees (paragraph 19).

Annexes: The following annexes are attached to this paper:

- Annexe 1: Appointment of Fitness to Practise Panel Chairs
- Annexe 2: Recommendation of appointments, transfers and removals

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

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Context:

- 1 At its meeting on 13 July 2022, the Appointments Board considered:
 - 1.1 the appointment of 48 individuals to serve as Panel Chairs on the Fitness to Practise Committee following an external recruitment campaign;
 - 1.2 the appointment of 21 Panel Members to hear registration appeals, with such appointment to run concurrently with their appointment to the Practice Committees;
 - 1.3 the transfer of a Panel Member from the Fitness to Practise Committee to the Investigating Committee; and
 - 1.4 the resignations of two Panel Members.
- 2 The Board made a series of recommendations to Council on the above items which are outlined in this paper.

Four country factors:

- 3 The external selection campaign for Panel Chairs was open to applicants from all four countries of the UK to ensure that membership of the Practice Committees is representative of the UK population and the professions.
- 4 The four country profile of the individuals who are being recommended for appointment as Panel Chairs in this paper is as follows: 85.42 percent are based in England, 4.17 percent in Northern Ireland, 6.25 percent in Wales and none in Scotland.

Discussion:

Appointment of Panel Chairs

- 5 In March 2022 the Appointments Board approved the selection and appointment methodology and process for an external campaign to appoint additional Panel Chairs to the Practice Committees.
- 6 We received 112 applications for the Panel Chair role, 83 of which were then invited to take part in a values based interview, conducted by senior NMC employees and assessors from our external appointment partner.
- 7 Following interviews, 58 candidates were asked to attend an assessment centre where they completed a group scenario and individual written exercise. This process was designed to ensure applicants were assessed against the core competencies and behaviours for Panel Members.

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8 48 applicants met the required standard and were considered by the Appointments Board at its meeting on 13 July 2022. The Board was satisfied with the selection process and the quality of the 48 candidates. The Board recommends to Council the appointment of the 48 successful individuals to serve as Panel Chairs on the Fitness to Practise Committee.

9 **Recommendation: The Council is invited to accept the Appointments Board's recommendation to appoint the individuals listed at Annexe 1 as Panel Chairs of the Fitness to Practise Committee.**

Appointment to hear registration appeals

10 At its meeting in September 2021, the Appointments Board agreed to extend the remit of the Investigating Committee to hear registration appeals.

11 The 21 individuals listed at Annexe 2 are members of the Investigating Committee who have confirmed they would be willing to hear registration appeals.

12 At its meeting on 13 July 2022 the Appointments Board reviewed and were satisfied with the performance data of these 21 Investigating Committee Panel Members.

13 **Recommendation: The Council is invited to accept the recommendation of the Appointments Board to appoint the 21 Panel Members listed in Annexe 2 to hear registration appeals, to run concurrently with their appointment to the Practice Committees.**

Transfer of a Panel Member between Practice Committees

14 Due to a change in their professional commitments, one Panel Member of the Fitness to Practise Committee has requested to be transferred to the Investigating Committee for the remainder of their term of appointment.

15 The Appointments Board considered this request at its meeting on 13 July 2022, including the performance data for the Panel Member and concluded that they continue to meet the standards of the performance framework and therefore agreed to recommend the transfer request.

16 **Recommendation: The Council is invited to accept the recommendation of the Appointments Board to transfer the Panel Member listed at Annexe 2 to the Investigating Committee.**

Removal of Panel Members

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- 17 Rule 9 of the Nursing and Midwifery Council (Practice Committees) (Constitution) Rules 2008 sets out the reasons where a Panel Member shall be removed from office by the Council. This includes a Panel Member resigning or where they have been appointed on the basis of being a professional on our register, and their registration lapsing.
- 18 We have received resignations from two Panel Members and these were presented to the Appointments Board at its meeting on 13 July 2022. The Board noted the information and has recommended that the Council remove these Panel Members from the Practice Committees.
- 19 **Recommendation: The Council is recommended to approve the removal of the Panel Members listed at Annexe 2 from the Practice Committees.**
- Midwifery implications:** 20 There is no requirement for Panel Chairs to be registrants, whether that is nurses, nursing associates, midwives or dual registered. There are currently two midwives who are Panel Chairs and 23 midwives serving as Panel Members on the Fitness to Practise Committee.
- 21 We retain a sufficient number of midwives within our Panel Member pool to ensure sufficient representation of the profession on our Practice Committee panels.
- Public protection implications:** 22 Panel Chairs and Panel Members are required to make decisions at Practice Committee events that protect the public.
- 23 Panel Members hear registration appeals to ensure people are correctly admitted to the register and therefore eligible to provide nursing and midwifery care to the public.
- Resource implications:** 24 No direct resource implications. The costs for Panel Member recruitment campaigns and administration of Panel Member appointments are included in existing budgets.
- Equality diversity and inclusion implications:** 25 The publicity campaign for the Panel Chair recruitment process was designed to engage with a more diverse range of applicants.
- 26 We advertised the role across a broad range of media outlets to attract applicants from different backgrounds including national newspapers (online), regional publications in Scotland, Northern Ireland and Wales and trade press.

- 27 We also advertised through a diversity network that included adverts on Ethnic Jobsite, Diversity Jobsite, Asian Jobsite, Disability Jobsite, Disability Network and LGBT Jobsite. Further adverts were placed on the Black History Month website, The Voice and executive recruitment websites such as NEDonBoard, Women on Boards and Virtual Non Execs.
- 28 Diversity impacts were considered at each selection point in the process and there is no indication that the process resulted in any adverse equality and diversity implications.
- 29 We will see the following changes to the diversity of the Panel Member pool if the 48 individuals at Annexe 1 are appointed:
- 29.1 An increase of 2.57 percent of male Panel Members and decrease of 2.47 percent female Panel Members.
- 29.2 22.92 percent of those recommended for appointment are from a Black and minority ethnic background. If the recommended appointments are made, 14.92 percent of the total Panel pool will be from a Black and minority ethnic background, which is 0.29 percent increase.
- 29.3 4.17 percent of those recommended for appointment identified as lesbian, gay or bisexual (LGB) (12.50 percent elected not to state their sexual orientation). If the recommended appointments are made, 5.07 percent of the total Panel pool will identify as LGB, which would be a small decrease from the previous proportion of 5.22 percent.
- 29.4 8.33 percent of those recommended for appointment told us they have a disability. If the recommended appointments are made, the overall percentage of the total Panel pool with a disability would be 13.13 percent, a slight decrease from 13.93 percent.
- 29.5 53.13 percent of our total Panel pool will be under the age of 55 compared with 40.29 percent over the age of 55.
- 30 As part of our review of this selection campaign, we will be working with our recruitment partner to understand how we can continue to work to diversify our Panel pool through future campaigns.
- 31 There are no direct equality, diversity and inclusion implications as a result of the appointments to hear registration appeals, transfers between committees or resignations.

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Stakeholder engagement:	32	We engaged with existing Panel Members to encourage applications for the Panel Chair role. No applications were received from the existing pool of Panel Members.	3.
	33	We have engaged with the 21 Panel Members to be appointed to hear registration appeals and all have confirmed they wish to be hear registration appeal matters.	4.
	34	We have also engaged with the Panel Member at Annexe 2 who wishes to be transferred between the Practice Committees.	5.
Risk implications:	35	The campaign brief for the external Chair recruitment was to appoint between 30 – 40 new Panel Chairs in order to meet forecasted adjudication activity from October 2022. The campaign has resulted in 48 candidates being eligible for appointment which removes the previously identified risk that we would not have enough Panel Chairs to meet Fitness to Practise caseload reduction activity levels.	6.
		Failure to appoint sufficient Panel members and Panel Chairs will prevent the NMC from sustaining current and future hearings activity. The recommendations in this paper removes that risk.	7.
Regulatory reform:	36	There are no direct implications as a result of the activity within this paper.	8.
	37	We are involved in discussions about the Regulatory Reform changes with the Regulatory Reform team and how these may impact on Panel Members in the future.	9.
Legal implications:	38	Rule 7(1) of the NMC (Practice Committees) (Constitution) Rules 2008 states: “The Council shall appoint, from amongst the members of each of the Practice Committees, persons to act as Chairs of the committee of which they are a member (‘Panel Chairs’).”	10
	39	We have received legal advice that despite Rule 7(1), we are able to recruit external Chairs as the purpose of this rule is to ensure that Panel Chairs are also members of a Practice Committee (and, therefore, appropriately appointed and subject to the other rules – such as provisions for terminating appointment), and not to prevent us from recruiting Chairs externally as previously advised.	11.
	40	Therefore, there is no legal reason why individuals cannot be simultaneously appointed as a member of a Practice Committee and a Panel Chair under Rule 7(1).	12
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- 41 Rule 25(1) of the Nursing and Midwifery Council (Education, Registration and Registration Appeals) Rules 2004 provides that registration appeals shall be considered by Appeal Panels appointed by the Council for that purpose.
- 42 The Nursing and Midwifery Council (Practice Committees) (Constitution) Rules 2008 sets out the reasons where a Panel Member shall be removed from office by the Council, including when a Panel Member resigns.

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Council

Appointment of Fitness to Practise Panel Chairs

1. Table one sets out the successful candidates the Appointments Board have recommended the Council appoint to the role of Panel Chair of the Fitness to Practise Committee for the period 27 July 2022 to 26 July 2026.

Table 1

	Name	Lay/Registrant
1	Susan Ball	Registrant
2	Simon Banton	Lay
3	Zaiada Bibi	Lay
4	Adrian Blomefield	Lay
5	Rachel Carter	Registrant
6	Konrad Chrzanowski	Lay
7	Rachel Cook	Lay
8	Catherine Devonport	Lay
9	Shaun Donnellan	Lay
10	Peter Fish	Lay
11	Ashwinder Gill	Lay
12	Mark Gower	Lay
13	Paul Grant	Lay
14	Alan Greenwood	Lay
15	Louise Guss	Lay
16	Sean Hamilton	Lay
17	Marnie Hayward	Lay
18	Georgie Hill-Jones	Lay
19	Rebecca Holyhead	Lay
20	Pamela Johal	Lay
21	Caroline Jones	Registrant
22	Francesca Keen	Lay
23	John Kelly	Lay
24	Elliott Kenton	Lay
25	Jane Kilgannon	Lay
26	Birju Kotecha	Lay
27	James Lee	Registrant
28	Michelle Lee	Registrant
29	Phil Lowe	Lay
30	Sarah Lowe	Lay

31	Michelle McBreeze	Lay
32	Des McMorrow	Registrant
33	Wayne Miller	Lay
34	Anne Ng	Lay
35	Christine Nwaokolo	Lay
36	Paul O'Connor	Lay
37	Geraldine O'Hare	Lay
38	Rachel Onikosi	Lay
39	Linda Owen	Lay
40	Tanveer Rakhim	Lay
41	Rachel Robertson	Lay
42	Caroline Rollitt	Lay
43	Nicholas Rosenfeld	Lay
44	Museji Takolia	Lay
45	Susan Thomas	Lay
46	Ini Udom	Lay
47	Vicki Wells	Registrant
48	Richard Weydert-Jacquard	Registrant

Council

Recommendation of appointments, transfers and removals

Table 1 details the Panel Members the Appointments Board have recommend the Council appoint to hear registration appeals.

Table 1

	Panel Member	Committee	Term	Appointment date	Reappointment date	Chair?	Lay/Registrant
1	Angela Williams	IC	First	07/07/2021	06/07/2025	Y	Lay
2	Anne-Marie Borneuf	IC	First	07/07/2021	06/07/2025	N	Registrant
3	Cheryl Hobson	IC	First	07/07/2021	06/07/2025	N	Lay
4	David Brown	IC	First	07/07/2021	06/07/2025	N	Lay
5	Dee Rogers	IC	First	07/07/2021	06/07/2025	N	Lay
6	Gary Tanner	IC	First	07/07/2021	06/07/2025	Y	Lay
7	Helen Hughes	IC	First	07/07/2021	06/07/2025	N	Registrant
8	Debbie Holroyd	IC	First	07/07/2021	06/07/2025	N	Registrant

9	Jenny Gough	IC	First	07/07/2021	06/07/2025	N	Registrant
10	Katriona Crawley	IC	First	07/07/2021	06/07/2025	Y	Lay
11	Louise Geldart	IC	First	07/07/2021	06/07/2025	N	Lay
12	Martha Crossley	IC	First	07/07/2021	06/07/2025	N	Registrant
13	Melanie Tanner	IC	First	07/07/2021	06/07/2025	N	Registrant
14	Michael Lupson	IC	First	07/07/2021	06/07/2025	N	Lay
15	Neil Calvert	IC	First	07/07/2021	06/07/2025	N	Lay
16	Noreen Quraishi	IC	First	07/07/2021	06/07/2025	N	Lay
17	Sandra Norburn	IC	First	07/07/2021	06/07/2025	N	Lay
18	Sarah Hamilton	IC	First	07/07/2021	06/07/2025	Y	Lay
19	Sarah McAnulty	IC	First	07/07/2021	06/07/2025	N	Lay
20	Simon Shevlin	IC	First	07/07/2021	06/07/2025	N	Lay
21	Tasneem Dhanji	IC	First	07/07/2021	06/07/2025	N	Lay

Table 2 details the Panel Members the Appointments Board are recommending the Council be transferred to the Investigating Committee from the Fitness to Practise Committee.

Table 2

	Name	Date of appointment	Term	Registrant or Lay	Chair?
1	Matthew Burton	07/07/2021	First	Lay	No

Table 3 below lists the Panel Members who have resigned since February 2022 and need to be removed from the Practice Committees as recommended to the Council by the Appointments Board.

Table 3

	Name	Date resignation effective from	Committee
1	Emily Fraser-Mckenzie	15/02/2022	Fitness to practise committee
2	Jacqueline Lambert	18/02/2022	Fitness to practise committee

Council

Appointments Board annual report to Council 2021–2022

Action:	For discussion.
Issue:	Report to the Council on the work of the Appointments Board during 2020–2021.
Core regulatory function:	Supporting functions.
Strategic priority:	Strategic aim 6: Fit for the future organisation
Decision required:	None.
Annexes:	None.
Further information:	If you require clarification about any point in the paper or would like further information please contact the author below.

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Chair of Appointments Board:
Jane Slatter

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Context:

- 1 The Appointments Board is a Committee of the Council. Its remit is to assist the Council in connection with the exercise of any function or process relating to the appointment of Panel Members and Legal Assessors to the Practice Committees and the appointment of Panel Members to the Registration Appeals Panel.
- 2 The primary focus of the Board’s work is to ensure that effective arrangements are in place for the selection and appointment, training and performance management of Practice Committee members (Panel Members), Legal Assessors and Registration Appeal Panel Members.
- 3 The Board’s Terms of Reference require it to “report annually to the Council on the Appointments Board’s activities, including an assessment of compliance with, and effectiveness of, the policies in place.”
- 4 2021-2022 was a busy year for the Board. As well as four scheduled meetings, the Board held three special meetings: in April 2021 on the Panel Member selection exercise; in May 2021 to decide Panel Member and Legal Assessor fee changes; and in November 2021 on the Panel Chair selection exercise. The Board also took a decision by correspondence in June 2021 on recommending candidates for appointment as Panel Members.
- 5 All meetings were held virtually, with the exception of the March 2022 meeting, which was the Board’s first in person meeting since March 2020, and the July 2022 meeting. The Board was pleased to welcome Tracey MacCormack, Council Associate to its meeting on 23 June 2021 and the Chair of Council to its meeting on 8 September 2021.

Key issues covered in this report

- 6 The Board’s anticipated key areas of focus for 2021-2022 were set out in the Board’s 2020-2021 Annual report to Council. The Board’s progress against these areas is reported as follows:
 - 6.1 Review of the 2021 Panel Member selection and appointment campaign (paragraphs 17 to 19).
 - 6.2 Ensuring that any new Panel Members are properly inducted and trained (paragraphs 21 to 22).
 - 6.3 Approval of the annual Panel Member training programme for 2022-2023 (paragraph 23).

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- 6.4 Appointment of Panel Chairs (paragraphs 24 to 26).
- 6.5 Preparation for the selection and appointment of new Legal Assessors (paragraph 27).
- 6.6 Review of the Panel Member Services Agreement (paragraph 29).

- 7 This report also covers:
 - 7.1 The Board’s membership and effectiveness (paragraphs 9 to 13).
 - 7.2 The integration of the Board with the wider work of the Council (paragraphs 14 to 16).
 - 7.3 Oversight of complaints about Panel members (paragraph 30).

Four country factors: 8 The Board is mindful that the NMC is a four country regulator and seeks to reflect this in its programme of work.

Discussion: Board membership and effectiveness

- 9 The Board's membership is made up entirely of non-Council (partner) members to ensure an appropriate separation of the Board's work from that of the Council.
- 10 In June 2021 the Chair and a member of the Board were reappointed to serve a second three year term from August and October 2021 respectively. The reappointments were made following a robust process assessing performance and commitment to our values.
- 11 One member of the Board’s final term comes to an end on 31 August 2022. The Remuneration Committee has approved an open, competitive selection exercise, to fill the vacancy with a focus on increasing the diversity of the Board.
- 12 Current membership comprises:
 - 12.1 Jane Slatter (Chair) (appointed 6 August 2018, reappointed 6 August 2021)
 - 12.2 Robert Allan (appointed 1 October 2018, reappointed 1 October 2021)

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- 12.3 Angie Loveless (appointed 1 March 2018, reappointed 1 March 2021)
- 12.4 Frederick Psyk (appointed 1 September 2016 and reappointed 1 September 2019)
- 12.5 Clare Salters (appointed 1 March 2018, reappointed 1 March 2021).
- 13 The Board undertook an annual effectiveness review in July 2022. Actions to improve effectiveness further were agreed including ensuring the Board continues to focus on strategic oversight rather than operational detail; strengthening collaborative working with the Executive; and ensuring that the Board’s work programme more closely aligns with its meeting schedule.

Integration with the wider work of Council

- 14 The Board remains committed to ensuring that its work is aligned with the Council’s strategic aims, including the corporate plan 2022-2025 and the corporate priority to reduce the fitness to practise caseload.
- 15 Members of the Board have continued to attend Open Council meetings and feed back to the Board at its meetings. The Chair of the Board met regularly with the Chair of Council and also attended a meeting of the Audit Committee.
- 16 The Board continues to receive updates on organisational developments, including: the Fitness to Practise Improvement programme; learning lessons for improving handling of discrimination cases; the Corporate Plan 2021-2022 and the EDI Plan 2021-2025. The Board is also sighted on the indicative timetable for Regulatory Reform and is receiving updates on developments.

Learning from previous selection exercises

- 17 The Board oversaw a selection exercise from January 2021 to June 2021, culminating in the appointment by the Council of 82 Panel Members in July 2021. Approximately 17 percent of candidates appointed are from Black and minority ethnic backgrounds.

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- 18 The Board carried out a review to identify any learning for future campaigns and considered an in depth diversity analysis of each stage of the process. Key learning included potential actions to increase the number of applicants from diverse backgrounds; and the need for the Board to have sufficient assurance on the quality of candidates to make a decision on whether to recommend appointment. Learning identified will be used to inform the delivery of future selection processes.
- 19 The Board has also taken into account learning from the internal Panel Chair selection process undertaken in 2021 and from the Serious Event Review of the erroneous appointment of a Panel Member who was not eligible for appointment (having already served two terms). The Council formally revoked the appointment in January 2022.

Equality Diversity and Inclusion monitoring information

- 20 The Board has expressed concerns over the past two years in relation to the NMC’s approach to equality, diversity and inclusion monitoring, specifically that it should include reporting on sex, as a protected characteristic under the Equality Act 2010. The Board noted that the Executive is undertaking further work to inform a review of policy in this area and looks forward to an update on the outcome of this work.

Training and induction of Panel Members

- 21 The Board continues to be mindful of the importance of effective training for Panel Members to ensure they have the knowledge and skills to make robust, consistent and proportionate decisions which protect the public and maintain confidence in the nursing and midwifery professions. The Board is committed to ensuring that this encompasses the NMC’s values and behaviours and reflects the organisation’s commitment to equality, diversity and inclusion.
- 22 The Board has maintained strategic oversight of training for Panel Members, including the induction training programme for the 81 new Panel Members appointed in July 2021 and refresher training for existing Panel Members. The Board continues to monitor training uptake and has taken steps to ensure that Panel Members complete their mandatory annual refresher training. The Board looks forward to hearing the outcome of further work by the Executive to understand drivers in relation to completion/non-completion of e-learning.

- 23 The Board approved the Panel Member training programme for 2022-2023 which includes an enhanced equality, diversity and inclusion training module, following the lessons learned from the review of handling of discrimination cases.

Panel Chair selection processes

- 24 The selection of Panel Chairs has been a major focus for the Board, with the Board overseeing two selection processes – the first open only to existing Panel Members and the second open also to external applicants. The Board reviewed various aspects of both processes, including application; assessment and interviews. At each stage an equality impact assessment has been carried out to ensure no significant negative impact on groups with protected characteristics.
- 25 At its November 2021 meeting, the Council accepted the Board’s recommendation to appoint 34 individuals as Panel Chairs, following the selection process from within the existing Panel Member pool. The number of applications was lower than anticipated, with the number of Panel Chairs recommended for appointment falling short of the target of 56.
- 26 The shortfall led to the Board overseeing an external selection exercise for further Panel Chairs, culminating in recommendations for the appointment of 48 Panel Chairs being submitted to Council at this meeting in a separate paper.

Preparation for the selection and appointment of new Legal Assessors

- 27 In line with the NMC’s commitment to being a diverse and inclusive regulator, the Board is overseeing work to prepare for a selection process in 2023 for new Legal Assessors to join the existing pool. This has included a diversity analysis of the current pool and an assessment of the challenges and barriers to increasing diversity

Panel Member appointments, transfers and removals

- 28 The Board has made recommendations to Council on the appointment of Panel Members to hear Registration Appeals and transfers between the Practice Committees. Before recommending any appointments or transfers, the Board ensures that Panel Members are meeting performance requirements, undertaking the necessary training, and have no outstanding complaints against them. The Board has also put forward removals from the Practice Committee lists and informed Council of removals from Legal Assessor lists.

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Panel Member Services Agreement

29 The Panel Member Services Agreement (PSMA) is the contract that governs Panel Member services and includes a Code of Conduct. The Board has completed a light touch review of elements of the PMSA. A fuller review will take place pending further consideration by the Executive of the future relationship with Panel Members.

Complaints against Panel Members

30 The Board has a standing item on its agenda at each meeting to ensure that it maintains high level oversight of all open complaints against Panel Members. This allows the Board to monitor the number of Panel Members not being allocated to hearings and the effect on Committee capacity.

Whistleblowing concern

31 The Board has continued to monitor an action plan developed by the Executive in response to concerns raised by a Panel Member which were addressed using our Whistleblowing policy. This helped inform a range of work to strengthen our approach to equality, diversity and inclusion.

32 The action plan included asking all Panel Members and Legal Assessors to take part in a survey to gather feedback on their experiences. Through this work, several areas for improvement were identified including the need to provide more extensive EDI training and to increase visibility and awareness on how to raise a concern.

Future focus

33 The Board’s focus for 2022-2023 is:

33.1 Continuing to ensure sufficient Panel Chairs and Panel Members are in place to support the reduction of the fitness to practise caseload, making high quality decisions that protect the public.

33.2 Review of progress against the three year strategy for delivering high quality panels (approved by the Board in December 2019) against success measures agreed in September 2020.

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		33.7	6.
Midwifery implications	34	No direct implications for midwifery. The Panel Member pool includes registered midwives.	7.
Public protection implications:	35	Successful implementation of the three year strategy for delivering high quality Panel Members will ensure that Panel Members make high quality decisions that protect the public and maintain public confidence in the NMC.	8.
Resource implications:	36	Panel Members are required to make decisions that protect the public. The Board must ensure that we have sufficient Panel Chairs and Members to undertake planned hearings activity.	9.
Equality and diversity implications:	37	The approved three year strategy for delivering high quality Panel Members which includes the following objectives in relation to equality, diversity and inclusion:	10
	37.1	Ensuring the membership of the practice committees reflects the professions we regulate and the wider UK population.	11.
	37.2	Ensuring Panel Members are equipped with the necessary knowledge and training to ensure equality, diversity and inclusion matters are understood, supported and well managed.	12
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Stakeholder engagement: 38 None arising directly from this paper.

Risk implications: 39 If we do not have high quality panels there is a risk that panels will not make decisions which protect the public and maintain public confidence in the effective regulation of the NMC.

40 The Board has approved a strategic approach to delivering high quality panels which mitigates this risk.

Regulatory reform 41 The Board continues to be sighted on developments in relation to Regulatory Reform, receiving an update from the Director of Strategy and Insight in December 2021 and July 2022.

Legal implications: 42 None.